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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
## Members of the Senate

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

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

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

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

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

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<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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<td>Minister for Employment Participation</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>Parliamentary Secretary for Defence Procurement</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
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SHADOW MINISTRY

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

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

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

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

Shadow Assistant Treasurer
The Hon Tony Smith MP

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

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

Shadow Minister for Housing and Local Government
Mr Scott Morrison

Shadow Minister for Ageing
Mrs Margaret May MP

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

Shadow Minister for Veterans
Mrs Louise Markus MP

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

Shadow Minister for Justice and Customs
The Hon Sussan Ley MP

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

Shadow Parliamentary Secretary for Northern Australia
Senator the Hon Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

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

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

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

Shadow Parliamentary Secretary for Water Resources and Conservation
Mr Mark Coulton MP

Shadow Parliamentary Secretary for Health Administration
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence
The Hon Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator the Hon Brett Mason

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

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

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


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Thursday, 12 February 2009

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

CONDOLENCES

Mr Neil McNeill

The PRESIDENT (9.30 am)—It is with deep regret that I inform the Senate of the death on 8 February 2009 of Neil McNeill, a member of the House of Representatives for the division of Canning, Western Australia, from 1961 to 1963.

BUSINESS

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.31 am)—I seek leave to move a motion to vary the routine of business for today. What it relates to, as I understand it, is what was agreed to by the whips. There are four parts to the motion. One is to deal with questions without notice and motions to take note of answers today, which is question time. The second is that the consideration of general business and consideration of committee reports and suchlike will not be proceeded with. The third is that the routine of business from not later than 3.45 pm shall be government business only. The final point is that divisions may take place after 4.30 pm today.

In response to Senator Parry, the government business relates to the stimulus package today.

Question agreed to.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows:

Live Animal Exports

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

This petition of undersigned citizens of Australia calls on the Australian government to end the export of live animals from Australia to the Middle East.

Australia has laws—based on community expectation—to protect the welfare of animals. It is therefore ethically and morally unacceptable to export Australian animals long distances to countries where they will endure practices and treatment that would be unacceptable or illegal in Australia.

We the undersigned therefore call on the Australian government to end this trade and, in so doing, restore Australia’s reputation as a compassionate and ethical nation.

by Senator Siewert (from 6,230 citizens)
Live Animal Exports
To the Honourable President and Members of the Senate in the Parliament assembled:

This petition of undersigned citizens of Australia calls on the Australian government to end the export of live animals from Australia to the Middle East.

We the undersigned therefore call on the Australian government to end this trade and, in so doing, restore Australia’s reputation as a compassionate and ethical nation.

by Senator Siewert (from 1,161 citizens)

Live Animal Exports
To the Honourable President and Members of the Senate in the Parliament assembled.

This petition of undersigned citizens of Australia calls on the Australian government to end the export of live animals from Australia to the Middle East.

Australia has strict laws to protect the welfare of animals - based on sound scientific research and community expectation. It is therefore ethically and morally unacceptable to export Australian animals long distances to countries where they will endure practices and treatment that would be unacceptable or illegal in Australia.

We the undersigned therefore call on the Australian government to end this trade and in doing so restore Australia’s reputation as a compassionate and ethical nation.

by Senator Siewert (from 1,030 citizens)

Petitions received.

NOTICES

Presentation

Senator Williams to move on 11 March 2009:

That a joint select committee, to be known as the Joint Select Committee on Banking and Financial Practices, be established to inquire into and report on banking and financial practices in Australia.

Withdrawal

Senator WORTLEY (South Australia) (9.34 am)—Following the receipt of a satisfactory response, on behalf of the Standing Committee of Regulations and Ordinances, I give notice that on the next day of sitting I shall withdraw business of the Senate notice of motion No. 1, standing in my name for 14 days after today, for the disallowance of Accounting Standards AASB 2008-10, made under section 334 of the Corporations Act 2001. I seek leave to incorporate in Hansard the committee’s correspondence concerning this instrument.

Leave granted.

The document read as follows—

Accounting Standard AASB 2008-10
27 November 2008
Senator the Hon Nick Sherry
Minister for Superannuation and Corporate Law
Suite M1.46
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to following Accounting Standards made under section 334 of the Corporations Act 2001.

Accounting Standard AASB 2007-10

This instrument makes amendments to a number of Accounting Standards as a consequence of the revision of Accounting Standard AASB 101. This Accounting Standard appears to have been made in December 2007 but was not registered on the Federal Register of Legislative Instruments until October 2008. The Committee would appreciate your advice as to the reasons for the delay in registering this instrument.

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 only in rare circumstances. The phrase ‘in rare circumstances’ is not precise. The Committee therefore seeks
your advice as to whether this term has a generally understood meaning in the accounting profession, or whether it requires more precise definition.

The Committee would appreciate your advice on the above matters as soon as possible, but before 23 January 2009, to enable it to finalise its consideration of these Standards. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair

14 January 2009
Senator Dana Wortley
Chair
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Wortley

You sought an explanation of the reason for the delay in registering Accounting Standard 2007-10 and the use of the phrase ‘in rare circumstances’ in Accounting Standard 2008-10.

AASB 2007-10 affects the terminology in most accounting standards as they apply from 1 January 2009, but has no substantive impact on the meaning of those standards. The Australian Accounting Standard Board (AASB) has advised that the delay between making and lodging the standard was an administrative oversight and that measures are in place to prevent a re-occurrence of this oversight.

In relation to AASB 2008-10, the term ‘in rare circumstances’ was introduced by the International Accounting Standards Board (IASB) in its October 2008 amendments to International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 7.

The AASB adopted the same wording as the IASB in accordance with its policy of adopting IFRSs in their entirety. Entities and auditors applying the standards will need to decide when rare circumstances arise. The impetus for the amendments were the conditions arising from the financial crisis, and the media release issued by the IASB accompanying the amendments implies that the crisis itself can be regarded as having given rise to rare circumstances.

Thank you for bringing these matters to my attention.

I trust this information will be of assistance to you.

You sincerely

Nick Sherry
Minister for Superannuation and Corporate Law

5 February 2009
Senator the Hon Nick Sherry
Minister for Superannuation and Corporate Law
Suite M1.46
Parliament House
CANBERRA ACT 2600
Dear Minister
Thank you for your letter of 14 January 2009 responding to the Committee’s concerns with the Accounting Standards AASB 2007-10 and AASB 2008-10. The Committee considered your advice at its meeting today and agreed that it had addressed its concerns with regard to Accounting Standard AASB 2007-10.

In your response you advise that Accounting Standard AASB 2008-10 adopted the term ‘in rare circumstances’ following its introduction in October 2008 into the international standards. Notwithstanding that the phrase appears to have some common meaning in the auditing and accounting professions, the Committee would appreciate further information on this matter. You advise that entities and auditors will need to decide when rare circumstances arise. It is not clear how such decisions are to be monitored and checked and what liability will ensue if the decision that the circumstances are ‘rare’ is incorrect.
Given the recent changes to the Senate sitting pattern, the last day on which the Committee may give a notice of motion to disallow Accounting Standard AASB 2008-10 falls on 11 February 2008. The Committee proposes to give a notice on that day to preserve its position while it awaits your advice on the above matter.

The Committee would appreciate your advice as soon as possible to enable it to finalise its consideration of this Accounting Standard. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley
Chair

11 February 2009
Senator Dana Wortley
Chair
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator Wortley

Thank you for your letter of 5 February 2009 seeking further advice on the use of the phrase ‘in rare circumstances’ in Accounting Standards 2008-10.

As noted in my letter of 14 January 2009, the term ‘in rare circumstances’ was introduced by the International Accounting Standards Board (IASB) in its October 2008 amendments to International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 7 and this was adopted in its entirety by the Australian Accounting Standards Board (AASB) in accordance with its policy of fully adopting IFRSs.

The phrase is not defined within the accounting standard as IFRSs are principles based standards and have a high degree of reliance on the professional judgment of preparers, auditors and regulators.

In response to your query regarding the monitoring and checking of the use of the phrase ‘in rare circumstances’, it would be treated in a similar manner to any other accounting judgement employed in preparing the financial statements. It would involve the preparers of the financial statements justifying the application of the standard, external scrutiny by an auditor and surveillance by the corporate regulator, the Australian Securities and Investments Commission. As such, any disagreement over the use of the phrase would be treated in a manner similar to any disagreement about an interpretation of other accounting standards.

Any reclassifications that an entity makes on the basis of there being rare circumstances must be disclosed in accordance with amendments made to IFRS 7 (AASB 7) and would therefore be clearly evident to regulators and analysts using the financial statements.

I trust this information will be of assistance to the Committee in consideration of this instrument. However, please do not hesitate to contact me if you need any further clarification.

Yours sincerely
NICK SHERRY
Minister for Superannuation and Corporate Law

LEAVE OF ABSENCE

Senator O’BRIEN (Tasmania) (9.35 am)—by leave—I move:

That leave of absence be granted to Senator McLucas for 12 February and 13 February 2009 for personal reasons.

Question agreed to.

COMMITTEES

Environment, Communications and the Arts Committee

Reference

Senator McEWEN (South Australia) (9.35 am)—I move:

That the following matter be referred to the Senate Standing Committee on Environment, Communications and the Arts 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.

Question agreed to.

Regional and Remote Indigenous Communities Committee

Extension of Time

Senator O’BRIEN (Tasmania) (9.36 am)—At the request of Senator Scullion, I move:

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.

Question agreed to.

Treaties Committee

Meeting

Senator O’BRIEN (Tasmania) (9.36 am)—At the request of Senator McGauran, I move:

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.

Question agreed to.

Rural and Regional Affairs and Transport Committee

Meeting

Senator O’BRIEN (Tasmania) (9.36 am)—At the request of Senator Sterle, I move:

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.

Question agreed to.

Community Affairs Committee

Reference

Senator CORMANN (Western Australia) (9.36 am)—I move:

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;
(n) Preventative Health Taskforce; and
(o) Department of the Treasury.

Question put.

The Senate divided. [9.41 am]

(The President—Senator the Hon. JJ Hogg)

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

AYES

Abetz, E. Barnett, G.
Birmingham, S. Boswell, R.L.D.
Boyce, S. Brandis, G.H.
Bushby, D.C. Cash, M.C.
Coonan, H.L. Cormann, M.H.P.
Eggleton, A. Ferguson, A.B.
Fielding, S. Fierravanti-Wells, C.
Fitfield, M.P. Fisher, M.J.
Humphries, G. Joyce, B.
Kroger, H. Macdonald, I.
Mason, B.J. McGauran, J.J.J.
Minchin, N.H. Nash, F.
Parry, S. * Payne, M.A.
Ryan, S.M. Scullion, N.G.
Troeth, J.M. Trood, R.B.
Williams, J.R. Xenophon, N.

NOES
Arbib, M.V. Brown, B.J.
Cameron, D.N. Carr, K.J.
Collins, J. Crossin, P.M.
Farrell, D.E. Faulkner, J.P.
Feeney, D. Forshaw, M.G.
Furner, M.L. Hanson-Young, S.C.
Hogg, J.J. Hurley, A.
Hutchins, S.P. Ludlam, S.
Ludwig, J.W. Lundy, K.A.
Marshall, G. McEwen, A.
Milne, C. Moore, C.
O’Brien, K.W.K. * Polley, H.
Pratt, L.C. Sherry, N.J.
Siewert, R. Stephens, U.
Sterle, G. Wortley, D.

PAIRS
Adams, J. McLucas, J.E.
Bernardi, C. Conroy, S.M.
Colbeck, R. Bilyk, C.L.
Heffernan, W. Wong, P.
Johnston, D. Evans, C.V.
Ronaldson, M. Bishop, T.M.
* denotes teller

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

Question agreed to.

CARBON POLLUTION REDUCTION SCHEME

Order

Senator CORMANN (Western Australia) (9.44 am)—I move:

(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.

Question agreed to.

PERSONAL EXPLANATIONS

Senator HUMPHRIES (Australian Capital Territory) (9.45 am)—I seek leave to make a personal explanation under standing order 190.

Leave granted.

Senator HUMPHRIES—Yesterday, Senator Polley, in the debate on the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and cognate bills said:
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 have not proposed in government.’

The quote Senator Polley was referring to was in fact not a quote from a report in the *Canberra Times* but a letter to the editor of the *Canberra Times* and the quote purporting to be from me in that letter was a fabrication or, at the very best, a very mangled paraphrase. What I actually said is available on the public record and it was to this effect:

This is a package we would never have touched in government and we felt it was just not right to support something in opposition we would never have proposed in government.

I believe honourable senators can see there is a very significant difference between those two quotes.

**CARBON POLLUTION REDUCTION SCHEME**

**Order Recommittal**

*Senator MILNE* (Tasmania) (9.46 am)—I seek leave, with the Senate’s indulgence, to ask that notice of motion 358 be recommitted to a vote. The Greens did vote no and wanted to call a division but were not heard in the chaos.

Leave granted.

**The PRESIDENT**—The question is that the motion moved by Senator Cormann—that is, general business notice of motion No. 358—be agreed to.

The Senate divided. [9.51 am]

(The President—Senator the Hon. JJ Hogg)

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

Question negatived.
COMMITTEES
Procedure Committee
Report
Senator FERGUSON (South Australia) (9.55 am)—I present the first report of 2009 relating to the restructuring of question time, members of legislative and general purpose standing committees, and temporary orders.
Ordered that the report be printed.
Senator FERGUSON—by leave—I move:
That consideration of the report be made a business of the Senate order of the day for the next day of sitting.
Question agreed to.

BUDGET
Consideration by Estimates Committees
Additional Information
Senator O’BRIEN (Tasmania) (9.55 am)—On behalf of the Chair of the Senate Standing Committee on Legal and Constitutional Affairs, Senator Crossin, I present additional information received by the committee relating to the 2008-09 supplementary budget estimates hearings.

COMMITTEES
Intelligence and Security Committee
Report
Senator MARSHALL (Victoria) (9.56 am)—On behalf of the Parliamentary Joint Committee on Intelligence and Security, I present the report of the committee entitled Review of the re-listing of Abu Sayyaf Group (ASG), Jamiat ul-Ansar (JuA), and Al-Aq’ida in Iraq (AQI) and move:
That the Senate take note of the report.
I would normally seek leave to incorporate the tabling speech but, as I understand it, the opposition is not allowing incorporations, so I will speak to the motion.

On behalf of the Parliamentary Joint Committee on Intelligence and Security, I have pleasure in presenting the committee’s report entitled Review of the re-listing of Abu Sayyaf Group (ASG), Jamiat ul-Ansar (JuA), and Al-Aq’ida in Iraq (AQI).

The Abu Sayyaf Group (ASG) was initially listed as a terrorist organisation under the Criminal Code Act in 2002 following their listing by the United Nations Security Council. The committee first considered the listing of the ASG in 2004. The ASG was relisted on 5 November 2004 and on 1 November 2006. This is the ASG’s third relisting.

Jamiat ul-Ansar was originally listed in 2002 under the Criminal Code Act 1995 following their listing by the United Nations Security Council. Once this requirement for listing was removed in March 2004, the JuA was relisted in 2004 and 2007 under the amended Criminal Code Act 1995. This is the third relisting of JuA.

Al-Qaeda in Iraq was previously listed in 2007 under the name Tanzim Qa’idad al-Jihad fi Biiad al-Rafidayn. I will just refer to it as TQJBR. Prior to this TQJBR was first listed in 2005. This will be the second relisting since the initial listing in 2005.

The regulations were signed by the Governor-General on 31 October 2008. They were then tabled in the House of Representatives and the Senate on 10 November 2008. The disallowance period of 15 sitting days for the committee’s review of the listing began from the date of the tabling. Therefore, the committee was required to report to the parliament by Monday, 9 February 2008. The tabling of this report had to be postponed until today, 12 February due to the Victorian bushfire disaster and the subsequent adjournment of parliament on 9 and 10 February.

Notice of the inquiry was placed on the committee’s website. No submissions were received from the public. Representatives of
The committee heard evidence that each of these three organisations continues to engage in, and offer support for, terrorist acts. I will take this opportunity to outline some of the acts they have committed. The committee were informed of nine significant attacks carried out by the Abu Sayyaf Group within the Philippines since 2000. The group engages in kidnapping for ransom, and in April 2007 seven local workers on the southern Philippine island of Jolo were kidnapped and later beheaded after ransom demands were not met. Information provided to the committee by ASIO indicates that, whilst Philippines and United States military operations have ‘fragmented’ the ASG, they are still considered to be a significant threat. The committee acknowledges that the group have an ability to destabilise the southern Philippines and the fragile peace process there. This may pose a threat to Australian interests in the Philippines and overall regional stability.

Jamiat ul-Ansar has been involved in a number of terrorist activities over the past nine years, including hijacking, bombings, abductions and training. In 2002 JuA member Ahmed Omar Sheikh was convicted of the abduction and beheading of US journalist Daniel Pearl. JuA cooperates with other Islamic groups operating in Afghanistan, Kashmir and Pakistan and is a member of the United Jihad, an overarching organisation aimed at coordinating the strategies and communications of the various jihadi groups. It is clear to the committee that JuA is deeply entrenched within the global jihadi movement. Jamiat ul-Ansar has also been closely linked with the al-Qaeda networks and has provided training and religious instruction to other associated terrorist organisations and individual jihadists from around the world.

Al-Qaeda in Iraq has an extensive history of terrorist attacks. The committee’s report refers to a comprehensive list of significant attacks for which responsibility has been claimed by, or reliably attributed to, AQI. AQI claimed responsibility for an attack against an Australian Defence Force convoy in Baghdad on 25 October 2004 and an attack near the Australian Embassy in Baghdad on 19 January 2005. Although there have been no known recent attacks at or near ADF personnel or equipment, it is clear that Australians in Iraq are in danger of attack by elements of AQI. The committee received evidence that AQI specifically include children in their suicide vehicle-borne improvised explosive device attacks. They are a brutal and committed terrorist organisation and the committee fully supports their listing as such under the Criminal Code.

I will take this opportunity to thank my fellow committee members for their work in reviewing these and other terrorist organisations. Lastly, I would like to thank the secretariat of the committee. I commend the report to the Senate.

Question agreed to.

TAX LAWS AMENDMENT (TAXATION OF FINANCIAL ARRANGEMENTS) BILL 2008

TRADE PRACTICES AMENDMENT (CARTEL CONDUCT AND OTHER MEASURES) BILL 2008

First Reading

Bills received from the House of Representatives.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.03 am)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a
motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.03 am)—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—

TAX LAWS AMENDMENT (TAXATION OF FINANCIAL ARRANGEMENTS) BILL 2008

The 2008 Taxation of Financial Arrangements (TOFA) Bill introduces a comprehensive framework for the taxation of financial arrangements designed to reduce tax-induced distortions to investment and financing, to facilitate efficient risk management, and to reduce compliance and administration costs.

This bill is the final stage of the TOFA reforms which were first announced in the 1992 Budget and have progressively been implemented with stage 1 legislated in 2001 and stage 2 in 2003. Stages 3 and 4 implemented by this bill were confirmed as important by Ralph Review of Taxation in 1999.

The bill will reduce tax distortions by generally ignoring the capital/revenue distinction and taxing financial arrangements based on economic substance rather than legal form. In order to align the tax treatment of economically similar financial arrangements, taxation on an accruals basis will become the standard treatment for many financial arrangements.

The bill will increase the post-tax efficiency and effectiveness of hedging and facilitate effective and efficient risk management by permitting alignment of character and tax-timing of eligible hedging arrangements.

The bill will reduce the complexity of accruals calculations present in current tax rules on discounted and deferred interest securities, and will reduce compliance and administration costs by permitting close alignment between tax and accounting outcomes on an elective basis. The bill will allow eligible taxpayers to use results from their financial reports for tax purposes.

The TOFA rules will not be applied on a mandatory basis to individual and small business taxpayers, except where significant deferral of income is involved.

The TOFA rules will not be applied on a mandatory basis to individual and small business taxpayers, except where significant deferral of income is involved. The TOFA rules will apply to taxpayers which are Approved Deposit-taking Institutions, securitisation vehicles, or entities that are required to register under the Financial Services (Collection of Data) Act if their aggregated annual turnover is $20 million or more. Superannuation funds and managed investment schemes will apply the rules if the value of their assets is $100 million or more. Other taxpayers will apply the rules if their turnover is $100 million or more, if the value of their assets is $300 million or more, or if the value of their financial assets is $100 million or more. Taxpayers who are not required to apply the TOFA rules may elect to apply the rules.

This is a significant bill which will provide some much needed certainty and coherence to the tax treatment of the taxation of financial arrangements.

The Government has embarked on considerable consultation on these matters over the last 12 months, and there are a number of changes from the legislation the former government introduced just before the last election.

I thank the officers of the Treasury and all the interested parties who have been involved in the consultation.

Because this is a complex area of the law the Government intends to monitor the implementation of this reform of Australia's financial taxation system and will consider the need for any refinements.
Full details of the measures in this bill are contained in the explanatory memorandum.

TRADE PRACTICES AMENDMENT (CARTEL CONDUCT AND OTHER MEASURES) BILL 2008

Introduction

Competition is the primary means of ensuring that consumers get the best product or service for the lowest possible price. Competition enhances Australia’s welfare generally, because the efficiencies it creates lead to improved productivity and ultimately increased standards of living.

Cartels are widely condemned as the most egregious forms of anticompetitive behaviour. At its heart, a cartel is an agreement between competitors not to compete. Cartel conduct harms consumers, businesses and the economy by increasing prices, reducing choice and distorting innovation processes.

The total annual cost of such conduct is difficult to quantify because the effects are dispersed and it is by its nature secretive, but it is likely to exceed many millions of dollars to the Australian economy each year, and many billions worldwide.

This bill makes much-needed changes to the Trade Practices Act 1974, and will operate to deter cartel conduct by widening the range of regulatory responses available. Furthermore, it will bring Australia into line with its major trading partners and developed nations. In the international context, 15 OECD members including the United States, Canada and the United Kingdom have criminal sanctions for cartel conduct.

Background

The bill has its origin in the 2003 Review of the Competition Provisions of the Trade Practices Act, chaired by Sir Daryl Dawson. The Dawson Review recognised growing international experience showing that criminal sanctions are effective in deterring serious cartel conduct. It recommended the introduction of criminal penalties in Australia.

However, the Dawson Review also considered that a number of issues needed to be resolved before such penalties could be introduced. Principally, these issues concerned the definition of a criminal offence, and the implementation of an effective leniency or immunity policy in the Australian context.

In the lead-up to the 2007 federal election, Labor committed to introducing legislation to implement the Dawson Review’s recommendation. The former treasurer had committed to introducing this important reform but later reneged on his promise. In fact, the former Government ignored 15 separate warnings from the ACCC on the need for reforms that would see gaol terms introduced for company executives that are involved in cartel conduct. On the other hand, we were strongly supportive of the need for this legislation while in Opposition, and remain so in Government.

Although the Dawson Review presented a strong case for the introduction of criminal sanctions, I considered that such a significant reform warranted close engagement with stakeholders. As a result, over the past 12 months the Government has undertaken extensive consultation.

On 11 January 2008, I released an exposure draft Bill for consultation, as well as a discussion paper and a draft Memorandum of Understanding between the Australian Competition and Consumer Commission and the Commonwealth Director of Public Prosecutions. The discussion paper sought views on the proposed criminal and civil prohibitions, and on investigative tools such as telephone interception applicable to the proposed offences.

Further, following that period of public consultation, I held a number of consultations with trade practices and criminal law experts.

I wish to thank all those who gave their advice during the consultation process in written submissions or direct involvement in round table discussions.

In particular I thank Professor Bob Baxt, Brent Fisse, Russell Miller, Roger Featherston, Ross Ray, David Martino, Norman O’Bryan, Philip Williams, David Neal and Mark Dreyfus, and of course the ACCC and the Treasury.

Special thanks to Phil Warren from the Antitrust Division of the US Department of Justice and Phil Collins from the UK’s Office of Fair Trade for their insights into dealing with cartels in their own jurisdictions.
The Government has considered the results of that consultation, and today introduces legislation to deliver on its election commitment.

**Key amendments in the bill**

I turn now to the key amendments in the bill.

**Cartel provisions**

The bill provides a definition of the term 'cartel provision' that will apply under the new criminal and civil prohibitions. In summary, a provision of a contract, arrangement or understanding can be a cartel provision if it concerns: price fixing; sharing or allocating a customer base; restricting supply; or rigging a tender process. If at least two parties involved are or are likely to be in competition with each other, then there may be a breach of the new provisions.

This definition of cartel provision is drawn from the OECD’s 1998 Recommendation of the Council concerning Effective Action Against Hard Core Cartels. The recommendation condemned hard-core cartels as the most serious violations of competition law. The recommendation called on OECD members to ensure that their laws adequately prohibit such cartels, and for them to provide effective sanctions, enforcement procedures and investigative tools to combat cartels.

**Offences and civil penalties**

The bill provides that a corporation commits an indictable offence if it makes, or gives effect to, an agreement that contains a cartel provision. The prosecution will be required to prove that the corporation knew or believed that the agreement contained a cartel provision.

Individuals can be liable for a contravention of the new offence in one of two ways. They can be an accessory to the commission of an offence, under the accessorial liability framework in the Trade Practices Act. They can also be held directly liable for the offences, as provided for in the Schedule to the Act. These scheduled offences mirror those in the Act, and are applied as the law of each State and Territory through application legislation in those jurisdictions.

The ACCC will be responsible for investigating suspected breaches of the criminal cartel offences, while the Commonwealth Director of Public Prosecutions will be responsible for their prosecution. A Memorandum of Understanding between the ACCC and the DPP will detail the responsibilities of each agency in the criminal investigation and prosecution of serious cartel conduct cases.

The bill also provides parallel civil penalties for cartel conduct. This will enable cartel enforcement to be carried out in a targeted way, with more serious and egregious examples of cartel conduct warranting consideration for criminal prosecution. In addition, the prohibitions enable actions for damages by private parties, under the existing mechanisms provided for under the Trade Practices Act that apply to other breaches of Part IV of the Act.

To address concerns regarding double jeopardy arising from the parallel criminal and civil schemes, a number of statutory bars to proceedings have been included. This has been done by extending the existing protections in section 76B of the Act to encompass the new cartel provisions. For example, where substantially the same conduct comprises both a civil contravention and an offence, the Court will be prevented from making a pecuniary penalty order if the person has already been convicted of an offence.

**Penalties – gaol term, fines and pecuniary penalties**

The maximum penalties that will apply to a breach of the new provisions will be substantial. This reflects the Government’s view of the serious harm caused to Australian consumers, businesses and markets by hard-core cartel conduct.

Individuals face a maximum gaol term on conviction of 10 years, and a fine of 2,000 penalty units (or $220,000). For corporations, the maximum fine will be the greater of $10 million, or three times the value of the benefit obtained as a result of committing the offence. Where that benefit cannot be determined, the maximum fine will be 10 per cent of the corporation’s annual turnover.

The Government gave extensive consideration to the appropriate gaol term. The maximum gaol term in the draft exposure Bill released in January was five years. However, a 10-year gaol term better reflects the seriousness of the crime. A maximum 10-year prison sentence already exists for directors who wilfully defraud or deceive a
body corporate, or for directors who fraudulently appropriate the property of a body corporate. The proposed 10-year gaol term will also put Australia on par with the United States as having the world’s longest gaol terms for this serious crime.

Under the civil penalty provisions, there will be a maximum $500,000 penalty for individuals, and a penalty consistent with the maximum criminal fine for corporations.

**Exceptions**
The Trade Practices Act currently provides a number of exemptions and defences to the prohibitions against anticompetitive behaviour. Similarly, the bill provides for specific exceptions to the new prohibitions. These fall into six categories:

- conduct notified under the collective bargaining regime in the Act;
- contracts containing cartel provisions subject to the notification provisions or a grant of authorisation;
- contracts, arrangements or understandings between related bodies corporate;
- joint ventures contained in contracts;
- anti-overlap exceptions; and
- the price of goods or services collectively acquired, and the joint advertising of the price for re-supply.

The exceptions are intended to ensure that the prohibitions do not prevent legitimate business activities that are beneficial to the economy or in the public interest.

**Enforcement**
One issue the Government consulted on was the application of the telecommunications interception regime to the new offences. Cartels pose particular problems for enforcement agencies, because they often involve multiple parties operating in secret, with limited documentary evidence and enhanced reliance on oral communication. In these circumstances the discovery and proof of a cartel can be difficult, with regulators often taking on proceedings without the benefit of direct evidence of cartel conduct.

After consideration of the issues involved, the Government decided that applying the telecommunications interception regime was appropriate.

In addition to the benefits this will provide for the detection and prosecution of illegal cartel conduct, the use of telecommunications interception powers can be a means of finding evidence of the ‘directing minds’ behind corporate criminal behaviour.

Accordingly, the bill makes amendments to the *Telecommunications (Interception and Access) Act 1979* to enable the ACCC to seek to use intercepted material in relation to cartel investigations. The bill will also provide that a breach of the proposed cartel offences will fall under the Commonwealth legislation dealing with the proceeds of crime.

Further, the bill makes amendments to ensure that the search, seizure and information gathering provisions of the Trade Practices Act are better aligned with equivalent provisions in the Crimes Act.

**Additional measures**
Other arrangements supplement the cartel conduct measures contained in this bill. These include giving the Federal Court jurisdiction, together with the state and territory Supreme Courts, to deal with the new offences. This will be the first time the Federal Court has been given indictable criminal jurisdiction, recognising the expertise the Federal Court has developed in dealing with cartel conduct as a result of hearing civil cases under the existing provisions of the Trade Practices Act. I note proposed amendments to the *Federal Court of Australia Act 1976* and other legislation will provide the necessary processes and practices for the Federal Court to hear jury trials for the indictable offences established by this bill.

As previously mentioned, the Director of Public Prosecutions and the ACCC will enter into a formal, publicly available Memorandum of Understanding to establish procedures for the investigation of the cartel offence, and the circumstances in which the ACCC will refer a case to the DPP for prosecution.

Existing leniency arrangements will be updated. The ACCC’s Immunity Policy will govern leniency for the civil prohibitions. An annexure to the Prosecution Policy of the Commonwealth will
provide that immunity from criminal prosecution can be granted to cartel whistleblowers at an early stage in the investigation, in accordance with the criteria in the ACCC’s Immunity Policy.

Conclusion
The introduction of this bill fulfils a key commitment for the Government’s first year in office. Cartel conduct is theft from consumers. This Government will not tolerate it.

The prospect of a gaol term for committing a cartel offence sends a clear message. Such a penalty has an immediate deterrent effect for businesses, which might otherwise dismiss fines imposed for a breach of competition laws as a mere cost of doing business.

In troubling economic times, as competitors may contemplate engaging in risky behaviour in order to score a financial gain, the need for tough sanctions is even more important.

This legislation brings Australia into line with the strong anti-cartel stance taken by our major trading partners. The Government is committed to keeping Australia’s competition laws relevant, effective and responsive to the need of Australian business and consumers. To meet this commitment, the Government will continue to examine issues as they arise, to ensure that the new laws operate in an effective manner within the Australian context.

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

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

COMMITTEES
Economics Committee
Report
Senator O’BRIEN (Tasmania) (10.04 am)—On behalf of the Chair of the Senate Standing Committee on Economics, Senator Hurley, I present the report of the committee on the provisions of the Tax Agent Services Bill 2008, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

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 from 11 February.

Senator ABETZ (Tasmania) (10.05 am)—I was wondering whether the government could give us an update on when we might actually see some amendments in printed form. I understand there is one circulated by Senator Xenophon. We are ready to deal with that, but I was wondering whether we could be given an indication as to when and if any other amendments are likely to materialise. What does the minister believe is a reasonable period of time for opposition and other senators to consider those amendments?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.05 am)—I am aware of the motion circulated by Senator Xenophon. Beyond that I cannot provide any information or details on any government amendments. I would point out that it is not unusual for amendments to be circulated during the course of debate. It is common practice under this government, and it was common practice under the former government; it is not an unusual practice.

CHAMBER
Senator ABETZ (Tasmania) (10.06 am)—Can I just say that, at this very late stage of the proceedings, the government is still unable to tell us whether they are going to be moving any amendments to their own package of bills.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.06 am)—Senator Abetz’s description is ‘this very late stage’. It is just after 10 in the morning. The committee stage could go through till midnight tonight, Senator Abetz, so I would suggest your terminology of ‘this very late stage’ is not appropriate, given the past practice which I have just referred to. It is the beginning of the day. Settle in for a long day and night. We are expecting to go to midnight. If you do not want to work that late, well, that is up to you. I am settling in and preparing for 14 hours ahead.

Senator ABETZ (Tasmania) (10.07 am)—Can I just remind the minister that my terminology of ‘this late stage’ is based, of course, on the fact that your leader in this place said to the Australian people and the Senate that this package had to be passed by last Friday and every single day’s delay would be of great consequence. Here we were yesterday saying, ‘Let’s put it to the vote,’ and the Labor Party itself voted against putting it to a vote. Now, having been clothed with this legislation and all the information around it for some time, the government itself—and this is the important thing—does not even know whether it needs or wants to move amendments to its own legislation. Whether the Greens, Senator Xenophon and Senator Fielding might want to move amendments I can understand might be out of the control of the government, but whether the government itself wants to move amendments must surely be within the mind of the government at this late stage of the proceedings, this legislation having been before this chamber now for a good week.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.08 am)—I concur with Senator Abetz at least on one issue, and that is that every day is of consequence. Without going through the very important reasons why this package is so critical for the economic future of Australia and for supporting jobs, given the financial and economic crisis that has been spreading so rapidly around the world and has been enveloping all comparable economies and now China, I would point out, as I read into the Hansard yesterday, that a number of countries—indeed, many countries; I did not go to all those on the list—have recognised the critical nature and importance of a package such as we are considering here. It is very important that the package is passed. A time line has been set for tonight and, as I say again, it is not unusual in any piece of legislation to have amendments circulated during the course of the day. If that is to occur from the government, there are some 14 hours to go, as I say, and that is not an unusual circumstance.

Senator CAMERON (New South Wales) (10.10 am)—I appreciate the opportunity to speak on the chamber’s consideration of the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009. Like all Australians, my thoughts are with the people of Victoria and the communities who have been so cruelly ravaged by the uncontrollable bushfires. My condolences and sympathies are with everyone affected by the disaster. I would also like to place on record my appreciation for the efforts of the courageous volunteers who risked their lives and their safety to help others. I also want to thank the state and federal public servants who are working tirelessly to assist those affected by this disaster.

While the Victorian disaster is an immediate priority, we must continue to deal with the unprecedented global financial crisis facing Australia. I was fortunate to participate in
the Senate Standing Committee on Finance and Public Administration inquiry into the provisions of the nation building and jobs package. Before I go to the issues arising from the inquiry and the specifics of the conclusions, it is appropriate to make a few general comments on the bill. This nation is facing a historic and unparalleled challenge as a result of the global economic crisis. The government has risen to the challenge in an economically responsible and decisive manner. Our task is to do whatever we can to shield the Australian economy and the Australian public from the emerging global recession. Our nation building and jobs package is about sustaining and supporting up to 90,000 jobs over the next two years. Our plan is about providing support for working Australians and their communities. Our plan is about supporting the nation in the face of huge international pressures that have seen banks collapse, lending dry up and business activity stall. This is resulting in massive increases in unemployment and social dislocation around the world.

There has been much said about the government’s package from those opposite. I note in the minority report that coalition senators claimed they have reached the conclusion that the package does not conform with what they refer to as ‘best economic theory’. This goes to the heart of the opposition’s inability to accept and understand that there must now be a strong role for government to assist the nation to withstand the worst effects of the global recession. Workers around the world and around our nation face the loss of their jobs, the loss of their homes, the loss of their dignity. The Australian public is not interested in the coalition’s view of what is best economic theory. The coalition’s best economic theory helped deliver this economic disaster and their best economic theory failed to identify the impending global recession. Stop lecturing us about best economic theory. The Australian public wants a government that is decisive, economically competent, caring and compassionate. This is not a time for theorising; it is a time for decisive action. The nation building and jobs package meets this test.

The opposition, on the basis of their ideological embrace of neoliberal economic theory—the theory they claim they are all so proud to espouse—want a minimal role for government in the operation of the market and society. Years of corporate greed and years of small government have left our nation ill-equipped to deal with this huge market failure that has unprecedented global consequences.

I am a strong supporter of having a proper balance between allowing the markets to work and ensuring a strategic role for government when markets do not work. The Labor government have ensured that we do not make the mistake of acting too late in the face of the international global financial meltdown. The package has been developed with a clear understanding of the need to act to stimulate the domestic economy and play our part in freeing up financial and market activity around the world. We have a role in the global economy, not just the national economy, to make sure that we deal effectively with this great crisis of financial instability around the world. On that basis, we have developed a responsible package that has received widespread support from state governments of all political persuasions—even the Western Australian government—from business, from unions and from community groups.

The Australian Chamber of Commerce and Industry, formerly thought to be central to the coalition’s political base, says this of the package:

We thought the stimulus package should be in the order of over 2% of GDP and that’s in fact what’s
delivered, and we believe that’s absolutely essential.

All of the arguments from the other side, all of the scare tactics about government debt, are blown away by the ACCI. The ACCI, who have been close to the Liberal Party over many years, have indicated clearly their unequivocal support for the government’s package. And why are they supporting the government’s package? They are supporting the government’s package because it is economically responsible. It is a package that meets the requirements of the grave challenges facing the working families of this nation, the challenges facing the businesses of this nation. It is economically responsible, decisive and goes to the issues that are important to make sure that we sustain our economic activity in the face of an economic meltdown of business activity around the world.

It is not just the ACCI who recognise the economic responsibility and decisiveness of the Labor government. The Chief Executive of the Business Council of Australia, Katie Lahey, told the *Sydney Morning Herald* last week:

The government’s responsible approach to keeping stimulus measures timely, well targeted at those who’ll spend it, and temporary, will ensure the spending will not be a dead weight on our ability to achieve future growth and surpluses.

Again, the Business Council of Australia have destroyed the fear tactics and the arguments that are coming from the other side. They recognise that responsible economic management from the government is the best way forward and that the package will support jobs, will support economic recovery and will ensure that we have targeted the levers that are required to be pulled by government to sustain the economy over this period of time. The Business Council of Australia are not decrying the surplus. The Business Council of Australia are not decrying government intervention.

The problem from the other side is that they are so deeply engaged in economic theory, in economic nonsense, that the world is abandoning them. They are so steeped in this economic theory that they cannot act in the national interest. They just cannot bring themselves to reject the theory and deal with the practice of preventing this nation from falling into a deep recession. They are doing this by lies, they are doing this by misinformation and they are doing it on the basis of a theory that is discredited all around the world. Do not just take it from me; again, look to business. What does Heather Ridout, the Chief Executive of the Ai Group say in terms of what is required? She says:

The nation building and jobs plan announced by the Federal Government today is simple and substantial, and will provide a big stimulus to help keep the economy moving. Together with the interest rate cut, it has been a big day for monetary and fiscal policy—it’s a case of ‘all hands on deck’.

The package targets consumer spending, which is absolutely critical to our near-term economic prospects, and boosts capital expenditure—looming as one of the real casualties of the downturn.

Heather Ridout is right in most of what she says, but she is not right that all hands are on deck, because the Liberal-National Party coalition have abandoned the ship. They have abandoned the ship at a time when all hands should be on deck. The AiG are correct: there should be all hands on deck in this parliament to make sure that this nation does not slide into recession. But when the business community are calling for all hands on deck the coalition have deserted the ship and they have deserted their obligation to act economically responsibly in the interests of the nation. That is what we are faced with on the other side of this chamber.
It is clear that the business community support this package. They support the decisive and responsible action that has been taken by the government. There have been no histrionics, no petty politics and no fear campaigns from the business sector. They know that what the Labor Party is doing is right for this economy and right for the nation. All the histrionics and all the fear campaigns are coming from the coalition. I think this nation deserves better in these very bad times that we are facing.

Unlike the shadow Treasurer, the Australian public do not want us to gaze at our navels, sitting and waiting to see what happens. How ridiculous is it that we have a coalition who claim false economic credibility? This is being pulled apart in their nonsense approach to this package. They want us to sit and wait and see what happens. Well, we are not prepared to sit and wait and see workers' jobs destroyed, communities pulled apart and more social dislocation because of an economic theory from the other side. This is no economic theoretical debate; this is a debate about ensuring that governments act decisively and act in the national interest. The public do not want an arcane debate about economic theories and they have demonstrated that they have had enough of the scare tactics of the opposition.

Scare tactics, misinformation and political point-scoring: that is what underpins the opposition's short-term political opportunism. The opposition would have us believe that this package represents an overreaction to the crisis. Not one businessperson of substance believes that to be the situation. We want you to get back on deck. We want you to be with us saving this nation from an unnecessary recession. Do not abandon the ship. (Time expired)

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.25 am)—That was a very effective contribution. I think Senator Cameron outlined very succinctly the issues facing this chamber and the country. Senator Ludlam is here. I have, as I have indicated, been responding to questions in this committee stage. I want to outline to him a response to an issue that he raised yesterday. I think this is now the only question that we have not responded to and I want to take this opportunity in the early stage of the committee debate today to respond.

Senator Ludlam asked for information about the degree to which the government is considering resilient housing measures and adaptability to these sorts of events and what kinds of benchmarks we would be setting for the developers and builders. Bearing in mind that the package has not been passed yet and obviously there are some discussions going on with the states and territories—hopefully, the package will be passed and those discussions have got down to the detail but there is no conclusion yet—the government will be encouraging social housing projects that incorporate innovative ideas in both the design and construction elements. This will include construction techniques and use of materials that will make housing more resilient over time.

The government, as I have indicated, is and will be working with the states and territories on establishing a competitive selection process to seek proposals for the majority of funding available through the Social Housing Initiative. This will include the establishment of key criteria against which these proposals will be assessed. The government will be engaging expert advice from the building sector to establish the key criteria, and consideration will be given to how these criteria can be developed to promote resilient housing without significantly impacting on building costs.
Senator LUDLAM (Western Australia) (10.27 am)—I thank the minister for those answers. The other questions I put last night went to the reporting obligations, as you are benchmarking against the various criteria you are setting in the different areas. I was interested to know to what degree the parliament and, therefore, the public would be informed as to whether the housing is meeting Commonwealth expectations.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.28 am)—I am seeking advice from an adviser on that matter. He is just coming into the chamber, Senator Ludlam. While we are waiting I want to highlight in a general sense this issue of housing which we are debating, which is obviously a key component of the Nation Building and Jobs Plan. I think it is important to highlight that it is proposed that some $6.6 billion be spent on some 20,000 social and Defence homes. This is an important element of this package. The moneys are predominantly to be spent in 2009-10—some $4.3 billion—and then in 2010-11 there will be $1.794 billion spent.

Of course we know that, when an economy weakens, the housing and construction sector is one of those sectors that declines most rapidly. Around the world we have seen what has been known as a housing bubble, in countries such as the US and the UK, and the collapse of that housing bubble. We have not seen decline in commercial property values to that extent in Australia, but there has been a plateauing of values and a decline in some areas—it does vary from area to area. So it is very important to ensure in this stimulus package that we are able to assist the construction and housing sector when this period of weakening starts to accelerate. That is a very important part of the package. It is only one element of the package, but it is a very important part.

On the issue which Senator Ludlam has raised and which we were discussing yesterday, there is a coordinator-general. We outlined and discussed the structure for compliance—I think that would be the best way of describing it—and the reporting requirements to COAG, which is obviously the Commonwealth and all of the states and territories. I can indicate that I would expect that COAG would make publicly available the material on the reporting. We would expect them to make that public. I cannot pre-empt the decision of COAG, but we would expect that that would be made public. Obviously I cannot pre-empt the decision of COAG because COAG is yet to meet and receive its report on this aspect of the stimulus package.

There are two other areas of scrutiny. It will be scrutinised through the Senate estimates process and, because it obviously involves Commonwealth expenditure, at some point in time I am sure the Auditor-General will be carrying out work in this area. Again, it is obviously too early and I am not aware of any commitment by the Auditor-General to date, but, given the size, the extent and the newness of the program, and the oversight, I would certainly anticipate that the Auditor-General will examine this once the first reports are available. So that is the process that I anticipate would be provided to oversight what is occurring in this area.

I do think it is important, and I think you are right to highlight it, Senator Ludlam, because, as the Prime Minister has indicated, we want this money spent effectively and in accordance with the criteria. We do not want the money being used to replace the existing commitments of the states going forward. The Prime Minister has made it very clear publicly that this oversight will be rigorous and it will occur for both Labor and Liberal state and territory governments. I certainly have no doubt that the premiers and territory
leaders understand that. It was spelt out very clearly to them at the meeting the Prime Minister held last week, where he went through the stimulus package with them. They have accepted that that is their responsibility—not just in this area but in all areas of the package. These are additional moneys over and above existing state commitments and we do not want to see substitution—that would be inappropriate and undermine the very extensive, if it were to occur, impact of this stimulus package. So, Senator Ludlam, I do not think you should be in any doubt about the Prime Minister’s determination on this matter, regardless of the political colour of the state or territory government.

Senator LUDLAM (Western Australia) (10.36 am)—I thank the minister for seeking some additional information there for us. The government should be under no illusion. We have spoken in the chamber on a number of occasions. We are entirely supportive of the large-scale spend on public housing. This is an area that has been very much neglected over the last 10 or 15 years or so. It provides a short-term stimulus to the construction sector, which is lagging in Australia since the market began to soften. It also addresses the very important issue of housing availability and housing affordability. So we certainly have no argument with it. As to the scale of the spending, it has fallen short of what the sector has been asking for but it will certainly make very important inroads into affordable housing. The reason I have been fairly persistent on the issue of reporting obligations and how much of this information will be made public is that public housing historically has had a pretty bad name. We have a once-in-a-generation opportunity here to create affordable housing for people on low incomes that is not ghettoised and that does not warehouse people in office blocks or cheap and nasty heat traps on the edge of town a long way from services and public transport.

We have an opportunity to get this right and to incorporate the housing that we are building for people on low incomes who are just looking for a decent start into genuinely sustainable communities. We have an opportunity to build energy and water efficient housing that will provide very low-cost accommodation over the long term, close to services, jobs and public transport. That is really what we are looking for. We will not know whether that is happening if, six months down the track, we hear from COAG that they do not intend to report on how we are tracking along on those matters back to the government. I take on board your acknowledgement that that is up to COAG to decide, but we need a degree more comfort from you, Minister, that in fact the Commonwealth will be demanding that the states and territories report back on exactly how well we are doing with the money we are spending.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.38 am)—Firstly, I do not in any way in my responses call into question your support for the expenditure, and I do not question the scrutiny which you are attaching to the discussion at this committee stage. In fact, I welcome it. I think it is important to deal with the social aspects. There is obviously an economic issue, but the social aspects in this area are important. I accept that, depending on the state or territory, there is a pretty mixed record. To varying degrees the priority and focus in this area has not been able to keep up with the demand for social housing around Australia.

I do not know whether you were here yesterday, Senator Ludlam, when I indicated that my wife works in the Tasmanian housing area on the north-west coast of Tasmania.
It is not a conflict of interest but I am kept pretty well apprised of the range of difficulties in this area because it is a matter of discussion in our household on very frequent occasions—waiting lists, disability, the size of homes and all measure of social issues. I am personally pretty well apprised of the difficulties.

The other point to make is that, obviously, social housing is delivered by the states. It is not unusual, certainly in Tasmania, for federal members of parliament from the House of Representatives and the Senate to be approached with representations in this area. I am not familiar with whether this occurs in other states, but certainly in Tasmania politicians at a federal level, despite state responsibilities, receive constant representations from individuals on—

Senator Abetz—That we do.

Senator SHERRY—Yes. Senator Abetz is from Tasmania. It has been a constant issue for as long as I have been in politics, which is just over 18 years. From a federal point of view, whilst we do not have direct responsibility, we do have some appreciation of the size of the issues.

Beyond the COAG process that I have outlined, as I have indicated, I would expect that COAG would release the documents on the analysis, overview and oversight. The Commonwealth will be asking for that, but I cannot give an indication today of whether COAG will agree to it. The Commonwealth certainly believes that that should occur. I think it would be very unreasonable for states and territories to refuse. As the Prime Minister has indicated, if there is any backsliding in this area, any failure to meet with standards, moneys will be reallocated to other states and territories. That is a pretty effective penalty for failing to meet standards. That would have to be publicly justified, obviously. If a particular state or territory had its moneys or part of its moneys reallocated, that would certainly have to be justified. As I say, the difficulty for me here is in not being able to pre-empt the formal meeting of COAG, but I do accept your interest, Senator Ludlam, and determination to ensure we have full, rigorous and public oversight of outcomes in respect of all of the detail we have been discussing.

Putting aside the macro and economic stimulus issues, the social housing matters that we have touched on are very important. The Prime Minister himself has a very strong focus on homelessness, for example. That, again, is part of the social issues with respect to social housing. I have indicated the figures for 2009-10 and 2010-11—some 20,000 social and Defence homes. That is 20,000 homes that would not otherwise have been constructed by the states. That is an important economic stimulus but also a very important social issue to consider and to put a much greater effort into. All the components in this package are important, but I think, from a social equity point of view, it is critical that greater focus and more resources be given to this area, and this is an appropriate time to do so. That is what is being delivered through this package. That is one reason why this package should receive the support of the Senate.

Senator LUDLAM (Western Australia) (10.44 am)—This is my last comment. I want to confirm something in terms of the punitive measures the Prime Minister has commented on. I will take the example of energy efficiency star ratings for new housing developments. If one of the states and territories is not in compliance and the housing that has been proposed for Commonwealth funding is substandard, has the Prime Minister reserved the right to steer the funds elsewhere? I want confirmation that you are saying the Prime Minister has reserved the right to steer the funding towards states and
territories that are putting forward compliant housing.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (10.45 am)—Yes, I can confirm that. It has been made very clear that the states and territories that do not meet the provisions will not receive funding and it will be reallocated to those that do. I think that is a pretty powerful penalty mechanism. One of the officials has advised me that, to the extent that the national partnership on the Nation Building and Jobs Plan contributes to national agreements of COAG—and, in particular, the issue we have been discussing, the National Housing Affordability Agreement, is important in this context—the state performance against the objective in these agreements will be assessed by what is known as the COAG Reform Council, and the COAG Reform Council makes these reports public. That has already been agreed to. So that is another level of oversight, if you like, that has been drawn to my attention by the officials.

The COAG Reform Council is independent. It is an authority established by COAG itself, which has been given a new role to monitor and publicly report on the progress of all governments against mutually agreed objectives that are set by COAG and set out in the new federal financial framework. The COAG Reform Council will report every 12 months in respect of the performance on health care, housing, schools and vocational education, disability services and Indigenous reform. So that is another mechanism for publication of assessment and another area of scrutiny of this very important aspect of the package under consideration.

Senator BILYK (Tasmania) (10.47 am)—Before I start talking about the committee issues, I would like to pass my condolences to the people of Victoria who have suffered through the horrific bushfires over the past few days. I am old enough to remember the terrible bushfires of 7 February 1967 in Hobart. In fact, members of my family lost everything in that fire. So my heartfelt sympathies go out to everybody involved and my sincere thanks go to those emergency services personnel and volunteers who have been working amazingly hard for the last week or so.

It is with pleasure that I rise to make my contribution to the committee debate today. Listening to the debate yesterday I was amazed that, even though Senator Abetz had suggested the debate, opposition senators contended that we on this side are filibustering. Prior to the Senate inquiries, many opposition members voiced outright opposition to the stimulus package, and now they want to imply that we are treating this issue with less than the seriousness it deserves. All this, and they have nothing productive to offer, as far as I can see. This is a very important debate. Some of the world’s largest economies—the United States, Japan, Germany and the United Kingdom—are in recession. China’s growth has halved. Although Australia is better placed than most countries, the opposition’s ad hoc comments—such as ‘Let’s wait and see,’ or ‘It’ll be right, mate’—clearly show they do not have a plan or a better option. We live in a time of global economic uncertainty the likes of which has not been seen since the end of World War II and the postwar internationalisation of industrialised economies in subsequent decades.

The raft of legislation we are considering provides the basis for the implementation of the economic stimulus package announced by the Rudd government on 3 February 2009. While we live in a global economy and share in the many economic benefits that this brings to our country through exports and foreign investment, we must be alert to the impact of a downturn in global economic conditions beyond our geographical borders.
Considering that many of the major economies, including the United States, Germany and Japan, are now in recession, it is little wonder that the International Monetary Fund has seen fit to mark down its forecast for global economic growth some three times in the past four months. Let me emphasise once again that we are in the midst of a global economic crisis.

Mr Turnbull and his colleagues know there is a need for the stimulus package. His crocodile tears about ‘mortgaging the future of our children and grandchildren’ is a ploy to tug at the heart strings of ordinary, hard-working Australians. Once again he is taking the divisive line. He is not prepared to work with us but wants to argue for the sake of it.

Faced with an economic crisis, governments may choose to take decisive action to hopefully alleviate the worst impact of the global downturn, or take a reactive stance and allow the free market to allocate resources. The Rudd Labor government has decided to take decisive action, and it is imperative that we act in a timely manner. The Rudd Labor government makes no apology for choosing the path of decisive action. This approach commenced last December with the rollout of the $10.4 billion Economic Security Strategy, a package which the opposition says has failed to have any impact on the domestic economy.

The stimulus package provides for a $42 billion injection into the domestic economy, with the bulk of the spending in the areas of infrastructure and education—two most important areas. Both of these policy areas are viewed as priorities because they each will provide a long-term return on investment, in the form of an increase in productive capacity, in addition to a short-term stimulatory impact on the economy. It is also notable that both of these areas were neglected by the previous Howard government in favour of short-term policy commitments dictated to a large degree by the electoral cycle. Once again the folly of this approach is highlighted, and it is a Labor government that must govern in a time of crisis.

Public investment in infrastructure was largely ignored by the previous government, which took the view that the market will provide a public good in the absence of any incentives. As a result, vital infrastructure such as roads, electricity grids, ports and railways—indeed, the very arteries of our economy—were ignored and fell into a state of disrepair. Let us get to the heart of this matter: not only did the previous government not have a heart, but they ignored the well-being of the arteries of Australia as well. This package will provide around $30 billion for infrastructure such as housing, schools and roads over the next three financial years. A large portion of this expenditure will take place in the first year, consistent with the goal of providing a boost to the economy through the provision of jobs and a healthy level of domestic demand. I have heard members of the opposition say that they do not think many jobs will be created as a result of the package, and they are trying to get numbers qualified. I am a member of the Senate Standing Committee on Community Affairs, which met last week to discuss the housing section of this package. I would like to quote from evidence given to the commit-
... as part of the economic stimulus package, this will very much generate economic activity, particularly through the multiplier effects, through manufacturing, obviously through the construction phase and then through the retail phase. All this will provide much-needed jobs in this industry. We agree with the HIA that the housing sector is very sluggish at the moment, so this stimulus package will certainly be a welcome boost—not only, obviously, to the social housing sector but, more importantly, to the economy and therefore to jobs, which is very important in the current economic climate.

So the housing sector part of this package is a win-win situation because, yes, there is a demand for more social housing. I have listened very carefully to the debate and to the questions put by Senator Ludlam. We will create jobs and employment by building varying forms of housing. To me that is a win-win situation, and why anyone would want to hold that up and play politics over it is beyond belief.

Senator Abetz—Not the way you’re doing with your filibuster!

Senator BILYK—We are not filibustering. I mentioned before that we are entitled to have a debate. Would you rather that we did not debate? We have the right to put our points and to debate. As I said, this package will provide around $30 billion for infrastructure such as housing, schools and roads over the next three financial years. A large portion of this expenditure will take place in the first year, consistent with the goal of providing a boost to the economy through the provision of jobs and healthy levels of domestic demand. The leader of the opposition claims that it is unreasonable to expect future generations to pay for this expenditure, yet it is a fact that public infrastructure built today will provide ongoing community benefit available to future generations. Over the term of the preceding government, I constantly thought that this was an area in which they were not taking enough interest or action. They may have had a surplus to hand over, but at what expense?

Investment in the area of education could be considered the highest form of investment in future generations. Human capital lies at the heart of a nation’s productive capacity. The ability to work smarter and to foster innovation in all its facets is critical to ongoing success in the global economy. Investing in schools is the most important infrastructure investment that a government can make. It will provide the opportunity for our schools to engage in urgent upgrades and to develop learning environments that are modern and will improve education outcomes for our students—a point that is clearly not important to Mr Turnbull and the members of the opposition. I wonder which schools Mr Turnbull would have miss out under his inadequate response to the government’s stimulus package. His plan is for an 80 per cent reduction in education funding. His suggestion that $3 billion over three years would be adequate is surely, at best, a joke and, at worst, an insult.

So the Rudd Labor government will deliver a $14.7 billion boost to the education revolution over the next three financial years. Building the Education Revolution will commence in 2008-09 and will provide new facilities and refurbishments in schools to meet the needs of today’s students and teachers. Each of Australia’s 9,540 schools will benefit from immediate funding for major and minor infrastructure projects. The program is built on the Rudd government’s commitment to all Australian schools by targeting primary and secondary school infrastructure requirements in both the government and the non-government sectors.
The three key elements of Building the Education Revolution are Primary Schools for the 21st Century, Science and Language Centres for 21st Century Secondary Schools and Renewing Australia’s Schools. Under Primary Schools for the 21st Century there is $12.4 billion to build or refurbish large-scale infrastructure in primary schools, kindergarten to year 12s and special schools, including libraries and multipurpose halls. Under Science and Language Centres for 21st Century Secondary Schools there is $1 billion to build up to 500 science laboratories or language learning centres in our secondary schools, based on assessed need. There will be a competitive process for proposals, and funding will be allocated to schools that demonstrate need, readiness and capacity to complete construction by 30 June 2010. Under Renewing Australia’s Schools there is $1.3 billion to refurbish and renew existing infrastructure and to build minor infrastructure in all schools.

Recognising the negative impact that the slowdown in economic growth has had on lower and middle-income earners, the Rudd Labor government is providing as part of this package $12.7 billion in financial assistance to working Australians. Household financial assistance is being provided through immediate tax relief and transfer payments to ensure timely assistance to households to stimulate consumption and support private demand. It is necessary to provide households immediate assistance to kick-start stimulatory activity until direct government investment measures take effect. The package is a significant economic measure to deal with extraordinary times and is in addition to the Economic Security Strategy delivered in December 2008 to support as many households as possible.

The package of measures includes a tax bonus for working Australians of up to $950 for eligible taxpayers, depending on income thresholds, and a single-income family bonus of $950 to provide additional assistance for families that have one main income earner and may otherwise receive less assistance from the package than dual-income families with similar household income. I have had numerous calls and people actually coming into my electorate office asking: ‘When will this money begin? When will I be able to access this money? How do I access it?’ For members of the opposition to claim that people don’t want it suggests they may well be talking to the wrong people. I have not had to go and ask people; they have come to me.

There is a farmers hardship bonus, of course, of $950, which will be paid to farmers and others receiving exceptional circumstances related income support; a training and learning bonus of $950 to assist students, those returning to study or training, and some income support recipients; and there is a back-to-school bonus of $950 per child to assist low- and middle-income families eligible for family tax benefit A with school-age children.

These payments will be especially welcomed by members of the Tasmanian community, which has a larger proportion of citizens earning less than $100,000 per annum than other states. So I am quite surprised that Tasmanian opposition senators feel that they cannot support the Rudd Labor government’s initiative.

The Energy Efficient Homes program is a key component of this stimulus package. It represents an investment of $3.9 billion as a response to the joint threats of worldwide recession and climate change. This innovative policy response delivers on the government’s household energy efficiency commitments contained in the Carbon Pollution Reduction Scheme white paper. The government’s new investments in energy efficiency will modernise Australia’s existing housing stock, thus creating jobs, while con-
tributing to a potential reduction in greenhouse gas emissions of up to 49.4 million tonnes by 2020. This time-limited program of initiatives will have three key components. First, eligible Australian owner-occupiers will be able to access free installation and supply of ceiling insulation up to $1,600 through this program, saving a possible $200 per year on their energy bills. Second, there will be support for tenants in rental accommodation, with landlords able to access an increased rebate of up to $1,000 to install insulation in their rental properties. Let us not forget that a number of rental properties—

Senator ABETZ (Tasmania) (11.03 am)—What a great value-add to the debate that was—not! I am sure that Senator Furner is ready to go with his filibuster. This is bringing the Senate and its operation into disrepute.

Senator Bilyk—You weren’t listening to me. Are you the only who is allowed to speak in here?

Senator ABETZ—I am actually going to ask a question of the minister, unlike Senator Bilyk, who simply slavishly read a speech—prepared by the minister’s office, no doubt.

Senator Bilyk—It was not!

Senator ABETZ—Senator Bilyk, if I were you, I would not lay claim to that speech.

The TEMPORARY CHAIRMAN (Senator Troeth)—Senator Abetz, if you have a question, I suggest that you ask it.

Senator ABETZ—I will. I was wondering whether the minister can give us an update as to whether the government has decided as yet whether it is going to move any amendments to its own legislation? We have now been waiting a full week since it was introduced, and time is ticking by today. We know filibusters are going on. I think the Senate is entitled to know.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.04 am)—I can say quite categorically that my office had absolutely no hand in—

Senator Abetz—No, not your’s—Mr Swan’s office.

Senator SHERRY—You said mine. I can also say that on behalf of the Treasurer.

Senator Abetz—it would have been better if you had written it.

Senator SHERRY—I think Senator Bilyk’s was a very good contribution to the committee discussion. Senator Bilyk is perfectly capable—as a Tasmanian senator, I know this well—of preparing her own speeches. I congratulate her for her contribution in the committee stage.

I do reject the claim that there has been a filibuster taking place over the course of the last day and a half. I do reject that claim. I will have to total up the number of questions and answers that I have provided, but there have certainly been at least 30 or 40 questions posed over the course of the last day and a half. I have provided, I think, answers to almost every question that has been posed—not just from the crossbenchers. I would also remind Senator Abetz that there were a number of questions posed not just by him but by Senator Macdonald, for example. I did provide a response to his requests.

Senator McEWEN (South Australia) (11.06 am)—While discussion is happening in the chamber, I would like to take an opportunity also to make a small contribution to this debate and perhaps ask the minister to turn his mind to how the package would affect the constituency I represent in South Australia. Certainly this second economic stimulus package we are considering today builds on the $10.4 billion package that the
government implemented in October last year. It is a very welcome economic stimulus package. It has certainly stimulated a lot of debate in the chamber—and I think a lot of very useful debate.

While the opposition senators have been very dismissive of this committee stage of the debate about this package of bills, I think yesterday’s debate was particularly useful as we heard suggestions from senators about other things that could be done to stimulate the economy in Australia. As the minister has pointed out numerous times, while a lot of senators in this place have spent a lot of time considering ways to stimulate the economy, unfortunately we are unable to take up all of those suggestions. But it was telling that the crossbenchers in particular came up with some useful contributions in that regard, whereas the coalition senators have made no suggestions at all and have only managed to ask ridiculous questions, as Senator Abetz has just done.

The Nation Building and Jobs Plan has come about because Australia is facing the worst economic situation that it has confronted since the Great Depression of the 1930s. It is worth reiterating the core components of the package of bills that is before us today. There are many wonderful initiatives that are going to underpin the Australian economy when we do come out of this economic strife, which we know will not continue forever. This package is designed to ensure that, when we do come out of the economic downturn, we have the infrastructure in place, the skills in place, the training in place—all of the mechanics in place—for us to move forward as the great nation that we are.

The core components of this package that we are considering in the Senate at the moment include free ceiling insulation for over 2.7 million Australian homes. I mentioned South Australia before. South Australians have just survived one of the worst heatwaves that we have ever had. Unfortunately, many elderly South Australians died during that heatwave. I think the numbers were something around the 80 mark. Many of those elderly people died in their homes because they were unable to escape from the heat. While the coalition senators have mocked the installation of ceiling insulation in homes, I wonder what they would say to the elderly people who struggled through that heatwave. I wonder what they would say to them when those elderly people need ceiling insulation to try to protect themselves from the sometimes lethal heat that we have in South Australia. I am particularly supportive of that part of the package, and I know it is going to be a very welcome initiative, especially for lower income South Australians who need to do something to insulate their houses against the terrible heat that we sometimes have there.

Also in this package is a great initiative to assist the 9,450 schools in Australia to upgrade their buildings. Another initiative that has also generated considerable debate is the construction of 20,000 new social and Defence houses. Senator Sherry mentioned earlier that Prime Minister Kevin Rudd has a particular interest in the fate of homeless people in South Australia. In fact, I remember that, when the Labor Party took government after the 2007 federal election, one of the first things the Prime Minister asked of all his senators and members was that we should get out of our electorate offices, go out into the community and engage with advocacy groups and organisations that work with homeless people. I know many of us went out and did that. We not only met with the organisations and advocacy groups that support homeless people but also met with many homeless people themselves. There is no doubt that one of the things that are abso-
olutely essential for those Australians who are in the unfortunate situation of being homeless but who want to get themselves out of that dreadful situation is to have a base from which to re-establish their lives that is secure, comfortable and affordable.

Of course, being homeless undoubtedly brings with it the situation that you are unemployed as well. Another factor of this package before us is to shore up jobs in Australia. Nobody is hiding from the fact that the economic downturn is going to increase unemployment in Australia. The core of this package of bills that we are considering today is to protect Australia as much as possible from a downturn in employment. In fact, this package is intended to support 90,000 jobs over two years. It does it in a number of ways. One of the ways it does it is in construction of housing and construction and support for infrastructure in schools. It will also do it via an immediate cash injection of $950 that will go to eligible families, single workers, students and, importantly, drought affected farmers. That payment will go to 8.7 million Australians if the senators opposite support this package. If those senators opposite and on the crossbenches do not support this package, then that immediate boost to families who need that money will not happen. I think the people of Australia need to know what the position is of the various senators and parties represented in this chamber. I am proud to say that of course the Australian Labor Party support that cash injection because we know it will give a stimulus to the economy and that, in turn, will protect and support jobs.

Other aspects of the package of bills before us include a temporary business investment tax break for small and general businesses buying eligible assets, and a significant increase for funding local community, infrastructure and road projects—another very welcome initiative. That will boost the number of jobs in the construction industry. Last night we heard on the news some predictions for a downturn in jobs, particularly in that sector of the economy. How quickly things turn, because not 12 months ago we were desperate to find workers in that sector of the economy, which was booming. But now, unfortunately, because of circumstances that Australia did not contribute to, there will be a downturn in the construction industry that this government is desperately trying to address and will address through this economic stimulus package—as long as we can get it through the Senate chamber.

Yesterday, I listened with much interest to the minister talking about the Great Depression of the 1930s and discussions he had with his father about the situation for him during that period. My father, too, suffered through the Great Depression. I often talk to him in the context of the current economic situation about what it was like. His experience was the classic one where his father was either unemployed or underemployed. His father was a carpenter with a large family. That meant that often the family went hungry. The kids would share the shoes to wear to school because there were not enough pairs of shoes to go around and various of his siblings were farmed out to relatives who might have been a little better off to be brought up by them. They were difficult circumstances. One of the things my father and the other elderly people he lives with at his aged-care facility say to me when I visit them is: ‘Don’t let that happen again. Don’t let the young people of Australia have to go through what we went through during the Great Depression.’

I am particularly interested in the elements of this package which support our young people. Clearly in the future we will need them with the skills and the jobs to carry us forward and, indeed, to support the elderly people like my father who are in aged-care
facilities. I have been very interested in the reaction of young people to the idea of an economic stimulus package. I noted in the *Sunday Mail*, the excellent Sunday newspaper from South Australia, which we all read with much interest—

Senator Ferguson—You’ve got to be joking!

Senator McEWEN—I see Senator Ferguson nodding enthusiastically over there. There is a young correspondent who writes regularly in the *Sunday Mail* called Ann-Maree Andritsakis, a very young student and part-time worker. I would like to share with the Senate some of her thoughts about the package which is being considered today. Interestingly, underneath her article is another regular correspondent to the paper, the member for Sturt, Mr Pyne, who has a completely different view from Ms Andritsakis. In her column, Ms Andritsakis says:

The idea of stimulus packages is to spend, to inject money into the economy, and that is exactly what I plan to do, but first, a bit of sensible spending is in order, specifically the textbooks for uni that I always seem to forget to save for. Then the leftover amount will gladly be poured into the retail sector. As I see it, the retail industry, along with hospitality, is filled with young people desperate to earn a buck or two. There is no doubt life has for many become a little bit harder—for some a lot harder in one way or another over recent months. All of a sudden there is the uncertainty that I will walk into my part-time job one day and my boss will tell me he has no more hours to give me. There is also the uncertainty that I will graduate at the end of the year and there will be no jobs for me.

Those are the words of a young university student and a part-time worker, outlining the consideration that we should give to our young people. It is devastating indeed for people to graduate from university and then not be able to find a job. If this package of bills before us today, this $42 billion stimulus package, can in any way contribute to the economic welfare and employment security of our young people like Ms Andritsakis, we all should be supporting it. I urge all senators to support it.

There are, of course, other elements of the package of bills before us today which are directly relevant to our young people. I mention in particular the funds dedicated in the package to building the education revolution. I have asked the South Australian government to provide me with their response to that package and have been advised that right now over 520 government and 170 non-government schools in South Australia fall into the categories of primary school, special school or K to 12 school, meaning that all of them would be eligible to apply for funding to build or upgrade large-scale infrastructure—for example, libraries and multipurpose halls. There are over 690 schools in my state alone. I am sure that the minister will confirm that they will be able to build or upgrade vital infrastructure with this funding. Approximately 260 South Australian schools—

Senator Ferguson—Why did you get rid of Investing in Our Schools?

Senator McEWEN—Senator Ferguson, I thought you might be interested to know what the implementation of this package will mean for schools in your state of South Australia. At the moment, you are sitting there—

The TEMPORARY CHAIRMAN (Senator Troeth)—Order! Senator McEwen, resume your seat. I would have thought Senator McEwen should be able to deliver her speech with due regard from other senators. I ask her to resume her speech without undue interjection.

Senator McEWEN—Thank you very much for your intervention, Madam Chair. I appreciate that because I am trying to put this on the record to get the minister’s response to the importance of enabling 260
eligible South Australian schools to attract funding of up to $850,000, with another 170 eligible schools to attract funding of up to $2 million. Those capital upgrades will benefit not just the lives of students but the entire communities in which the schools are placed. The government’s package requires that the community surrounding those schools be able to use the government funded capital upgrades for community purposes. I think that is a brilliant idea, particularly in our rural and regional communities, where some of the schools are going to improve their facilities enormously. Then the community will have an up-to-the-minute, state-of-the-art facility to utilise. That innovation has been welcomed by the South Australian government, as they told me yesterday when I spoke to them. Indeed, the word from the South Australian government—

Senator ABETZ (Tasmania) (11.21 am)—If Senator McEwen felt so passionately about investing in our schools, I am sure she would have opposed the Labor Party’s abolition of our program Investing in Our Schools, but of course at that stage the mantra was ‘reckless spending’, which I don’t think we hear from those opposite anymore. I have a number of questions to the minister. At 11 am I asked the minister whether there were any government amendments. He gave us a long talk about all sorts of things but did not answer the question. A few minutes later, we have before us government amendments.

Senator Ferguson—Are you in the loop, Nick?

Senator ABETZ—Senator Ferguson has beaten me to the punch. Is he actually in the loop? I would have thought the decent thing to say to the Senate was, ‘Yes, they are with the printer as we speak and they will be circulated in the chamber very soon.’ But we know how this government treats the Senate.

In relation to the amendments that have now been circulated, some substantial savings will be made. Is it anticipated that those savings will be spent in another area and, if so, in what area? Or are they simply to reduce the overall package by $2 billion, which is where I think it might be nearly up to. I think one lot of amendments will reduce it by $435 million and the other lot by $1.34 billion. Those are rough terms. Are those amounts going to be savings or transferred to another area?

My final question in relation to this legislation is this. We were told that the stimulus package, especially this immediate spend of $950 and $650 and the various variations, was needed immediately to support up to 90,000 jobs. Clearly, with less money being spent on this allegedly vital immediate stimulus, the number of jobs to be supported must now be revised downward, and considerably so. I would be interested to hear, therefore, the minister’s answer on the number of jobs that will now be supported by this package and whether the savings that we have been provided with in the amendments thus far are, in fact, going to be spent somewhere else. If the money is going to be spent somewhere else, is the minister going to share the secret with the Senate as to where that money is going to be spent?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.24 am)—As has been indicated by Senator Abetz, the government circulated two amendments during the previous contribution on this discussion in the committee stage. I thought it important that Senator Abetz and the opposition be shown the courtesy of being able to see those amendments for a period of time. He has obviously had
the opportunity to read them, given the context of his question.

I table a supplementary explanatory memorandum and seek leave to move the amendments circulated to the Household Stimulus Package Bill 2009 together.

Leave granted.

Senator SHERRY—I move government amendments (1) to (6) on sheet QC294:

(1) Schedule 3, item 3, page 20 (line 24), omit “$950”, substitute “$900”.
(2) Schedule 3, item 3, page 20 (line 26), omit “$950”, substitute “$900”.
(3) Schedule 3, item 3, page 20 (line 32), omit “$950”, substitute “$900”.
(4) Schedule 3, item 3, page 21 (line 2), omit “$950”, substitute “$900”.
(5) Schedule 3, item 3, page 21 (line 9), omit “$950”, substitute “$900”.
(6) Schedule 3, item 3, page 21 (line 18), omit “$950”, substitute “$900”.

I wish to make some comments to the amendments to the Household Stimulus Package Bill. In response to the spreading and serious crisis in the world financial and economic system, as has been reflected by the increasing number of economies around the world that are moving into recession—and ever deepening recession—the Rudd government has made it very clear that it is committed to delivering a significant fiscal package, the Nation Building and Jobs Plan, of some $42 billion. This plan is absolutely necessary if we are to support the economy, jobs and growth during this period of deepening global economic recession—the deepest global economic recession that we have seen since World War II.

So 2009 is going to be a tough year, but the Rudd Labor government does not want to make it a tougher year. That is the essential reason for presenting this $42 billion Nation Building and Jobs Plan. It provides immediate support for jobs, and it invests in the long-term economic growth of this country. Yet we have a position from those opposite, the Liberal-National Party, of trying at every turn to prevent the passage of this stimulus package. This package is an essential stimulus to protect the Australian economy, to which the Liberal-National Party’s response is: ‘No. Do nothing’—and in that classic description from the shadow Treasurer, Ms Bishop—‘Let’s just wait and see.’ The Rudd Labor government is not going to wait and see how serious the economic downturn will become. We are not going to wait and see. We are acting decisively.

The Liberal-National Party have decided the challenge ahead should just wait. They have no response. They have decided to continue their legacy—a pattern of underinvestment in our nation’s infrastructure. The Rudd government is not prepared to play politics with Australian jobs or the Australian economy, and this has meant securing the support of the minor parties and the Independents. The Rudd government has made some additions to the Nation Building and Jobs Plan to ensure the passage of this important plan. They include making some changes to the size of some of the targeted payments to ensure that the package remains fiscally responsible.

The amendments to the Household Stimulus Package Bill 2009 that I am speaking to will reduce the amount of the single-income family bonus by $50. This means that single-income families who receive family tax benefit part B will receive a $900 bonus to complement the tax bonus for working Australians, which will also be reduced by $50. That is the next amendment we will consider.

The single-income family bonus is a payment complementary to the tax bonus to assist families who have only one income earner. Families with two income earners will receive two payments of the tax bonus.
The adjustment balances the requirement for fiscal responsibility with the need to deliver fiscal stimulus now. I point out that most other comparable countries are delivering substantial fiscal packages.

Senator Bushby—They’ve all got tax cuts too.

Senator SHERRY—Some of those fiscal packages in other countries include tax cuts; some do not. I went through that in exhaustive detail yesterday. We have tax cuts factored into the forward estimates. We do not reduce these payments lightly, because we know they are essential to support growth and jobs in the near term. But we have decided on this small reduction which maintains the overall effectiveness of the government’s plan to support jobs and growth while taking into account the views of others. The government is acting responsibly to protect jobs and businesses by ensuring these bills are passed. We hope others will see the need to act responsibly and in the interests of Australia at this difficult time.

The government has entered into discussions with all relevant parties on the stimulus package in good faith. As I mentioned, we could have no discussions with the Liberal-National Party; their solution at this time of global fiscal and economic crisis is to do nothing, to wait and see. They have made their position clear. I can say that there have been constructive discussions with the parties and the Independent senator on the crossbenches. The government has had constructive discussions with Senator Brown over the past week. Senator Brown has proposed a number of sensible and pragmatic options, all designed to stimulate the economy and support jobs. The government will be working with Senator Brown to see a number of these proposals realised. Senator Fielding has made a good proposal on a community based jobs plan. The proposal has merit, and we have indicated that we wish to work with Senator Fielding to move the proposal forward. It will require some more work, but we are confident that we can move on it. He feels strongly about the issue; he expressed that yesterday. We share his concern, passion, commitment and focus.

Senator Xenophon has proposed to us over the past week a number of bring-forwards to Murray-Darling programs. That is reflected in the amendments that have been circulated in the Senate this morning. We have indicated to the senator our willingness to bring forward very significant funding. Senator Xenophon this morning has circulated an amendment which deals with the Murray-Darling. The government will not be supporting that amendment. This amendment was not provided nor mentioned to the government before it was circulated. Fiscal responsibility is very important to the government. In order to fund the additional spending that I have already mentioned, the government will move amendments. I am moving one now.

This is the point of decision for the Senate. As I have indicated, we have a deep and rapidly spreading disaster in the world financial system and economy. It was unknown that these effects would occur a year to 18 months ago, and it is spreading very rapidly. No-one would have believed the extent, the size and the depth of the collapse of the world’s fiscal system. This did not happen in Australia and they are events beyond our control, but they do impact on Australia as the economic recession spreads through a number of countries. China has significantly revised down its growth. That in turn affects Australia and its economy, Australia’s demand for minerals, and Australian jobs. This Labor government is not going to stand by and not do everything in its power to underpin and strengthen the Australian economy and jobs going forward during this very dif-
difficult time, certainly the most serious economic period since World War II. It is a consequence of what has become known as the US subprime crisis. I have talked on many occasions about the detailed aspects of that.

This package that the government has presented contains a number of very important elements. Many of them have been considered in this Senate. This package has not been rushed. We have until midnight to vote on it. There has been extensive analysis of this package in Senate committees, and that is a good thing. There has been significant debate and discussion yesterday and today on this package. I want to point out, in summary, the important aspects of this package, which is critical in underpinning the economy and jobs over the next couple of financial years. There is the tax bonus for working Australians, the single-income family bonus and the farmers hardship bonus. The National Party is not going to support the farmers hardship bonus. There is the back-to-school bonus and the training and learning bonus. In this financial year, 2008-09, it comes to a total of approximately $12.77 billion, adjusted by the amendments that I have outlined. For 2009-10 and 2010-11, the primary focus is on a number of programs: Building the Education Revolution, giving assistance to every school in Australia, building 20,000 social and defence homes and building energy-efficient homes. There is another issue that I frankly found surprising. We had no comment during the committee stage from the Liberal-National Party on the small business and general tax break totalling some $2.7 billion. They are the so-called champions of small business in this country. The components of the package total $2.7 billion and include a small business and general tax break, which the Liberal-National Party are saying no to.

Senator Abetz—You voted against it in committee.

Senator SHERRY—Oh, you have reversed your position. You are now going to support part of the package? The final elements of the package include funding for black spots, boom gates and community infrastructure. These are very important aspects of this nation building and jobs package.

Most comparable countries have adopted the approach of stimulus packages, and I note that yesterday the stimulus package was passed in the United States. Most comparable economies and governments have recognised the seriousness of the emerging fiscal and economic crisis. It is appropriate for the Labor government to provide decisive leadership to underpin and strengthen the Australian economy and underpin and strengthen jobs in this country. It is essential. It is only the Liberal-National Party that says, ‘Do nothing, wait and see.’ What an approach to an emerging economic crisis! It is not a responsible option to adopt that approach. It is certainly not the approach of this Labor government, which from day one, as the financial crisis started emerging, has acted decisively to minimise the impact. And thank goodness, because the impact in Australia has so far not been, and we expect it will not be, as significant. I mean, 600,000 jobs have been lost in one month in the United States. We know fiscal stimulus packages do work. We do not want to see the do-nothing approach that occurred when the Great Depression started in the late 1920s. We do not want to see a do-nothing approach; we have to be proactive to underpin our economy and do everything possible.

Unfortunately, the Liberal-National Party cannot see the positives of this approach. As I say, ‘do nothing, wait and see’ is their solution. But history tells us that to wait and see and do nothing will mean circumstances will be far worse. So I say to the crossbenches, to the minor parties and the Independents: this
is decision time. Are we to be the only country in the world that has been debating a fiscal stimulus package and then rejects that package? Are we to be the only country to date that has been debating these issues and the importance of a fiscal stimulus package and rejects a critical stimulus package which is necessary to underpin our economy and jobs during this emerging world economic crisis? So there is a heavy responsibility on the crossbench parties and the Independents to support this package, and I would appeal to them. This is the hour. This is the decision making. Australia needs this stimulus package and I urge the Senate to support it. (Time expired)

Senator ABETZ (Tasmania) (11.39 am)—The minister told us that this is the moment of decision. Well, we as an opposition suggested to the Senate yesterday that it was the moment of decision, and the Labor Party voted against putting their own package to the Senate. That is how urgent this package is to the Australian Labor Party. Indeed, the speech that the minister has just given is a speech that he gave exactly seven days ago when he said that this package was so important it had to be put through immediately and could not go to a Senate committee. And here he is, seven days later, pretending to give the same speech, with all the same jargon, but not answering a single question that I asked. Those questions were: what are we going to do with those savings in these amendments to the legislation; who is the deal being done with; and what is the money going to be spent on?

What is more, we were lectured and hectored last week that this package had to go through as is, because if it were delayed, let alone amended—to quote Senator Evans, the Leader of the Government in this place—it would be impossible to roll out by 11 March. So I ask: does the government amending its own proposals cause this huge economic Armageddon to occur that we were promised last week if the package were delayed? The government is now amending its own package, saying these amendments are okay, that it is okay to amend. Why wasn’t it okay to amend last week? All these problems that were going to be showered upon the economy if it were delayed seem, all of a sudden, to have evaporated. I think the Leader of the Government in this place owes an explanation not only to the Senate but to the people of Australia—and, what is more, Mr Rudd does as well.

It is nice to see that Mr Rudd has finally stepped down from his bulldozer and is actually talking with senators. Can I say this to those opposite: even Barack Obama, with his huge election victory under his belt, had the decency to consult with the Republicans to get together a package that would suit the nation. From day one, Mr Rudd, the Prime Minister, has said: ‘It is my way or the highway.’ And when Mr Turnbull said, ‘We would be willing to discuss a package with you which is more modest,’ there was no interest whatsoever. But, of course, that is the huge difference between President Obama and Prime Minister Rudd. President Obama, even with a huge election victory under his belt, has the gravitas of statesmanship, the capacity to deal with opponents in a way that is truly nation building, unlike Mr Rudd’s bulldozer approach.

Senator Sherry, can I quickly take you to the small business issue on which you sought to attack us. If you had followed the debate at the committee hearing you would have known that I and other colleagues pursued these matters. And do you know what we were told? Those small business measures to which you refer are not even included in the legislation that we are debating. So guess what? We did not ask any questions in the chamber about them. How silly of us for not raising questions that are unrelated to the
legislation! That is indicative of how anxious Senator Sherry was that we on this side filibuster—he wanted us to start asking questions about matters that were not actually in the legislation.

I recall the very strong evidence to the committee of certain people in support of this package because the economy needed an immediate stimulus of $950 in some cases and $650 in other cases. Now, all of a sudden, $50 can be slashed off and about $2 billion saved from this immediate stimulus—$2 billion cut off! Senator Sherry shakes his head. Possibly he is that far out of the loop that he has not even read the explanatory memorandums. The Tax Bonus for Working Australians Bill 2009, we are told, involves an overall saving of $435 million. The Household Stimulus Package Bill 2009 involves a saving of $1,345.2 million. That, in rough terms, is about $2 billion.

Senator Sherry—Wrong.

Senator ABETZ—If that number is wrong, can you tell us, then, the right number of jobs that are now going to be supported by this package? We were told this package—as is, that could not be changed or amended—would support up to 90,000 jobs.

Senator Cash—Support, not create. Support.

Senator ABETZ—That is right. Senator Cash, you are dead right. The first package of $10 billion—which we supported because it was being paid for out of the surplus—we were told would create about 75,000 jobs. When we asked at the committee, ‘Show us one job that was created,’ nobody could. Out comes another package, four times as big. I have got the old calculator out. Four times 75—gee, that must be a pretty big figure of new jobs to be created. Look through the documentation—no. It says ‘support’—not create—up to 90,000 jobs. When we asked, ‘Does that include the figure 1?’ we were told, ‘Yes, it does.’ So we might be spending all this to support one job. Quite frankly, I do not think so, but a more realistic figure, rather than the very highest figure, should have been provided to us and it was not. This is so much about spin rather than substance. If you are now going to hoover out so much money from the immediate stimulus that was so vital, we on this side suspect you will no longer be supporting up to 90,000 jobs. That figure needs to be revised and this place needs to be told what the revised figure is.

Also, we in the Senate are entitled to know whether these amendments are going to delay the payments. If they do not delay the payments, as I suspect they will not, then Senator Sherry and, above all, Senator Evans, have to explain why they told the Senate that any delay or any amendments would delay the payments and that they would not be able to be made on 11 March. To coin a phrase: some of those comments made by the leader do not have the ring of truth about them in relation to the circumstances in which we find ourselves.

When we are dealing with a stimulus package which is so important, we are entitled to have the government level with us, not provide us with the sort of spin that we have just heard. In relation to the spin, let me remind Senator Sherry and each one of the Labor senators opposite that you should not come out with the nonsense that you had no idea what was heading our way economically. During the last election campaign the then Treasurer, Mr Costello, warned the Australian people that an ‘economic tsunami’ was on its way. Mr Costello was pilloried by Mr Rudd and, might I say with great respect, many of our friends in the media. The allegation was made that we were trying to scare people into voting Liberal again.

Senator Marshall—He had form on that count! He had plenty of form.
Senator ABETZ—Senator Marshall acknowledges that that is what Labor did. Indeed, what was our policy at the last election? It was: go for growth. What did we hear in response? The thundering of Mr Rudd: ‘This reckless spending must stop.’ He said that the reckless spending of the surplus—which was in fact the people’s money in any event—had to stop. He said that it was that bad that the economy was overheating—overheating to the extent that in the May budget Labor hoovered out of the economy $20 billion by increased taxation. That was to slow the economy down, to dampen it down. We of course said that that was the wrong action. Having had an economy that was overheating in May, and with those allegations still being made as late as July, there we were three months later with a stimulus package to try to pick the economy up again.

Senator Coonan—Lurching along.

Senator ABETZ—Senator Coonan, you are dead right: knee-jerk reactions, lurching along, with no idea about the economic management of this country, spinning whatever line suits them on the day. There we were, my friends, accused of reckless spending by spending the surplus, and Labor are now seeking to pass through this place a debt burden on this country of $200 billion. Make no mistake, $200 billion in this legislative package will be a burden of $9,500 per man, woman and child. Those people who thought that they were going to get $950 we now hear are only going to get $900. You know what? You are getting less, but I bet you that the debt will be the same because they have done another side deal.

As I said the other day, imagine going to a pawnbroker with your watch and saying, ‘How much will you give me for it?’ The pawnbroker says, ‘$950.’ You then ask, ‘How much will it cost to redeem it?’ And you are told $9,500 plus interest. You know what? You would walk out of the place because it is not a good deal. So for those people who think that in the short term they might get a cash injection—yes, they will. It will be nice while it lasts. But then think of the decades that it will take to repay that debt. It will take decades. Let us not forget that during a mining boom we paid off $96 billion worth of Labor debt. Hawke and Keating, with all their economic mismanagement, took 13 years to rack up $96 billion. But, with the economic wizardry of Mr Rudd, it only takes him 13 months to budget for a $200 billion debt for this nation.

Are we passionate about this? Of course we are because we are not looking at the short-term next election; we are looking at the future for our children and our grandchildren, who will be saddled with this debt that will take more than a generation to pay off. We are concerned about our future. We want to ensure that our children do not have an economic millstone around their necks.

Senator Cameron—Act in the national interest then.

Senator ABETZ—Senator Cameron, with his record as a union leader, should never suggest that he has any expertise on the national interest. Sectional narrow interests have always been his focus, and that of course is why he is in this chamber today.

Senator Cameron—And I stood up for the workers of this country against Work Choices. I stood up for the workers of this country; not like you lot.

Senator Wortley interjecting—

The TEMPORARY CHAIRMAN (Senator Moore)—I remind senators about shouting across the chamber.

Senator ABETZ—I simply say that it is false and wrong for the minister to suggest that we on this side do not have a plan, that we do not have a package. Indeed, Mr
Turnbull has already outlined the parameters. We believe something more modest would be appropriate. To assert that our policies do nothing is simply false. The classic example of that is the policy we actually had for investing in our schools. The Labor Party axed that program on coming to government because it was 'reckless spending'. What are they now doing? Reintroducing it under another name and spending even more. If our policies were adopted, the economy in Australia would have been hit, but we were seeking to take preventive measures, which for short-term political reasons the Labor Party deliberately opposed. They talked down the economy and made ludicrous allegations about the economy overheating and are now struggling to pick it up again.

Minister, can you tell us where the savings in these measures will be spent? Why don’t we need the immediate economic stimulus that we allegedly needed just a few days ago? Will this delay the implementation of the package?

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (11.55 am)—I am more than happy to go through the issues that Senator Abetz has raised, because on one point in particular he is just plain wrong. He has given an incorrect figure because of incorrect analysis of the explanatory memorandum. It is important to correct the claim. I think it is an honest mistake. He has misunderstood the supplementary explanatory memorandum for the household stimulus bill. The change to the single-income family bonus will save approximately $75 million, Senator Abetz, in 2008-09. That is the reduction from $950 to $900. It will save approximately $75 million. The financial impact statement in the supplementary explanatory memorandum states the revised financial impact—that is, the net figure.

Senator Abetz—that’s a fair point. Now that I have had an opportunity to read it, I accept that.

Senator Sherry—I gave you the courtesy of 10 or 15 minutes to read it. Thank you for acknowledging that what I am outlining is correct. The original figure was $1.42 billion and the revised figure is $1.345 billion, and that is what is in the explanatory memorandum, so the change is $75 million on the amendments we are currently debating for the changes to the single-income bonus paid to recipients of family tax benefit part B. That is my response to that issue and question that Senator Abetz raised.

Let me go to another issue he raised—the timing of the payment. We have moved amendments and he has questioned the timing of the delivery given the change to the figures. This was considered at the Senate committee hearings, Senator Abetz. I do not know whether you were there or not, but it was reported to the Senate committee—and this was discussed at the committee hearing—and the government has been advised by Centrelink and the ATO that changes to payment amounts will not affect the timing of the payment. And that is what these amendments go to—payment amounts, not the parameters of the payments. So, yes, the government has been advised that the timing of the delivery of the package can still be met.

Senator Abetz also went to the issue of the impact on jobs. Having accepted now that the figure is $75 million in this financial year, the number of jobs is based on the highest point of spending—that is, in 2009-10—and the payment changes are in 2008-09. As to the overall savings, the savings that result from these amendments and the amendments I am yet to move will be redeployed into further stimulus areas. I have reported to this chamber the very productive
and positive approach taken by the minor parties and Independents to these negotiations. The savings I have outlined will be redeployed to other fiscal stimulus as is appropriate.

Senator FURNER (Queensland) (11.58 am)—Firstly, I express my deepest sympathy for the atrocities we have seen of late in Victoria, with the overwhelming loss of property and human life. It has certainly touched me deeply to be in this chamber and be aware of that news. Equally, I express my concerns and sympathy for people in my own state of Queensland over the pain and hardship they are going through with the floods in North Queensland. Turning to the Nation Building and Jobs Plan, I think at this time more than ever—

Senator Abetz—I do apologise to Senator Furner for interrupting him but I was just wondering if he would be so kind as to indicate whether he is going to be giving us the benefit of a 15-minute speech. If he is, that would assist me in my own time management.

The TEMPORARY CHAIRMAN (Senator Moore)—It is not usual for senators to tell how much time their speech will take.

Senator FURNER—At a time when we are facing a global economic crisis, here we are in this chamber debating a $42 billion package that we need to put through urgently. This has been supported on many occasions by business leaders, economists, banks and those working in social welfare circles. This comes at a time when they are aware of the urgency of making sure this package is supported in this chamber. There has been an overwhelming case put for the Nation Building and Jobs Plan. There is a global recession. You do not need to be a rocket scientist to work out what is happening around our world. But those on the other side of the chamber seem oblivious to this. At a time when we need to support jobs and the economy of Australia they are opposing this bill. We are better placed than other countries to implement this proposal. We are fortunate to be aware of what we need to do in these circumstances—and that comes from the values of our party, the Labor Party—and what we need most. Those on the opposition side do not seem to have any understanding of what is best for jobs and working families in our nation.

The issue of the deficit has been raised. There is no doubt this is a global recession. It has wiped $115 billion off the government’s revenue, which has imposed this deficit. This is why we are implementing the proposal that we have put forward: to stimulate the economy, to stimulate growth, and to support and encourage jobs and growth in the market. I am aware that amendments have been put before the chamber for consideration, and no doubt the amendments will be dealt with in due course. Once again, at a time when we need to look at the worst global recession that we have faced since the Great Depression, we make no apology for choosing to support Australian jobs.

I was fortunate enough just recently, Madam Temporary Chairman Moore, as you would be aware, to be a member of the Senate Standing Committee on Community Affairs, which heard evidence on this package from various people who I would refer to as expert witnesses. In particular they gave evidence on what the effect of the package would be in regard to stimulating the economy and growth where we need it most—that is, in the housing industry. I will draw to the attention of the chamber some direct quotes from the committee Hansard. Frank Quinlan, the Executive Director of Catholic Social Services Australia, said this when talking about the housing initiatives in this bill in particular:
I would begin by saying that, when we sought feedback from our very broad membership over the last few days, the feedback was that this package is unequivocally good and unequivocally welcomed. It is well overdue.

What sort of message does that send? Once again it is sending the message that we need to stimulate the market by encouraging growth and supporting the housing sector and making sure that that flows on to support jobs for the people who construct those dwellings. He went on to say:

But the clear message from our broad membership was that the projects that were anticipated by this package are ready to go. There is enormous pent-up demand in the community and social housing area.

That evidence the committee received flies in the face of the sceptics, who ask, ‘When is this package going to kick off?’ or who say, ‘Houses aren’t ready to be built.’ Houses are ready. There are projects ready to jump-start and prepared to go the moment this package is implemented. Mr Quinlan went on to say:

… from our perspective, there are some basic community needs that the government ought to meet—the need for appropriate housing is one of them and the need for appropriate income support is another one.

He went on to say:

There has been an enormous push for a number of years to improve the level of housing stock, so the plans that people have are ready to go. I think ‘shovel ready’ is the jargon of the day …

He makes no apology for his support. He had spoken to his directors, who in that instance had already acquired blocks of land. So it is not the case that people are not searching around for blocks to put these dwellings on. There are blocks of land ready and all we need is to have the package implemented and the approvals go through. Then we can start building these houses to supply dwellings for people who are homeless and people who are in need of housing in our country. So it is all about supplying that capital to make sure that these dwellings and services are provided.

At that same inquiry the committee heard from a Ms Helyar. She said:

In terms of employment, I think what is valuable in this package is that there is an opportunity particularly in the areas that have faced chronic and multiple disadvantage and high levels of unemployment. They are the very areas that need infrastructure built. So there is an opportunity there to combine providing training and support and employment services for people in those regions with the need for a workforce to deliver on the infrastructure. If we can capitalise on those opportunities, I think that will be a fantastic outcome from this measure.

Mr Quinlan went on to talk about where the people for these jobs would be coming from. He said it is not a case of needing to look at bringing in employees from overseas. He went on to indicate that these jobs would be filled by local residents, local people who are available and ready to be involved in the construction of these dwellings. He said:

One of the appeals that we see in the measures here in relation to housing and the measures in relation to schools is that the construction will be undertaken as part of the infrastructure measures at a much more local scale. So local people will have an opportunity to be engaged in those projects without some of the impacts that we have seen in other major infrastructure projects on rental costs and housing costs and we will see lasting assets for communities built.

So it is about supporting our local communities, local workers and working families that need support in these tough times. We cannot afford to go on delaying much longer this process of ensuring that we support these people.

At the same inquiry we heard from Professor Disney. He said:

From a housing perspective, I think this is really an enormously important and very badly needed package. I have spoken to your committee before about the gravity of need, and I think it is widely
accepted that it is huge. Even before the crisis, there were at least half a million households in unaffordable rental, and the number might well be twice as high as that now. So there is undoubtedly a major problem that has to be addressed.

Along with the construction of these houses in areas of need, there are further proposals in the Nation Building and Jobs Plan to have a balance between the economy and the environment. That is why there has been a proposal put forward in the bill to look at supplying insulation for ceilings and elsewhere in the construction of these homes and also for existing dwellings. It is to make sure people have the opportunity to be supplied with insulation and to generate jobs in this area as well, because we know there are approximately 32 businesses out there in the insulation business and the package, including a rebate of up to $1,600 for the supply of insulation, would certainly generate jobs. From memory, in the same inquiry we heard evidence from the HIA. Their evidence was positive about the possibility for 85,000 jobs to be created in this area.

We hear the sceptics say, ‘There is not going to be growth in housing, there is not going to be growth in the economy and there is not going to be growth in jobs.’ But we have heard expert evidence at committee hearings that that is not the case. There is a case to be prosecuted here that this package will stimulate growth and employment, particularly in areas where it is needed. It amazes me that, while the opposition opposes the package, business leaders like the AiG, the ACCI and the Master Builders Association—and the list goes on and on—have given it the stamp of approval. They have indicated that they want to see this package through. Yet those on the other side oppose it. It is about time they got on board and made sure that this is implemented.

The other day, during a break, I had the opportunity to talk to a young lady who works in the retail area. In fact, it was my daughter Sally. After the Christmas break there was an influx of sales in the boutique dress shop she works in. She is a manager at that dress shop. Certainly after the last stimulus package there were people coming in over the Christmas break to purchase clothing and so on, but when I rang my daughter yesterday she said things are starting to quieten down. It is clear that we need this stimulus package now. We cannot afford to wait much longer. I do not know what the opposition’s children do for jobs, but my children are in jobs in areas where stimulus is needed. I do not want to see my children or the children of working Australians on the unemployment list. It is about time we got on board and implemented this stimulus package.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.11 pm)—The government has circulated amendments which indicate to the Senate that some adjustment to the package is imminent. Let me say here that I am not predetermining my brief remarks at this stage on what might be happening in negotiations the government might be having with any other members of the Senate. However, I can tell the Senate that the Australian Greens have made substantial progress in negotiations with the government on this package. We are very close to a final agreement and, if and when that agreement is made, I commit to the Senate that I will come in here directly and without delay to give the Senate the detail of that agreement, because that is proper parliamentary process.

That said, I can indicate that the amendment that has been circulated is to divert some $400 million to funding some of the amendments to the package that may occur in consultation with the crossbench. The
Greens have been negotiating in good faith with the government, recognising that this package is important to the nation at a time of global financial stricture. We see the potential for increased unemployment and hardship in the country and recognise that a stimulus to the economy is required. As I have said from the outset, we are not going to take a sledgehammer to the government’s package, but we do want real benefits from modest amendments. In particular, we have been aiming at green and local job creation. We have, as I said, made some progress with the government on this. We have not yet finalised the agreement, but it is down to crossing the t’s, dotting the i’s and making last-minute word changes. I can say that amongst the proposals that the Senate might anticipate is a relaxation of the liquid assets waiting period for unemployed Australians—a mechanism to ensure that all unemployed persons and students have access to the bonus payment.

There is reiteration of the government’s commitment to increase the age pension in the May budget. We have been able to reach agreement with the government on reassuring funding for the Bushfire Cooperative Research Centre in Melbourne, which will do vital work in research on bushfires over the coming triennium. The prospect of upgrading that centre to a global wildfire research centre will be looked at in the future. We have also been seeking an increase in funding for the Australian Bureau of Statistics, simply because that is an important entity for assessing the delivery of government services and moneys. We have of course concentrated on energy efficiency measures. That is one area in which we are finalising commitments. We are also, as you will know because we have been talking about this publicly, concerned to see that no local government is left out of the opportunity to seek funding under the local government fund.

I sense the frustration of the Senate. However, I am just flagging that we are very close to agreement with the government. I would expect to come in here within the next hour or two and make a more complete statement. Then of course the Senate will be able to debate the measures in the proposed amendments. Finally, I want to say this: the Greens remain committed to the scheduling that this matter be voted up or voted down and that it be put to a vote by the Senate by no later than midnight tonight. We agree that the Senate needs to be able to debate amendments, and we will do all we can to facilitate all senators from our corner of the Senate being informed and being able to go through the amendments and come to the best conclusion possible. We remember this: this is a big stimulus package; it has generally been welcomed by the Australian people; and it is our belief that it should, if at all possible, be passed so that it can do the work of stimulating the economy without any unnecessary delay.

Senator XENOPHON (South Australia) (12.17 pm)—I indicate that I am pleased that Senator Bob Brown is close to agreement with the government. I think he said it was a matter of dotting the i’s and crossing the t’s. In relation to my position, I indicate that I am still waiting for the piece of paper, let alone the biro, so I think we have a long way to go. It has been about 48 hours and 52 minutes since I last met with the Treasurer. I understand that I will meet with him again soon, and I welcome that opportunity. I indicate that I do not believe that any credible stimulus package will work in the absence of fast-forwarding already planned expenditure targeted at the Murray-Darling Basin, when you consider how many jobs are at stake; when you consider that communities are on the brink; and when experts such as Professor Mike Young, a leading scientist from the Wentworth Group of Concerned Scientists,
says that time is running out for the Murray—for the communities along the Murray and for the ecosystems in the Murray. This money was set aside initially by the Howard government, when Malcolm Turnbull was water minister, and was added to by this government, but that expenditure will occur over a number of years in water buybacks and water infrastructure. What has happened so far in relation to exit packages has been pitiful. I will speak to that more when I move my amendments in relation to the Murray-Darling Basin.

In relation to this matter, I put on notice further questions and have not received answers to them. It would be good at this time to get an indication from the government as to whether they intend to answer those questions. I put those questions on notice to Treasury in the inquiry process, in relation to the modelling done on home insulation—what the price effects would be. These are questions that the government have taken on notice. There are questions about the timing of payments, with evidence of the pre-Christmas cash bonus taken into account. It is disappointing that Treasury has had to rely on handouts from George W. Bush’s administration rather than on our own studies of what has occurred with cash handouts previously. There is a question on the government did not commission a household expenditure survey to indicate the extent to which the previous handouts were effective, in the context of formulating this package of handouts. I was gobsmacked when Treasury said that would be quite expensive. So is $10 billion or $12 billion worth of cash handouts. That is fairly expensive as well in the absence of appropriate empirical evidence. The government are meant to be evidence based in their approach, so you would have thought that that would have been the way forward.

I am also concerned about issues of investment return. There are some basic economic concepts. What will the investment return for certain investments be? Those questions did not appear to have been answered when my office last checked. There is a question on the time frame over which a return will occur and the opportunity costs of those investments. By putting the money in these particular sectors, what will it mean for investments in, for instance, health and the environment? These are things that need to be taken into account. Also, regarding the whole issue of the CPRS and the modelling undertaken in relation to that, I would have thought that the government’s CPRS proposal would have a significant economic impact, and that needs to be taken into account in the forward projections and the modelling in the context of this stimulus package. I do not understand Treasury’s claim that they have forecast only until 2010 when I understand that they have forecast up to 50 years ahead on the impact of a CPRS. Surely that should be taken into account with respect to this package and the long-term prognosis for the Australian economy.

I intend to say more about the Murray-Darling Basin and the economy and the jobs at stake there at a later time. I indicate that I am prepared to talk to the government in good faith and with goodwill, but time is running out. It is important to get the right stimulus package. It is important to get this right in the context of the Australian economy. It is important that we do not have a huge swag of Australians left out, because of the impact that that will have on the economy.

With those words I look forward to a response—or at least an indication of when a response could be forthcoming—to the questions on notice that I put to the government in the committee process, and I look forward to keeping this chamber informed of my dis-
cussions with the government. Senator Sherry has already indicated that the government does not support my amendments but it would be very useful to enter into discussions with the government as to the whys and wherefores of that opposition so that we can have a genuine dialogue in relation to the concerns I have raised with respect to the Murray-Darling Basin.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (12.23 pm)—If I could just indicate, because I anticipate you will be leaving the chamber fairly shortly to go to some discussions, Senator Xenophon, that some of the matters you have raised have been responded to but I am going to double-check now. I know some have not and I will ensure there is a response to your questions on notice, and I would anticipate by the time you are back in the chamber we will have answers to those unanswered questions.

Senator BUSHBY (Tasmania) (12.24 pm)—I move:

That the question be now put.

Question put.

The committee divided. [12.29 pm]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes……………. 33
Noes……………. 35
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. Colbeck, R.
Coonan, H.L. Eggleston, A.
Ferguson, A.B. Fierravanti-Wells, C.
Fifield, M.P. Fisher, M.J.
Heffernan, W. Humphries, G.
Johnston, D. Kroger, H.
Macdonald, I. Mason, B.J.
McGauran, J.J.J. Minchin, N.H.
Nash, F. Parry, S.
Payne, M.A. Ronaldson, M.
Ryan, S.M. Scullion, N.G.
Troeth, J.M. Trood, R.B.

NOES

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

PAIRS

Adams, J. Brown, C.L.
Cormann, M.H.P. Conroy, S.M.
Joyce, B. Faulkner, J.P.

* denotes teller

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

Question negatived.

The TEMPORARY CHAIRMAN (Senator Troeth)—The question now is that government amendments (1) to (6) be agreed to.

Senator XENOPHON (South Australia) (12.32 pm)—During the division, one of my colleagues asked me whether Senator Sherry’s assertion that I had not discussed my amendments with the government was true. I want to put that into some context. With respect to Senator Sherry, I think his advice may be wrong. The amendments that have been circulated, which I am not seeking
to move at this stage, were foreshadowed in my second reading debate speech. The substance and the elements of these amendments have been discussed with the government. I just want to put that in perspective. I am not criticising Senator Sherry as such. There may be a misunderstanding such that, technically, the amendments themselves were not shown to the government before they were circulated, but the government is well aware of the substance of the amendments. Any suggestion that the government is surprised at the direction I am going in or the intent and substance of these amendments is erroneous.

Senator WORTLEY (South Australia) (12.33 pm)—I take the opportunity to contribute to the discussion in this chamber on the appropriation bills before us. In doing so, I acknowledge that we have a number of amendments before us that will be dealt with later today. Those in this chamber have already heard, both during the second reading debate and now in the committee stage, that these bills are part of a suite of legislation that is crucial and urgent in the face of the financial crisis gripping the globe and its impact on Australia. The passage of these bills through the parliament would be an investment in our nation’s future. They represent an investment in our nation’s families, in the homes they live in, in the environment, in our roads and their safety, in our community infrastructure, in our schools and the education and training they provide, and in the jobs of our workforce and their ongoing viability.

The bills introduced as part of the $42 billion Nation Building and Jobs Plan are the framework for shoring up our own house as we stare down a worsening worldwide situation. They are the foundation on which we will build a position of strength. While the scope of the measures sponsored by this legislation is broad, there are two points in particular that I would like to pick up on in relation to the contributions made in this chamber yesterday by two opposition senators, Senator Boyce on education and Senator Joyce on energy efficiency delivery. Through the funding allotted by this much-needed and urgent economic stimulus package, the government will build the education revolution. This pillar of the package is a $14.7 billion long-term investment to boost the quality of Australian school facilities such as multipurpose halls, libraries, gymnasiuums and science laboratories.

Senator Abetz—Madam Temporary Chairman, I rise on a point of order. The senator undoubtedly has a prepared speech, and that is fine, but the question before the chair is on the government amendments. It is not on insulation, education or other matters but on the reduction in the payments to be made. We as an opposition moved that the question be put so that these general type contributions could continue. But the Labor Party voted against it; they are now hoist by their own petard. I would invite you to remind the senator and any future speakers as to the question before the chair.

The TEMPORARY CHAIRMAN (Senator Troeth)—That is true and I would ask Senator Wortley to make sure that her remarks are tied to the government amendments in front of us, which deal with the reduction in the single-income family bonus. If you would be mindful of that, Senator Wortley, that would be good.

Senator WORTLEY—Thank you, Madam Chair. I have already acknowledged that we do have the amendments before us and that they will be dealt with. In relation specifically to those amendments, I will make further comments. At this stage I am interested also in commenting on the contributions by those opposite. Building the Education Revolution will start this financial year.
Senator Abetz—Madam Chair, I rise on a point of order. What the honourable senator is trying to do is re-enter a debate which is not before the chair. Once amendments are passed or carried, we will revert, I would assume, to general discussion and that might be the appropriate time. But given what you have just ruled—if I might say, Madam Chair, quite appropriately—it would be interesting to hear Senator Wortley on why the reduction in payments is such a good thing for all those people that were promised these payments.

Senator Sherry—On the point of order, I think it is far too early for Senator Abetz to intervene. After your ruling, Madam Chair, Senator Wortley had, I think, been speaking only for about five to seven seconds. I am sure that, given your ruling, the comments that she had only just commenced would refer to the context of single income families and the issues that they face. So I think it is just far too early yet to determine whether her contribution is relevant or not.

The TEMPORARY CHAIRMAN—Nevertheless, Minister, Senator Wortley did return immediately to the subject on which the point of order was taken. I would again remind her that she needs to keep her remarks relevant to the amendments that are in front of the chamber.

Senator Wortley—Thank you, Madam Chair. The Tax Bonus for Working Australians Bill 2009 is important. It is a significant part of this package, and we do have a number of amendments before us relating specifically to that. In addition to that, we have the Household Stimulus Package Bill 2009 as well. We have, as part of the stimulus package, Building the Education Revolution and the key programs within that as well. Also we have the $15 billion injection into Primary Schools for the 21st Century, Science and Language Centres for 21st Century Secondary Schools and Renewing Australia’s Schools. As part of the entire package, the first program that I would like to refer to—

Senator Abetz—We are back onto schools.

Senator Wortley—Well, they do. That is correct, Senator Marshall, and Senator Abetz is concerned that we are back onto schools.

The TEMPORARY CHAIRMAN—Senator Wortley, I would advise you to keep your remarks to the subject which you are discussing and which I am monitoring.

Senator Wortley—The chamber has had before it a number of questions asked by the opposition side. They have been playing nothing more than political games, and now they have put a motion and want us to discuss the issue of some amendments that are before the chamber and that the minister has already said would be discussed later today.
It is timely that this is put before us given that we have before us an entire package; that is, the economic stimulus package.

The government, we know, is of course providing additional financial assistance to families who rely on one main income earner. We know that the amendments before us today will address those issues. I am sure that, when the minister addresses the chamber later today, it will be a significant contribution and I am sure too that the Australian families out there, who will welcome this package, will be listening and looking forward to seeing what the entire content is. This will include sole parent families and two-parent families where one parent chooses to stay at home or to balance unpaid work with their caring for children. The bonus will be a one-off payment, if the particular amendment goes through, of $900 per family to every family entitled to family tax benefit part B. The one-off payment will be made in the fortnight. This has already been mentioned. It has been part of the package; it was announced then. That is why we said it was important to get this bill up before the Senate. It was widely said that it was important that there was the opportunity for the Senate to pass this bill in this sitting, because that is required for it to commence in March.

It is expected that, as a result of these amendments and the stimulus package, around 1½ million families entitled to the family tax benefit part B on 3 February 2009 will benefit from the single-income family bonus. The payment is for each eligible family, and it will not be taxed or included for social security income-testing purposes. The bonus is intended to be paid by Centrelink in March to families who receive their family assistance as fortnightly instalments or as soon as practicable thereafter. For families who receive their payments as a lump sum at the end of the financial year, the one-off payment will be made with the rest of their family tax benefit part B payment. The timing of these payments will depend on when families claim.

Family tax benefit is paid to the parent who is the primary carer of a child. I understand that there are some amendments that will address these issues and I assume that the minister will speak to them later today—possibly this afternoon or this evening. The normal rules that apply to the sharing of family tax benefit will apply to this payment—that is, where there is at least 35 per cent shared care, the payment will be shared according to the percentage of care. As I was saying earlier, Senator Abetz, sitting there on that side—

The TEMPORARY CHAIRMAN (Senator Troeth)—Senator Wortley, I would be obliged if you would address your remarks through the chair.

Senator WORTLEY—Through you, Madam Temporary Chair: it is interesting that we sit on this side today and that you have moved on a number of occasions that the question be put. You are now sitting on that side trying to rush this through rather than sitting and listening to the contributions that are being had. Instead, you want to stand up and grandstand. There are some on this side, Senator Abetz—through you, Madam Chair—who would think that, with some of the performances he has put on throughout this discussion, the senator is really vying for an equity card from Actors Equity. But back to the issue of the household stimulus package and, further, to the issue of the tax bonus for working Australians: working Australians will benefit through the tax bonus; there is no doubt about that.

Senator Abetz—Madam Temporary Chair, I rise on a point of order. I have given the honourable senator a lot of latitude and
tried to listen in, but the only amendments before us at the moment that have been formally moved by the minister are amendments to the Household Stimulus Package Bill. He has, as I understand it, as yet not moved the Tax Bonus for Working Australians Bill 2009 amendment.

The TEMPORARY CHAIRMAN—That is true, Senator Abetz.

Senator Sherry—Madam Chair, I would acknowledge that Senator Abetz may have had a point earlier, but the senator has been referring in quite great detail to the single-income family bonus. She is entitled to cross-reference other issues on occasion. She has centred her contributions—certainly in the last five to seven minutes—based on your earlier ruling. It is perfectly reasonable to refer to other measures in that context, and that is what she is doing.

The TEMPORARY CHAIRMAN—Because the Senate agreed earlier to take these bills as a whole, it is true that the senator is allowed to range reasonably far and wide across the extent of those. But again, as I said before, I will be monitoring that quite severely.

Senator WORTLEY—I was just commenting in relation to the bills before us. Yes, there are a number of significant issues raised in those bills that affect households in Australia. The Household Stimulus Package Bill is one of them, but the entire stimulus package affects households—whether it is in relation to education, tax bonuses or the payments to be made—in one way or another. It affects Australians and Australian households. The senator on the other side is obviously aware of this. They just want to continue to play the games they are playing.

Senator MILNE (Tasmania) (12.49 pm)—In referring to this household stimulus package, I want to follow up with the government about questions I put yesterday. I understand that the amendment is in relation to how we are going to raise money to pay for some of these measures. In that context, I want to make sure that the measures are most effective. Yesterday I put to the minister the issue of the percentage of new housing—as opposed to pre-existing housing—that may be purchased under the infrastructure program, recognising that this is a stimulus package for builders, builders labourers, the trades and associated businesses. If you purchase pre-existing housing, you do not have stimulus. You are, in fact, bailing out quite a few developers and banks along the way; it becomes a bailout package as opposed to a stimulus package. I understand that my colleague Senator Siewert pursued some of this yesterday after I had done so. My understanding, through you, Madam Temporary Chair, is that the government has said that some of the money from the $6.6 billion housing package will go to pre-existing housing, but the government has made it clear that its focus is on new housing in order to stimulate the economy. I also understand that there may be some homes where building has commenced but not finished that might be included in the package.

The government also talked about regulations that might be developed pertaining to how this money for stimulating the building industry might be allocated. I would like greater clarification from the minister about whether they have designated a percentage of the money to be used for pre-existing, already built, completed houses that are sitting there. They could well be spec houses that are sitting there. What percentage of the money will be allocated for housing for which construction may have begun but not finished? What percentage of that $6.6 billion housing infrastructure package are they assuming will be for construction of new housing? I would really like to know that. I would also like to nail down the issue of the
regulations. Through you, Madam Temporary Chair, when do the government expect the regulations to be written and completed? Will these issues that I am referring to be made very specific regarding how the states can allocate the money? I would really appreciate the government being more specific. If we are raising all of this money, we want to make sure that we get the maximum stimulus into the building sector that we possibly can.

Senator Abetz—Madam Temporary Chair, I rise on a point of order that relates to the previous points of order that I have raised. I think Senator Milne’s questions are perfectly reasonable and should be answered during the general stage, but at the moment the question before the Senate is whether or not the Household Stimulus Package Bill should reduce various payments from $950 to $900. That is the specific question before the chamber, and that is why, given that everybody was seeking to traverse beyond that question, some of us thought it might be a good idea to get rid of that question so we could move back to the general debate. Honourable senators voted another way—I accept that—but as a result they are now hoist by their own decision, which is that we have to concentrate on the specific amendment that is before us.

Senator Sherry—Madam Chair, Senator Abetz is right to the extent that we are dealing with a specific amendment relating to the single-income family bonus, but I contend that it is relevant to look at the various circumstances of people who will receive a single-income family bonus and its level. In looking at the circumstances of individuals who would receive a single-income family bonus, it is very obvious to me that there would be many people in the context of their housing—

Senator Abetz—Please, Nick!
percentage set for existing or partly completed stock: there is no percentage set. Overwhelmingly, I am advised, it will be new houses, new blocks of land and houses to be built, but the government envisages circumstances that I will illustrate by this example. You could have a developer or builder who is developing a 10- or 20-block estate. They may have completed a house. They may have partly completed another one or two houses. It may be that they are unable to proceed further with the completion of the development. In the current context of the financial crisis and its impact, it is harder for moneys to be raised and investment made into the housing sector. We know that is an impact. There will undoubtedly be developers and builders who find it more difficult to raise finance, and there will undoubtedly be—and we have regrettably seen many examples of this over the last year—property investment trusts that also find it difficult. I think it is well known now that property investment trusts have had a significant degree of difficulty in attracting any new funding. They have also had situations where they have obtained funding and have needed to roll that over to secure new funding. That has impacted on the commercial and residential property sector. There is no doubt that that impact will continue. We can envisage in that context—but as I stress, the overwhelming focus of the program is new, start-up, block houses et cetera—that it would be appropriate for the state governments to take on partially completed developments. That will not be the focus of the package, but it seems reasonable that, in the example I have given of a 10- or 20-block development that is partly completed, where the builder or developer says, ‘I cannot obtain finance at all through the mechanisms established through the state housing authorities,’ they may well say, ‘Finance can be provided for you to complete this particular development.’ That seems to me to be reasonable.

As I say, we do not believe the number of such instances would be significant, but it may occur. And it would be common sense because, if you have got partway through the development of 10 or 20 blocks, to some degree I think it would be very reasonable, given, for example, that you would have existing approvals for that development to be completed and you would have a workforce continuing to move through that development, to ensure that in some of these cases—you certainly could not do it in all cases—those developments underway should be brought to completion. But I am assured by the official that, were this to occur, it would be a very small part of the 20,000 figure.

Senator MILNE (Tasmania) (1.00 pm)—I thank the minister, through you, Madam Chair, for that response. I did ask about the guidelines, which the minister mentioned yesterday, and the likely time frame in which those guidelines will be developed. I am very conscious of the fact that the Prime Minister has said that he will ‘knock heads together’ in relation to the states, that he has appointed a Commonwealth coordinator and that the states are expected to appoint a state coordinator, to make sure that this infrastructure rollout is as timely as possible. I am assuming that the regulations will need to be developed to govern that in as timely a manner as possible. I just want to ensure that, since the Commonwealth, in the case that Senator Sherry outlined, would be providing finance to assist someone to complete a development, then the Commonwealth could of course apply their own regulations to the partly completed development—such that, whatever was underway would be underway but, if a development was to be completed, getting Commonwealth money to go into it could be conditional on the regulations and the regulations could cover the standards to
which those properties would be built. So I would like to have a bit of an understanding of the regulations and when we will get a clearer idea of the breakdown of how the money might be spent for new, partially built or already completed developments, depending on what the category is.

I also make the point that the Greens have consistently argued in this place that, when you build social housing, it is absolutely critical that the social housing has access to public transport. We know that the poorest people tend to live furthest from the centre of the city. We know a lot of these new houses are going to be constructed on greenfield sites, which are likely to be at the edges of the city. Unless they are built to the highest standards of energy efficiency, and unless they are built with access to public transport, you are condemning the people living in them to a greater level of energy poverty—because, as I have mentioned time and time again, I believe we have reached peak oil. I believe that the price of oil at the moment is artificially low because of significantly reduced demand and that ultimately the oil price will go back to $150 or $200 a barrel. While it is a tremendous thing that we are finally getting affordable housing—I want to be absolutely on the record saying that this has been an area of neglect and I am really pleased we are getting this housing—if the Commonwealth is going to make this money available, it provides an opportunity for the Commonwealth to use its influence to make sure that the states come to the party and that there is some arrangement for discussions with the state authorities in relation to access to public transport.

I am fully aware, for example, that people living in Western Sydney are essentially trapped in Western Sydney without access to public transport. When the oil price went up a lot of those people lost their jobs—they could not afford to take their cars to work anymore because they lived on one side of the city and had to drive to the other, without access to public transport and so on. I cannot make this point more strongly. If the Commonwealth is putting all this money in, there must be some mechanism to get a quid pro quo from the states in terms of upgrading access to public transport to these areas and building developments to the highest standards of energy efficiency so that, when we get a carbon price—which is coming—and the oil price starts going up again, people will be able to achieve permanent savings by reducing their energy bills and not having to rely on private transport.

But, anyway, since the minister now seems to have accessed some information on the regulations, I would be keen to hear about that—and also about the capacity for the Commonwealth to range across the public transport area in discussion with the states.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.05 pm)—Perhaps I can start on the second issue first. I will outline the process. The Commonwealth issues the guidelines in terms of social housing. I ran through the range of parameters yesterday, and one of them includes access to public transport. While it is a tremendous thing that we are finally getting affordable housing—I want to be absolutely on the record saying that this has been an area of neglect and I am really pleased we are getting this housing—if the Commonwealth is going to use its influence to make sure that the states come to the party and that there is some arrangement for discussions with the state authorities in relation to access to public transport.

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is a much more rigorous process, and that is how it will occur.

On the issue of public transport, Senator Milne has raised, rightly, that there is a practical issue of difficulty outside the major urban centres. She would be very familiar with the sorts of public transport issues faced on, for example, the north-west coast of Tasmania. Proposals for Hobart in Tasmania would obviously be easier to consider than proposals for some areas of the north-west coast, where there is a devolved series of towns and cities. As Senator Milne would know, there is public transport in Burnie and now in Devonport but there is no public transport in the towns in between and there is no interlinking public transport. That is an issue, and Senator Milne is right to raise it, that would need to be taken into consideration if there were to be X number of houses built on the north-west coast of Tasmania in Penguin, Smithton or anywhere else that did not have public transport. The obvious point needs to be made that we would not want to then say, ‘Look, matched against the guidelines there can be no social housing there.’ That is not intended. So we are practical and we have the public transport infrastructure.

But Senator Milne raises a legitimate issue of concern. To give the example with which I am obviously most familiar, in Smithton you could conceivably walk to most facilities, although people with disabilities and the elderly, depending on their physical condition, could find it a struggle in some respects. But there is also the issue of cross-connection to towns like Burnie and Devonport. People do need to go to those city centres and there is no public transport connection from the outer towns. Where I live in Forth there is no public transport to Devonport, which is only seven kays away, and that is a community of some 2,000 people. So it is a valid consideration.

There is only so much we can do in this package of $42 billion, but there are the practical issues of public transport infrastructure in the context of social housing. I suspect the circumstances you are thinking about, Senator Milne, are very similar right around Australia outside the major cities and urban areas. So, yes, public transport will be taken into account. Whatever proportion of the 20,000 houses are in the major urban centres, I would be very surprised if the criteria could not be met there. But there is going to be that practical issue in smaller towns and communities where there is no effective public transport.

What will happen is as follows. The states will gather together the proposals. As I have said, we do not have them yet; they are being gathered as we speak and provided to the Commonwealth. It would be very surprising if they were not more than 20,000. They will be rigorously examined by the Commonwealth, not just in terms of the details we have been discussing with you, Senator Milne, and other senators but as to the nature of the individual dwellings that are to be built and the various energy, health, safety and access issues. That examination will obviously be matched against what the states had planned to do over, say, the next two or three years in the absence of this package because, as the Prime Minister has made clear, the purpose of the 20,000 social and defence homes is not to replace the current state effort planned in other housing areas. There will be no replacement; this will be an extra effort, and we do not want shifting. So there will be the microanalysis, if I can describe it as such, of the buildings that are proposed—and we have had discussion about that—and the criteria for where they will be constructed, of which public transport is obviously one. There will also be the macroanalysis, if you like, ensuring that these 20,000 homes being constructed and
paid for through the various state and territory housing are extra effort.

I am advised, Senator Milne, that when the process is concluded the Commonwealth will make publicly available the agreed projects for the entire country—the whole 20,000. Once the analysis has been completed, the go-ahead will be given to the states and territories, and the 20,000 dwellings right around the country to be funded by this program will be made public. I would be very surprised if you and others did not, rightly, have a look at these approvals. Obviously you will then make a judgment about the criteria and the way it has been applied. I think it is important this is made public because we want rigorous application of the guidelines, micro and macro; we want rigorous application. Again, I think it would be reasonably well known in the local community what was new and what was not, so there is really no sense in not making public available a long list of the 20,000 houses and where they are going to be built around the country.

Senator MILNE (Tasmania) (1.14 pm)—I thank the minister for that response. I acknowledge that the minister has said you cannot do everything in one package, but it is the position of the Greens that one of the areas of desperate need in infrastructure is the upgrade of public transport from one end of the country to the other. The collapse of the public transport system in Victoria, particularly in Melbourne, in January was a classic case of desperate need. It is the same in Sydney. We need to spend billions in Australia in upgrading public transport. But I also acknowledge that the issue in many rural and regional areas of Australia is that there is no public transport at all.

The north-west coast of Tasmania is, as the minister has said, an area of chronic need. No doubt this government will consider future infrastructure spends, separate from this package, as we go down the line but I hope that public transport comes to the fore as something that is a very high priority. I am fully aware of the Infrastructure Australia process that is going on at the moment and I know that bids have gone into Infrastructure Australia. I am not privy, obviously, to what is being considered by Infrastructure Australia but I know that there is huge support in the community for a big spend on public transport infrastructure as soon as it is feasible or possible for the government to move on this. Again, this is in the context of peak oil.

The other issue for rural and regional areas of the north-west coast of Tasmania, as I have argued to successive governments, is the need for a light rail system to connect Latrobe with Smithton. It would make a huge difference to north-west Tasmania to link all those towns, and it would lead, hopefully, to an end to the duplication that goes on there. You have there a situation where an elderly person living in Devonport cannot visit a friend who happens to be in hospital in Burnie unless they drive, which is not feasible particularly for some of the frail aged—and we have a substantial ageing population in north-west Tasmania, as we do everywhere else. And there is the issue of students being able to travel from TAFE in Burnie to their homes in Devonport or vice versa. There are also people wanting to visit or patients wanting to access doctors or various services.

We could have a much better range of services and much less duplication on the north-west coast if we had all of the north-west coast linked with a public transport system. I have had this conversation with the Cradle Coast Authority—I have had it in Tasmania for years. I have a view about light rail. Others have a view that it should be a public bus service that goes along the coast. But either
way, a commitment to a public transport network linking the coastal towns from Smithton to Latrobe is something that I would like to see in a future infrastructure package.

As the minister has said in relation to infrastructure, whilst we can see roads and rail and so on are important, one of the essential parts of infrastructure in the country, which I hope the government might consider in a future package, is the electricity grid around the country, which needs to be upgraded to an intelligent grid. It would have been an ideal opportunity in this package to link the government’s mandatory renewable energy target with the Greens feed-in tariff legislation and invest in the infrastructure of the grid to turn it into an intelligent grid. If you had all those three things you would have a massive stimulus to jobs and investment in the renewable energy sector because you would get people going out and buying solar panels and putting in wind systems—through from small- to large-scale infrastructure. Because they would have a set period of time for the payback they would be able to invest in that. You would get long-term investment horizons, massive investment, rollout of jobs in those technologies and so on.

So I am rather concerned, with this package, that the government has not seen the opportunity, under the whole carbon pollution reduction agenda, to link the mandatory renewable energy target with an investment in an intelligent grid around the country. As it stands, if we got a massive rollout of renewable energy we would not have a grid capable of bringing on some of those energy sources. If you had a large solar thermal station in outback New South Wales somewhere, or you had a large solar array, wind farm or whatever, the grid would not be capable of bringing on that source at the time it was needed, or be capable of linking energy efficiency measures with new systems coming on and so on.

So I think one of the major infrastructure needs in Australia, apart from the skeleton of public transport network around the country, is the desperate need for an upgrade of the electricity grid to an intelligent grid so that we can bring on the renewable energy revolution that most people see as a massive jobs creator, a rebuilder of the manufacturing sector and a great opportunity for Australia.

While we are on the subject of infrastructure, I totally support the spend on schools in Australia. It has long been needed, and it will be a delight to me to see new infrastructure in schools across the country because it has been neglected for years. The fact that we can make them more energy efficient is welcome because it will be more comfortable for the students and it will be cheaper for the schools to run. It also stimulates all the businesses associated with efficiency. (Time expired)

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.21 pm)—I think the development of infrastructure is important, and that clearly includes public infrastructure in this country. We have established Infrastructure Australia, which is going through the process of assessing projects, including public transport. I agree that, in the context of the social housing elements of the package we are considering, public transport is important. There is no difficulty, Senator Milne, in Infrastructure Australia completing their job. They have to be rigorous because these are very substantial spends involving large sums of money. There is, in a sense, a parallel process. We cannot put everything into the $42 billion package and link everything together, but I have no doubt that in the context of social housing in the stimulus package where there is a public transport development identified
through Infrastructure Australia they will be able to cross-connect the issues. I accept that that is relevant to the package.

The other point I would make is that the package has been developed as a matter of urgency, as we know, because we have discussed the rapidly developing and worsening world financial and economic outlook. It has been developed quickly because it has to be. Given the nature of the stimulus that is being provided, we have had to do it decisively and quickly. So not everything that we have been discussing can be included in the package. I know that any number of people would like to have seen other elements added to the package but I think that the situation should be understood.

Senator Brown has raised the issue of the age pension, for example. We actually have another process dealing with the age pension, the Henry tax review. We have Infrastructure Australia dealing with infrastructure, including public transport issues. So we have got development underway of other areas of policy in parallel with this stimulus package. But the stimulus package is not the budget and it is not everything that this government intends to do over the next year. There are clearly other programs, other processes and, in the case of the Henry tax review, there will be some announcement on pensions, and I understand that there will be some discussions with Senator Brown about any clarification that is required. So there are other processes where necessary and in parallel going on at the same time. So I think that answers your question and concern as best I can.

Senator MILNE (Tasmania) (1.24 pm)—I did acknowledge in my remarks that I recognise that not everything can be done with $42 billion but that there are a number of processes. I accept what he is saying about the Infrastructure Australia process, but my concern that I am now articulating about the electricity grid around Australia, which I would like the minister to take on board, is something that I really want to put on the Commonwealth agenda as it considers the national priorities into the future.

The states are recalcitrant and I just had to reinforce to the government that if you are waiting for a state like Tasmania, or any other for that matter, to get its head around the fact that it needs to upgrade its electricity grid and to start thinking about making it an intelligent grid in order to bring on renewables, you will be waiting a long time. My concern is that the Infrastructure Australia process really is one where the states bring forward overwhelmingly the major infrastructure proposals that then get considered by Infrastructure Australia. So what is the nation to do if these states do not start thinking about upgrading their energy grids or, indeed, where there are big gaps—and one state does and other states do not. It is like the railway gauge issue at the beginning of our history, if you like. This is where the Commonwealth needs to take some oversight concerning what the national grid should look like into the future. I want to put on the government’s agenda—and I recognise that it is beyond the scope of this package but it is not to the extent that we are looking at infrastructure—that if the states do not come up with it there has to be some mechanism for the Commonwealth, even if it has to get a consultancy to put something like this to Infrastructure Australia, to consider some national planning about upgrading the national grid to an intelligent grid.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.26 pm)—I understand your concern, but as you would appreciate and you have acknowledged, we are moving into areas of more detail with respect to Infrastructure Australia and I just do not have the advisers
here. I take your point. I am perhaps not quite as pessimistic as you are about Tasma-
nia but I do understand your perspective. Nevertheless, I agree that it is an im-
portant issue for debate and you have given us fair notice. There will be other oppor-
tunities beyond this package—which hopefully will pass—to discuss those matters.

The TEMPORARY CHAIRMAN (Senator Troeth)—The question is that gov-
ernment amendments (1) to (6) on sheet QC294 to the Householder Stimulus Pack-
age Bill 2009 be agreed to.

The committee divided. [1.31 pm]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes………… 35
Noes………… 33
Majority…….. 2

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

NOES
Abetz, E. Barnett, G.
Bernardi, C. Birmingham, S.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Bushby, D.C.
Cash, M.C. Colbeck, R.
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.
Macdonald, I. Mason, B.J.
McGauran, J.J.J. Nash, F.
Parry, S. Payne, M.A.
Ronaldson, M. Ryan, S.M.
Scullion, N.G. Trood, R.B.
Williams, J.R. *

PAIRS
Evans, C.V. Troeth, J.M.
Conroy, S.M. Minchin, N.H.
McLucas, J.E. Adams, J.

* denotes teller

Senator Carol Brown did not vote, to compensate for the vacancy caused by the resignation of Senator Ellison.
Question agreed to.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.34 pm)—As I indicated earlier, we have circulated a second amendment to the Tax Bonus for Working Australians Bill 2009. I intend to make some comments on this, so those who are anticipating a vote in the next five minutes might be being a little optimis-
tic. But my comments will be short. They are made in the context of some issues that I outlined earlier in respect of the amendment that has just been passed, but there is some specific detail.

Before I do that, I thought I had formally tabled the explanatory memorandum; appar-
ently that has not happened, so I table the replacement supplementary explanatory memorandum relating to the government amendments to be moved to this bill. The memorandum was circulated in the chamber today. I present the explanatory memoran-
dum and I seek leave to move government amendments (1) to (3) on sheet QV418 to the Tax Bonus for Working Australians Bill 2009 together.

Leave granted.
Senator SHERRY—I move:

(1) Clause 6, page 4 (line 16), omit “$950”, substitute “$900”.

(2) Clause 6, page 4 (line 18), omit “$650”, substitute “$600”.

(3) Clause 6, page 4 (line 20), omit “$300”, substitute “$250”.

The purpose of the amendments to the Tax Bonus for Working Australians Bill 2009 is to reduce the amount received by eligible taxpayers by $50. This means that eligible taxpayers will receive $900 where taxable income is up to $80,000; $600 where taxable income exceeds $80,000 but does not exceed $90,000; and $250 where taxable income exceeds $90,000 but does not exceed $100,000.

The adjustment balances the requirement for fiscal responsibility with the need to deliver the fiscal stimulus now. We did not reduce these payments slightly—sorry—Senator Birmingham—You did reduce them slightly.

Senator SHERRY—Slightly is a matter for evaluation and observation by looking at the figures. We did not reduce these payments lightly, because we know they are essential to support growth and jobs in the near term. We have decided on this small reduction while maintaining the overall effectiveness of the government’s plan, which is supporting jobs and growth, while taking into account the views of others. I did outline earlier in more detail how we have been taking into account the views of others. I do not intend to repeat that outline to the Senate. The government is acting responsibly to protect our economy, jobs and businesses by ensuring these bills are passed, and we are commending these amendments to the Senate.

I would certainly, as I argued in more fulsome lengths in my earlier comments when I moved the amendments that just passed, call on the Senate to act responsibly to support this $42 billion fiscal stimulus. It is critical that this package pass the Senate. As I made the point earlier, if this package fails to pass, we would be the only country in the world where such a fiscal stimulus has been proposed by a parliament to reject it. My colleagues and I have canvassed the arguments extensively about why we need a fiscal stimulus. I do not intend to go over those now, but we are at this point because of an irresponsible opposition whose catchcry is: ‘Let’s wait and see—do nothing!’

Senator Abetz—You know that is wrong.

Senator SHERRY—‘Let’s wait and see’—these were the words. I watched the shadow Treasurer, Ms Bishop, deliver those and, frankly, I could not believe it when she said it. ‘Wait and see’—they were the words. Go back and look at what she said and the other comments she made. This is a time to act decisively. It is a time to support our economy and employment as almost every other comparable country has done to date by passing significant fiscal stimulus packages.

As I said, we would be the only country in the world whose parliament has been debating this approach to reject such an approach. I would say to the Liberal-National Party opposition: is that the role of a responsible opposition? Worldwide, in all parliaments and political systems where fiscal stimulus packages have been debated, they have been passed. Is Australia to be the first country where it will not pass? I would argue that that will lead to further levels of uncertainty, uncertainty that we do not need in the current climate. So I would appeal to the Senate to support these amendments and then, when we move to the third reading on the package of bills, to support the package. Again, I would appeal to the crossbench parties and to
the Independent to support the amendments and ultimately support the package.

Senator ABETZ (Tasmania) (1.41 pm)—
I move:
That the question be now put.
Question negatived.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.41 pm)—It is quite extraordinary that the opposition would want to gag this debate for the third or fourth time today. I have never seen that happen in the Senate before, and it says something about the opposition’s position in wanting to obstruct this stimulus package to assist the Australian economy.

No wonder the opposition wants to get out of here, because their position is clearly untenable. We Greens have, over quite a long period of time, been quite erroneously viliﬁed over our economic nous and where-withal, but we now have the new radical economic obstructionists on the opposition bench in the form of the opposition of Mr Turnbull. That is for the opposition to determine. The fact is that we are dealing with important amendments here. It is a lot of money. It is, with the last amendments, in the order of $400 million that, while it is not being newly raised, is being made available through adjustment in the package that the government has put forward to fund some very important amendments for creating local jobs and for getting a better social outcome, a better outcome for Australian regional and rural areas and a better environmental outcome. I expect to be able to give the Senate, within half an hour or so, the detail of where the expenditure might go as far as the Greens are concerned.

I just want to put on record at this stage the recognition of the fact that the government has been diverted by the bushfire tragedy this week, from the Prime Minister down. These have been very difficult circumstances for the government. It has delayed the process inevitably—and so it should, because the priority has been right there. But here we are, as far as we Greens are concerned, effectively able to come to an agreement with the government and to get some gains, which are modest if you compare them with the package as a whole but which are quite extraordinarily large if you look at them for their own sake.

As I have said, the amendments are aimed at creating jobs, helping people who are unemployed—and the reality we are facing is hundreds of thousands of Australians being in that position in the next year or two if the predictions are anywhere near right—helping people who are struggling to make ends meet and getting a better environmental outcome in areas such as housing. There is a commitment to schools infrastructure, a modest commitment as far as transport is concerned, and other measures are in the package that is now nearing finalisation. I want to draw attention to one matter: the commitment in the future to the Australian Bushfire CRC. Its mission is:

… to enhance the management of the bushfire risk to the community in an economically and ecologically sustainable manner.

It was set up under the Howard government. It is a world-leading research centre in Melbourne and its objectives are as follows:

• To develop an internationally renowned centre of excellence to lead bushfire research in Australia

• To provide a research framework that will improve the effectiveness of bushfire management agencies

• To increase the self-sufficiency of communities in managing the risks from bushfires.

The government has agreed to assure the next triennium of funding—that is, about $5 million—in the forthcoming budget. That
was not assured before these negotiations took place.

The Senate yesterday, without demur as far as I am aware, passed a motion to see the bushfire research centre upgraded to a global wildfire research centre. It coordinates information about bushfires around the planet. It is in close communication with the best researchers in the world, and indeed I understand it has sought to have some of those researchers come to Australia at the moment. In an age when we are going to see more disastrous bushfires on a more populated planet at a time of changing climate, it would indeed be a great gain for Australia to have a research centre that is similar to, for example, the research centre in Atlanta, Georgia, for communicable diseases or the Food and Agriculture Organisation’s headquarters in Rome which cover, for global gain, research and management ideas and worthwhile and constructive innovation for people in the areas involved. This is a matter that the Greens and I have been pursuing for some time, so we are glad about that commitment. It is a minor part of the package but an important one at this stage.

The other point I would like to make is that we have had a further commitment from the government to ensure that pensions will be increased in the coming budget. That is a fairly big commitment because of the financial times we are in, but it has been reiterated and will give assurance to hundreds of thousands, if not millions, of people around Australia on their future prospects of being able to make ends meet in our community.

I will leave it at that. The Senate has had an extremely important role. Last week we agreed to allow a week to look at this package. It is minimal time. It is not even a mini-budget; it is a quite substantial extra budgetary measure in quite extraordinary times. I do not know why the opposition has changed its mind on that and now, at the crucial moment, wants to end the debate. Maybe it is because it has brought forward no substantial ideas in the last week. However, it is to the Australian community’s gain that we took this week. Whatever the outcome today—whether the package goes down or whether it is passed by the Senate—it will be a more job-rich, a more environmentally sustaining and a more community oriented package as a result of the time we have taken.

I want to pay some tribute to the Treasurer, the Prime Minister, their staff and various ministers for engaging in this process while quite clearly and responsibly distracted by one of the greatest tragedies that has ever overtaken the Australian community. I do not know what the outcome will be here this afternoon. I can only speak for the Greens. I said at the outset that we would treat this matter responsibly; I said we would not take a sledgehammer to this package. We have carried out those commitments, but effectively we feel that the gains that were achieved have made the effort that we and the government have put into it over the last week very worth while indeed.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (1.51 pm)—I want to ask a question: why is the financial impact so vastly different in the 2008-09 year than in the 2009-10 year, with the impact going from $370 million to $65 million? I have tried to find it in the material you have provided, but I do not seem to be able to discern what that effect is. I genuinely get the feeling that this is now turning into something with more episodes than Blue Hills and it is basically becoming farcical. What on earth is $900 going to do that $950 did not do? Perhaps it is some form of tokenistic pitch at the eleventh hour to no consequence other than to put a moustache on what was a very poor performance of a Mona Lisa. But to the technical question: I want to know
why the financial impact of this is so vastly different. And what can you refer the Senate to to better ascertain where those figures came from?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.53 pm)—In response to the question: both the adjusted, obviously downward, new revenue figures are contained in the explanatory memorandum. The reason the figure is significant in 2008-09 is that, if you look at page 17 of the Updated Economic and Fiscal Outlook, you will find that for this particular measure and the other measures figures under the subheading ‘Supporting jobs’ now deliver the overwhelming majority of the payments for this financial year, whereas the other category of expenditure, Building prosperity for the future, delivers most if not the overwhelming majority in 2009-10 and 2010-11. That is the reason the impact is more significant this financial year. I think I indicated earlier the change in terms of reduction as a total is approximately $435 million in this category of payment.

Senator ABETZ (Tasmania) (1.55 pm)—I just thought I should contradict the assertions made by Senator Brown. The simple fact is the Dynamic Red indicates to anybody that is interested and is following this debate that the actual question before the chair is the amendments in relation to reducing the tax bonus for working Australians from $950 to $900, $650 to $600 and $300 to $250. That is the question that is currently before the Senate.

As I understand it, and from my reading of what other senators are thinking, these amendments will go through the Senate. I have not, in fact, heard anybody during the committee stage on this actually attack this proposal and say that it is a bad proposal. As a result it made sense for that to be dealt with so we could then move back into a proper, structured, general debate which would assist Senator Pratt when she gives her 15-minute speech and Senator Milne, who had relevant questions, to get back to the general discussion.

We as an opposition have never sought to gag this debate. We believe that there should be an orderly debate, but what is now occurring is, in fact, high farce. Everybody, I think, knows that the government, the Greens and others need to buy time to get their amendments together. Why they do not just acknowledge that and move on to some other business so that when the amendments are ready they can bring back this legislation rather than go through this farce of 15-minute speeches I do not know. The minister is deliberately talking about the long-term version of UEFO and all sorts of other things to try and filibuster as much as possible. I think it brings the Senate into disrepute and that is why, when the discussion on a particular matter had finished, I thought it appropriate that that specific question be put.

The fact that senators want to continue that discussion was accepted, but then, with great respect to Senator Brown’s contribution, not a single word of what he said related to the amendment that is before the chair other than, of course, that he was going to spend this money in another area. But that is really a topic for when the Greens amendments or government amendments—whomever’s amendments they might be—come before us. I just wanted to clarify that we were the ones that wanted a committee and we were the ones that asserted that the legislation should not be passed by last Friday, and to try to suggest that we were gagging debate is, on the face of it, clearly unsustainable.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (1.58 pm)—I just want to give a quick re-
response to that. Firstly, I can inform Senator Abetz that there are no more government amendments to come, and I am not aware that there will be any Greens amendments. Senator Brown can clarify that, but I am not aware there will be any. I am just trying to give you some indication of the issues we are dealing with here. We have Senator Xenophon’s amendments to come in due course, obviously.

Senator Abetz—Will there be other amendments?

Senator SHERRY—My understanding, Senator Abetz, is that the amendments we will be dealing with are those that we have had circulated.

Senator Abetz—Thank you.

Senator SHERRY—If Senator Fielding came in and moved an amendment, that would be his prerogative. My understanding at this point is that what we have is what we will have. In the context of relevance—you have raised the issue and I would contend that Senator Brown’s statement was relevant—there is a change to the tax bonus figure, the amendment we are discussing, but I did say earlier that we have agreed to make a small adjustment to the tax bonus and to the single income family bonus, which was in the amendment already passed. It is in that context, clearly, that there would be a small saving to government, and we have discussed and outlined that. I did want to make it clear that, in making these changes and the small saving to government—we have updated the Senate on that level of saving—there are other—

Progress reported.

DELEGATION REPORTS

President’s Visit to Republic of Singapore and Republic of Korea

The PRESIDENT (2.01 pm)—I present the report of the President of the Senate of a visit to the Republic of Singapore and the Republic of Korea, which took place in December 2008.

VICTORIAN BUSHFIRES

The PRESIDENT (2.01 pm)—I present messages of condolence from overseas legislatures relating to the bushfires in Victoria. I will not read them in detail, but if anyone wishes to see them they are available.

Senator Abetz—Mr President, could they be circulated to honourable senators?

The PRESIDENT—I have no objection to them being circulated, and I can advise the Senate that I have responded to each one of them.

COMMITTEES

Selection of Bills Committee

Report

Senator FARRELL (South Australia) (2.02 pm)—by leave—At the request of Senator O’Brien, I present the second report for 2009 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator FARRELL—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 2 OF 2009

(1) The committee met in private session on Thursday, 12 February 2009 at 12.46 pm.

(2) The committee resolved to recommend—

That—

(a) the provisions of the Federal Financial Relations Bill 2009 and a related bill be referred immediately to the Economics Committee for inquiry and report by 3 March 2009 (see appendix 1 for statements of reasons for referral);

(b) the Foreign Evidence Amendment Bill 2008 be referred immediately to the Legal and Constitutional Affairs Commit-
The committee for inquiry and report by 3 March 2009 (see appendix 2 for a statement of reasons for referral);

(c) the provisions of the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009 be referred immediately to the Education, Employment and Workplace Relations Committee for inquiry and report by 10 March 2009 (see appendix 3 for a statement of reasons for referral);

(d) the provisions of the Tax Laws Amendment (2009 Measures No. 1) Bill 2009 be referred immediately to the Economics Committee for inquiry and report by 10 March 2009 (see appendix 4 for a statement of reasons for referral).

(3) The committee resolved to recommend—
That the following bills not be referred to committees:

• Australian Energy Market Amendment (AEMO and Other Measures) Bill 2009
• Civil Aviation Amendment Bill 2009
• Transport Safety Investigation Amendment Bill 2009
• Social Security and Veterans’ Entitlements Amendment (Commonwealth Seniors Health Card) Bill 2009.

The committee recommends accordingly.

(4) The committee considered Excise Tariff Amendment (2009 Measures No. 1) Bill 2009 and the Customs Tariff Amendment (2009 Measures No. 1) Bill 2009 noting the Senate had agreed to refer the provisions of the bills to the Community Affairs Committee for inquiry and report.

(5) The committee deferred consideration of the following bill to its next meeting:


(Kerry O’Brien)
Chair
12 February 2009

Proposal to refer a bill to a committee
Name of bill(s):
Federal Financial Relations Bill 2009

Reasons for referral/principal issues for consideration
This is major legislation that involves political redrafting GST. It potentially impacts on the proportions of GST divided between the states and how grants are delivered.

Possible submissions or evidence from:
Committee to which bill is referred:
Economics Committee
Possible hearing date:
Possible reporting date(s): ASAP (no later than March 2009)

Appendix 2
Proposal to refer a bill to a committee
Name of bill(s):
Foreign Evidence Amendment Bill 2008

Reasons for referral/principal issues for consideration
New information has emerged that requires inquiry by a committee.

Possible submissions or evidence from:
Law Council of Australia.
Committee to which bill is referred:
Legal and Constitutional Affairs Committee.
Possible hearing date:
Possible reporting date(s): 3 March 2009

Appendix 3
Proposal to refer a bill to a committee
Name of bill(s):
Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009

Reasons for referral/principal issues for consideration
Consideration of the bill as necessary

Possible submissions or evidence from:
Higher education providers and peak organisations in the higher education sector.

Committee to which bill is referred:
Education, Employment and Workplace Relations Committee.

Possible hearing date:
Late February/early March 2009

Possible reporting date(s): 10 March 2009

Appendix 4
Proposal to refer a bill to a committee
Name of bill(s):
Tax Laws Amendment (2009 Measures No. 1) Bill 2009

Reasons for referral/principal issues for consideration
Further investigation of any unintended consequences of income test reforms and to ensure that they are adequately targeted.

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

Possible hearing date:
Possible reporting date(s): 13 March 2009

Membership
The PRESIDENT—I have received letters from party leaders seeking to vary the membership of committees.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (2.03 pm)—by leave—I move:
That senators be discharged from and appointed to committees as follows:

Environment, Communications and the Arts—Standing Committee—
Appointed—
Substitute member: Senator Arbib to replace Senator Pratt on 24 February 2009
Participating member: Senator Pratt

Finance and Public Administration—Standing Committee—
Appointed—
Substitute member: Senator Furner to replace Senator Collins on 27 February 2009
Participating member: Senator Collins

Rural and Regional Affairs and Transport—Standing Committee—
Appointed—
Substitute member: Senator Barnett to replace Senator Heffernan for the committee’s inquiry into the establishment of an Australian Football League team for Tasmania
Participating member: Senator Heffernan.

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

In Committee
Consideration resumed.

The CHAIRMAN—The question is that amendments (1) to (3) to the Tax Bonus for Working Australians Bill 2009 on sheet QV418 moved by Senator Sherry be agreed to.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (2.04 pm)—I was just concluding my re-
marks. Senator Abetz had raised a concern about the statement in the context of the committee amendment that Senator Bob Brown made and I was pointing out that my considered view was that the statement of Senator Brown in the context of the amendment we are considering was totally appropriate. From the government’s point of view, I do not think we are far away from wishing to proceed to a vote, subject to others who wish to express their view. I am not sure whether you are at that point yet, Senator Brown. You earlier indicated that you wanted some more time before we proceeded to vote on these amendments. Obviously other senators may wish to make a contribution, but it would be useful if you would indicate your wishes to the chamber.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (2.05 pm)—I am ready to have the matter taken to a vote, but before I do that I would like to reveal some further details about the arrangement that has led to an agreement between the government and the Australian Greens. I might say at the outset, without repeating earlier remarks, that this was not an easy process for the Greens. We have had considerable feedback from the community, particularly about the tax bonus component of this package, which is many billions of dollars. A very wide range of people who would receive $950—or, under the new proposal, $850—would prefer that money went to infrastructure, to nation building, to education, to hospitals and, indeed, to bushfire remediation, amongst a range of other projects. I want to thank everybody in the community because we have had some very wise feedback, the sort of feedback that normally would have gone to Senate committees had the inquiry gone a little longer. You can be sure we will be taking the suggestions and feeding them into the budget process, which will be soon upon us in this place.

The amendments the chamber has been dealing with would raise an extra $435 million by reducing all tax payments by $50 to $900 and by reducing the additional bonus to single income families to $900 as well. It simply means that the packages would go from $950 to $900 and that money, the $435 million, would indeed go, as I believe the community wants it to, into job creation and nation-building infrastructure. The stimulus package commitments—and I have a letter from the Treasurer which I will make public—include the financial assistance scheme. These are one-off grants to church, charitable, community and other organisations for no-interest loans for low-income earners and unemployed people and for the employment of financial counsellors for people who are in difficulties, as well as for a range of other helpful measures. This component is an extra $50 million on top of the government’s $80 million proposal, which itself is a doubling of the spending flagged before the stimulus package. Our estimate is that it will create directly another 200 jobs. A bigger item is $200 million for a community fund. The proposal here is for local jobs. This has one-off grants to church, charitable and community organisations and local councils for pilot projects to generate local employment opportunities. As I say, it is $200 million and we estimate—and I underline this is an estimate—that this will create an extra 6,000 to 7,000 jobs across Australia.

We have been able to convince the government of the merits of an extra $60 million going to heritage projects across Australia. This has been an area of quite extraordinary neglect. The current financial year funding in this area is as low as $200,000. According to heritage experts, we have been plunged into a crisis as far as the maintenance and upkeep of our heritage stock in Australia is concerned. I am talking here about nationally listed heritage buildings, our history and im-
important buildings for local communities and about the natural heritage, including our parks and our natural amenities in cities and towns across this country. So this is a major item in terms of spending on Australia's magnificent historic, cultural and natural heritage. It will mean that many projects which are shovel ready will now get the funding they deserve. We estimate this will create 1,100 jobs. It will involve skilling members of that workforce so that they will be able to continue with this very worthwhile work for a better community outcome.

We have also been able to reach agreement with the government about what I think is the beginning of a major new investment in public transport, in particular in private transport which crosses into the public domain—that is, bicycle ways. Millions of Australians are buying new bicycles each year. Without government direction, there has been a massive change in mood in the Australian community, as there has been worldwide. Bikeways are now at a premium. Bicycles are becoming a matter of new attention for people who used to ride. They can now and they are taking it up again. It has a social dividend, a health dividend, a lifestyle dividend and an environmental dividend where this money will be spent. We have been able to reach agreement on a $40 million fund for bikeways across Australia. I might add that this is predicated on a much bigger allocation for bikeways under Infrastructure Australia. Government will be taking seriously such projects, with some of them worth tens of millions of dollars. I know that one in Sydney is worth some hundreds of millions of dollars. These will bring bikeways in Australia to the same level of serious government attention that we have seen in similar countries overseas. It is estimated that 500 to 700 jobs will be created in this allocation. These are green local jobs. The spin-off to local business is obvious. The spin-off as to the improved and enhanced lifestyles of towns and cities in Australia is going to be quite enormous, I predict, in the years to come. I want to thank my colleague Senator Milne and indeed all my Greens colleagues for coming forward with suggestions from the community which have led to this outcome.

We have also got agreement for access to the local government infrastructure fund to be reopened so that local councils can apply. There was a cut-off date of 23 December on the original fund. Some small councils across the country did not get an application in. Under the provisos in this package, this expenditure of half a billion dollars would not have been available to them. That was patently unfair. There will now be a window of opportunity for smaller councils to also be able to apply in order to create local jobs and infrastructure in regional as well as urban Australia.

We have got agreement on a new concept for federal government, which is to look at energy efficiency in infrastructure when it comes to housing and schools. A massive component of the infrastructure in this package goes to building new schools and new housing—some 20,000 new houses are proposed, although an unknown component of that will be current housing or houses already underway. There will be new houses built. For the first time, the federal government has agreed to build energy efficiency ratings into future housing. We have a five-star rating. We are now going in the direction of getting a six-star rating. The government's intention—and this goes through the COAG process—is for this rating to apply from May next year. While we certainly did not get agreement on this, the Greens are aiming to have Australia go to a seven-star rating, which involves some few thousand dollars per house for a great improvement in living standards and comfort of lifestyle and for a
falling power bill. Very often, low-income earners will take up the housing that is being funded here. It is very important to recognise that not only the environment but also, through reduced power bills, the pockets of those people inhabiting the houses will win out as a result of energy efficiency.

Senator Hanson-Young has been very keen to ensure that there was a component for the Lower Murray, as was Senator Siewert. This proved to be very difficult, and there is, to say the least, resistance in government to bringing forward expenditure for the crisis faced by the Lower Murray, the Lower Lakes and the Coorong and by the people in that region. We want to see expenditure brought forward. We also—and this went to the wire—wanted to see water moved down the river to give the Lower Lakes a drink, because they are dying. However, the Minister for Climate Change and Water, Senator Wong, was not accommodating and resisted this right down the line. It is my understanding that as little as $9 million would provide 30 gigalitres to the lower river. However, that was not to be; it should be, and it is something we do not agree with the government on. In fact, we wanted to see a much bigger commitment than that. However, $10 million has been provided for bioremediation. This is to fix up the appalling state of the environment in the Lower Lakes region. From February to December this year, immediate funding for community driven bioremediation will tackle acid sulphate soil hot spots, effectively dealing with the acidification of already exposed soils. This bioremediation needs to be carried out immediately, and local people in the area who have lost their jobs because of the drought and low level of the lakes could be employed—and will be employed, as far as we are concerned—as new jobs are created to undertake this project.

There are some anomalies and inequities in the package which we wanted to—and, with the government, have been able to—address. The first is that there will be an extension of the training and learning bonus of $900 to students who enrol before 31 March and to postgraduate students. The government intended this to be so, and we are reassuring students who enrol after 3 February, the date in the package, that they are not going to miss out. We have gained reassurance for postgrad students that they also will be able to access that package.

As I said earlier, we have got agreement—and this is, let me say, Labor policy as well as Greens policy—to double the threshold of the liquid assets test waiting period for unemployed people from $2,500 to $5,000 for singles with no dependants and from $5,000 to $10,000 for others. That will cost some $20 million to $30 million, but it quite clearly (Extension of time granted) is a socially just measure. There will be $900 special payments—

Senator Abetz—Sorry, Senator Brown; could I interrupt? What was the 20 to 30 again?

Senator BOB BROWN—It was the cost of increasing the liquid assets test from $2,500 to $5,000. The $900 special payments will—and this has been quite a difficult item to delineate—go to all genuine low-income earners who would have missed out under the proposed arrangements. There are people on low incomes who have not put in tax returns but who are genuinely poor and who would have been missed under the conditions laid out in the package. We want to see that those people who are right at the bottom, living in poverty, and who, through anomalous circumstances, would have missed out on this package get the payment the same as their fellow citizens.
I mentioned earlier the commitment to the age pension in the forthcoming budget. That is a very important commitment, and I am very glad that the government has continued that commitment for pensioners. We have been assured that there will be additional funding for the Australian Bureau of Statistics in the forthcoming budget. It is incredibly important for the delivery of social services in this country, as well as for a whole range of measures, not least as we move into a period of economic squeeze. I mentioned the new triennium funding for the Bushfire Cooperative Research Centre in Melbourne.

I finish by thanking my colleagues. We have worked very hard over the last week to come up with these amendments. I thank the community for being so generous and for so rapidly feeding in information which has enabled this improved outcome. I thank the government. I met the Prime Minister without commitment very briefly at the outset to discuss the importance of this matter. On several occasions I have met the Treasurer, with colleagues. The Treasurer’s department, prime ministerial officials and other departments and ministers involved have been able to work constructively with us. There are always tensions that arise in these matters, but we never gave up on the idea that we had here a high responsibility to the people of Australia. We had difficulty with the so-called cash handouts. You will see that that has at least been pared back. The paring back has enabled some very constructive job creation—somewhere in the order of at least 10,000 new jobs to come out of this package—and I think the spin-off will be much greater than that.

We are moving towards being a wiser, greener, more socially just country because of these amendments. We have concentrated on the creation of local jobs, green jobs, community oriented jobs, assuring people that they not only will get work in their regions through this stimulus package but also may well be skilled for a new career in an age which has different demands on the economy and where tackling climate change overarches everything. Climate change will be a king hit on our economy in the years ahead, and it is going to get worse if we do not tackle it now. That is another matter coming up in June this year, one on which the Greens may not so easily—if I can say this was easy—come to agreement with the government. We will be constructive there as we are being constructive now. We came into this constructively minded. We wanted to improve this package. We have improved this package. We now support this package. We hope that it brings the benefits intended by government and the Greens to the Australian community.

Finally, it does not mean that the package is one we would have devised or that we cannot criticise or that we will not be hard on the government to get further outcomes—of course we will—but we have been able to make it better.

Senator ABETZ (Tasmania) (2.26 pm)—On a lighter point, I declare a potential interest in one of the cycle tracks. If there is to be a cycle track, I invite those designing it to consider Channel Highway, Kingston, because it will make my ride to the office somewhat easier.

Senator Bob Brown—I’ll let you know where to send the application!

Senator ABETZ—Thank you. Because I do not want to delay the Senate too long and I have a few questions for the minister at the end of it, I briefly indicate that I think the arguments have now been well rehearsed. Senator Brown is, as is the wont of the Greens, willing to talk about the expenditure, but there was no mention of the debt and how that is going to be serviced. From the coalition point of view, it has been the debt
component and the size of the debt component that has been concerning. Senator Brown used the term ‘socially just’. How is it socially just for us to maintain our lifestyle today at the expense of tomorrow’s generations, who will be required to pay back this debt at $9,500 per man, woman and child—plus interest? That has been our point throughout this debate; I will not canvass it any further, other than to say that that has been our concern. In relation to all these projects, I understand—and also got the indication from Senator Brown—that there will not be any amendments to this package of legislation as a result of those measures that Senator Brown has read out. Is that correct? The minister is nodding his head.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (2.28 pm)—I understand that that is the intention of the government as far as today is concerned. We cannot give a guarantee that this will not entail an amendment of some sort or other legislation to come before the Senate at some future time.

Senator ABETZ (Tasmania) (2.28 pm)—I thank Senator Brown for that clarification. That begs the question of whether or not these moneys, roughly adding up to $500 million, are appropriated in this package of legislation. I do not think they are. When, therefore, will the appropriations for these various measures be made? Are we to anticipate that in the budget? Will we be requiring specific legislation in relation to all those aspects of the package? When is it intended that those commitments to Senator Brown be honoured?

We have been told we are going to have the letter from Treasurer Swan tabled. I welcome that. But I was wondering whether timelines et cetera are in that letter. I would anticipate not. I would have thought that the Senate should be entitled to know some of the detail, because otherwise we are in fact being asked to buy a pig in a poke. I think we need to have full disclosure and, to continue the analogy—but I do not mean it in a derogatory way—we ought be able to inspect the pig thoroughly and see what we are getting in relation to this—

Senator Coonan—Modified package.

Senator ABETZ—Yes, this modified package. So I will ask the minister to respond.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (2.30 pm)—If I may, it has just been pointed out to me that the extended Training and Learning Bonus and the special payments to all genuine low-income earners will be $950, not $900 as I said earlier.

And may I just say on the deficit matter that that does concern me too. The deficit has concerned us greatly. That is why, while this package is enormous, and we were not going to block it, we have been able to make these amendments without a dollar extra in potential deficit for the country. That is a good outcome as far as we are concerned.

Senator ABETZ (Tasmania) (2.31 pm)—I have one quick last question to ask—which I did forget; I do not want to delay—so the minister can deal with all questions in the one go. In relation to the community fund, it was suggested that that $200 million might create 6,000 to 7,000 jobs. I was wondering whether that is a figure with which the government agrees and whether Treasury have provided advice that their modelling or their analysis would indicate that that would be the rate of job delivery. If it were, can I say that the price per job with the community package—or the ‘community fund’, I think Senator Brown called it—would deliver jobs at about half the cost of the $42 billion package, and as a result it might be worth while to go back to the drawing board and see if
we can deliver the 90,000 jobs being supported with a measure that would only require half the amount of expenditure.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (2.32 pm)—I know you are going to wind up this debate, but I want to get this in there before you do. I have just been looking at the financial costings of this package, where you have said that the financial impact of this amendment will be $370 million in 2008-09 and $65 million in 2009-10. This is how you are calculating your overall savings. In your first general outline of financial impact you talked about an all-up cost in 2008-09 of $8,150 million but your total cost in 2009-10 was $1 million. So how could we have a saving of $65 million when your initial costing was only $1 million?

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (2.33 pm)—I am not sure I followed all of that, to be perfectly frank, but I will get some further advice from the officials. I will respond to the other issues that Senator Abetz raised in the meantime. In terms of the commitment and the letter, I understand that Senator Brown indicated he was tabling the letter. I do not have a copy of the letter—

Senator Abetz—we haven’t seen it; that’s all.

Senator SHERRY—Yes, I know you haven’t. I do not have a copy of it here to table. But I think Senator Brown has indicated he is going to table the letter from the Treasurer, Mr Swan. I just want to clarify that, because I think he said that.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (2.33 pm)—I would be happy to.

Senator ABETZ (Tasmania) (2.33 pm)—Could I briefly intervene and invite Senator Brown to do that as expeditiously as possible.
that the cost in 2008-09 was $8,150 million or $8.1 billion, and the cost in 2009-10 would be $1 million. In the explanatory memorandum of the amendment that is now before the chamber you talk about a saving by reason of this amendment of $370 million—I imagine that is $370 million off the $8.1 billion, which I will take as making sense—but then you talk about a saving of $65 million off what you have already told us would be a cost of only $1 million.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (2.36 pm)—I can now provide an explanation. The description of the measure on page 71 of the Updated Economic and Fiscal Outlook: February 2009, relating to the Australian Tax Office, showing figures of $8,150 million for 2008-09 and $1 million in 2009-10, is reported on an accruals basis—that is, the impact on the fiscal balance. The memo is stated to be in underlying cash terms, so there is a difference.

The CHAIRMAN—The question is that government amendments (1) to (3) on sheet QV418, moved by Senator Sherry, be agreed to.

Question agreed to.

Senator XENOPHON (South Australia) (2.37 pm)—In respect of the Appropriation (Nation Building and Jobs) Bill (No. 2) 2008-2009, I move:

(1) Page 12 (after line 12), after Part 4, insert:

Part 5—Murray-Darling Basin stimulus measures

18 Establishment of Murray-Darling Basin Stimulus Fund

Establishment of the Fund

(1) The Murray-Darling Basin Stimulus Fund is established by this section.

(2) The purpose of the Fund is to provide targeted assistance measures to improve the economic and environmental viability of the Murray-Darling Basin, including by:

(a) bringing forward $3.1 billion in funding allocated to buy back water entitlements and accelerate implementation of the Restoring the Balance in the Murray-Darling Basin program; and

(b) bringing forward $2 billion of the $5.8 billion allocated to water infrastructure programs in the Murray-Darling Basin under the Commonwealth’s Water Plan; and

(c) bringing forward $250 million in funding for pilot stormwater harvesting projects through the National Water Security Plan for Towns and Cities; and

(d) providing for the payment of grants of up to a total of $2 billion under the structural adjustment scheme required to be determined under section 19.

(3) Payments from the Fund are to be met from funds appropriated by the Parliament for the purposes of this section.

Payments out of the Fund

(4) Payments out of the Fund must be applied to the purposes of the programs specified in subsection (2).

Administration of the Fund

(5) The Fund is to be administered by the Minister.

(6) The administration of the Fund may include use of a reverse tender or similar initiative designed to quickly discover the price at which water users are willing to voluntarily sell water entitlements to the Commonwealth Environmental Water Holder.

(7) The Minister may establish and fund appropriate administrative and advisory bodies to help manage the Fund.

19 Structural adjustment package

(1) The Minister must, by legislative instrument, determine a scheme in the
nature of a structural adjustment package to allocate transitional funding to water users, water suppliers and rural communities in the Basin affected by the purchase by the Commonwealth of any water entitlements.

(2) A scheme determined under subsection (1) must provide for structural adjustment assistance to be allocated to communities, business and individuals to assist them to adjust to:

(a) reduced water availability; and
(b) reduced economic activity associated with the restructuring of irrigated agriculture or other enterprises; and
(c) changes in land use; and
(d) changes in the configuration of water supply and distribution systems.

(3) In determining the amount of funding to be allocated to any community under the scheme, regard must be had to the following factors:

(a) the minimum scale of economic activity required to enable the economic and social viability of communities; and
(b) the efficiency of the remaining water usage and distribution; and
(c) the ability of the remaining farming activities to adjust to climate change.

20 Interpretation

(1) In this Part, unless any contrary intention appears:

Minister means the Minister administering the Water Act 2007.

National Water Security Plan for Towns and Cities means the program within the Government’s Water for the Future plan that upgrades older pipes and water systems, installs new infrastructure and provides for practical projects to save water and reduce water losses plan.

Restoring the Balance in the Murray-Darling Basin program means the program within the Government’s Water for the Future plan that establishes the Murray-Darling Basin Authority, develops a Basin Plan and purchases water to restore ecological systems in the Murray-Darling Basin.

Water for the Future is the strategy to secure the long term water supply of all Australians announced by the Minister for Water and Climate Change on 29 April 2008.

Water Plan means the Commonwealth Plan for the Murray-Darling Basin which comprises the amendments to the Water Act 2007 that gave effect to the Intergovernmental Agreement on Murray-Darling Basin Reform signed at the 3 July 2008 Council of Australian Governments meeting.

(2) A word or expression used in this Part that is also used in the Water Act 2007 has the same meaning as it has in that Act.

This amendment is largely self-explanatory. It is to establish a Murray-Darling Basin stimulus fund to ensure that there is a bringing forward of $3.1 billion in funding allocated to buy back water entitlements. Currently there is a real concern that those entitlements are not being brought forward sufficiently to make a very real, appreciable difference to the river system. It also provides for the bringing forward of $2 billion of the $5.8 billion allocated to water infrastructure. I note that the modernising industry package in essence provides for about $1.5 billion to be spent until 2010-11, and there is a real concern amongst those communities that those funds are simply not sufficient.

The amendment also allows a bringing forward of funding in relation to the pilot stormwater harvesting projects, as part of the National Water Security Plan for Cities and Towns, and provides for the payment of
grants up to a total of $2 billion for structural adjustment. That, it is acknowledged, is new money, although it should also be taken into account that moneys that have been set aside for exit packages which have not been used to any significant degree could be allocated for this. I understand the government’s position and I think I have a pretty good idea of what the opposition’s position is in relation to this.

I have previously spoken in this place about the turmoil facing the global economy and the terrible negative impact that this is having on our national economy. I have sat through the inquiries looking into the government’s proposed stimulus package and I have spent the better part of a week expressing my concerns to the government about this package. The Senate is a place where bills are meant to be scrutinised and, if need be, improved. There is not a monopoly on good ideas here—nor is there a monopoly of good ideas in the government or the opposition.

Ultimately, this is my concern about the government’s package: no credible economic stimulus package can ignore the crisis facing the Murray-Darling economy. 1.9 million people live in the Murray-Darling Basin. It provides over half of the food that our nation consumes and almost 100,000 direct farming and irrigation jobs. These jobs are under real threat. If these jobs go, the nation loses its food bowl and those 100,000 farmers, irrigators and workers will not be able to feed their families—nor will the hundreds of thousands of additional people whose jobs rely on the farmers, like the grain sellers, mechanics and local shopkeepers.

This government seems to think that the economy is something that only happens on the eastern seaboard, and that is wrong. The government wants to pretend my stance is parochial and all about my home state, and that is wrong too. I remind the government that the Murray-Darling River system flows through Queensland, New South Wales, the ACT, Victoria and South Australia and that the economies of every one of those states rely on the economy of the Murray-Darling Basin.

This is truly a national crisis. It seems that because it is happening in rural Australia it is not being given the priority it deserves. The government have basically told the Senate that when it comes to the economic stimulus package it is their way or the highway. And now the government seem to want to go out and argue that a bunch of rogue senators are standing in the way of this package. Let me be clear about this: it is not just the odd senator or two who has great concerns about this package; it is me and more than half the Senate. If the government cannot convince more than half the Senate that their plan is a good plan then perhaps we need a better plan.

Professor Quentin Grafton from the Crawford School of Economics of the Australian National University is well known as an agricultural economist who has given advice to governments and bureaucracies over the years. He is well regarded. His advice could not be clearer. He compares the crisis facing the Murray-Darling Basin’s economy with the US Dust Bowl crisis in the 1930s in terms of the socioeconomic and environmental impact. Government action eventually turned that crisis around, and government action is needed to turn this crisis around. Professor Mike Young from the University of Adelaide, a member of the Wentworth Group of Concerned Scientists, has expressed his concern that there are many jobs at stake, many communities at stake, along the whole basin if buybacks are not brought forward immediately, unless there is that structural adjustment to the system.
Whether that happens or not, our basin economy is going to hurt. We cannot stop the pain but we certainly can minimise it. I have asked the government to bring forward these allocated funds, in terms of infrastructure, in terms of stormwater harvesting, and to provide the structural adjustment that is so desperately needed. From Charleville in the north to the Coorong in the south, from Broken Hill in the west to Bathurst in the east, and the hundreds of communities in between this plan will help them all. This plan will deliver extraordinary stimulation to the Murray-Darling economy and its environment. But the government have said no, so I must say no to their stimulus plan.

I made it clear in my first speech to the Senate and I want to make it clear again: I did not come to Canberra to make friends; I came here to make a difference. I urge all senators to support this amendment. If, for whatever reason, they cannot, my position is unchanged, but I indicate that I am prepared at all times to talk, to negotiate in good faith and with goodwill, with the government because I believe that this stimulus plan cannot have credibility in the absence of bringing forward expenditure that has already been allocated for the Murray-Darling Basin. I will not walk away from the people of the Murray-Darling Basin. It is important that we get this stimulus package right. That is my position, and it is a position I will not resile from.

Senator ABETZ (Tasmania) (2.44 pm)—If I may briefly on behalf of the opposition indicate to the Senate that my South Australian colleagues—my leader, Senator Minchin; you, Mr Chairman; and Senators Bernardi, Fisher and Birmingham—want to be associated with those comments. They fully agree with Senator Xenophon on the critical importance of the Murray-Darling Basin. They are also frustrated at the inaction in relation to the Murray-Darling Basin, noting that there was a $10 billion funding plan that has still not been properly activated. However, it is the coalition’s view that this package, in total, is fatally flawed. Tacking something good onto it does not overcome the fatal flaws of the package, and as a result we would be minded not to support it, albeit that we would not pursue a division on it of necessity.

My South Australian colleagues share the compelling concerns of all South Australians about the needs of the river, the Lower Lakes and especially those irrigation communities in the Riverland and elsewhere, who feel the brunt of the economic and human pain caused by the crisis in the river. With that I indicate a complete agreement with and acknowledgement of Senator Xenophon in his views about the urgency and importance of the Murray-Darling being attended to. I think some of the suggestions he has made are worthy of consideration but at the end of the day we are still opposed to the totality of the figure of this package because of the huge debt burden that will be placed on future Australians. However, we will be very supportive of sensible and considered action in relation to the Murray-Darling in the future, and I can ensure senators and the South Australian community that my South Australian senate colleagues will make especially sure of that.

Senator HANSON-YOUNG (South Australia) (2.46 pm)—I would just like to express the Greens’ support for Senator Xenophon’s amendment and express our complete disappointment that the Minister for Climate Change and Water, Senator Wong, has rejected outright the purchase of fresh water that is so desperately needed for the Lower Lakes and the river. Years and years of mismanagement and overallocation have left the communities who rely on the Murray-Darling Basin, from the top right down to the south at the Coorong, struggling every day.
That is because of mistakes that were made by previous governments, time and time again. And there is a lack of courage and a lack of will to tackle those issues head-on now.

I support Senator Xenophon’s call for fast-tracking money into restructuring and the purchasing of water allocations throughout the basin. I am disappointed that Senator Wong has not had the courage or the will to access the water that is available on the market, to give back to the river what it desperately deserves and needs. Senator Xenophon and all other South Australian senators in this chamber would be very disappointed to see no action in the next 12 months to secure fresh water for the river and the lakes. I am positive that we will not finish this debate on securing water that is desperately needed, whether this stimulus package is passed or not.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (2.48 pm)—As I indicated earlier, the government is not going to support the amendment of Senator Xenophon. I think the critique of Senator Wong—particularly the comment about her lacking the courage or the will—is wrong, and I am sure that when I outline this senators will come to the same conclusion. I indicate that there were discussions, as Senator Xenophon has indicated, between him and the government. The principal issue was one of practicality. Just because you say you want to spend a billion or two tomorrow does not mean you can actually do it tomorrow.

The principal issue was one of practicality. The summary—it is only a summary—of the expenditures that I am going through, and the program, indicate this government’s commitment to a range of initiatives in respect of the Murray-Darling. There were extensive discussions between Senator Xenophon and the government but unfortunately they have not proven successful.

I will just make this other point, which came up earlier. This very, very important fiscal package cannot deal with every issue in the one package. We had a discussion earlier about infrastructure. There is a crying need for infrastructure expenditure in Australia, and we have outlined a process, through Infrastructure Australia for dealing with that. That set of legitimate concerns is being dealt with, as legitimate concerns about the Murray-Darling that Senator Xenophon has—I think all senators share them, not just those in South Australia—are being dealt with in other programs and in other ways. We cannot resolve every issue facing Australia—particularly long-term investment issues which require the expenditure of sums of money and require proper planning and delivery—by including them all in this package.

The government has made good progress in securing Australia’s long-term water supplies. We have worked to improve the health of our rivers and secure the future of our irrigation communities. There is some $3.1 billion to be invested in purchasing water entitlements and $5.8 billion in modernising irrigation infrastructure. We have also put in place landmark new laws to enable a new independent authority to implement the first ever basin-wide plan, which will end over 100 years of mismanagement.

We also understand that climate change means that we need to diversify our water supplies so that we reduce our reliance on rainfall. The government has purchased water for rivers and wetlands in the Murray-Darling Basin for the first time ever. We have already secured 23 billion litres of water entitlement through our first tender. Our action to help New South Wales purchase Toorale Station—forgive my pronunciation—will
return an average of some 20 billion litres to the Darling River system.

The government has secured a historic referral of powers from states and passed legislation to deliver the first ever basin-wide plan in 2011. The government has committed projects worth $3.7 billion across the Murray-Darling Basin to improve water efficiency in irrigation, including some $320 million for the Lower Lakes. The government has delivered the $250 million national rainwater and greywater initiative, which helps households save.

Senator Xenophon wants the government to dramatically compress the Murray-Darling Basin Water Purchase Program by bringing forward $3.1 billion. In requesting this he knows, I believe, that the government has made significant progress and broken new ground in delivering much-needed reforms and in making the investments that for so long have been neglected. Let me explain that the Rudd government—

Senator Xenophon—I rise on a point of order, Mr Chair. The minister is talking about a state of knowledge of mine of which he has no knowledge. I do not think that it is appropriate that the minister says that I know something that he cannot comment on, unless you think it is more appropriate that I raise it in the context of a response. I am in your hands.

The TEMPORARY CHAIRMAN—I think that Senator Sherry is using it as a debating point and if you choose to respond then I think you can, but the minister is certainly not out of order in debating along those lines.

Senator SHERRY—Thank you, Chair. I think that it is important to get on the record, in view of the amendment and because the government is not supporting it, why we are not supporting the amendment. Also there were some unfounded remarks made about my colleague Senator Wong. To date the government’s water purchase tenders have proved to be very successful. As a result of water purchase tenders conducted from February to May 2008, the Commonwealth has so far settled purchases for more than 23 billion litres of entitlements, worth $32.9 million. Completion of a further $4.5 million of purchases from this first tender round has been deferred until the issues preventing the approval and settlement of these trades can be overcome. In terms of the current southern basin tender and the recently concluded first northern basin tender, the department has received a large number of new offers to sell water from across the Murray-Darling Basin. In conducting these tenders the department directs prospective sellers to publicly available sources of market information. Sell offers are assessed against prevailing market prices so that the impact of the water market is minimised.

Entitlements are purchased that have the ability to provide water in a catchment when scientific evidence indicates that water needs to be recovered. The department also continues to liaise with groups of irrigators who are considering selling their water entitlements. Irrigator-led group proposals will be assessed by the department for value for money once a formal proposal supported by both the irrigators and their irrigation water provider is received.

As for water infrastructure—and I am summarising this for the Senate; I want it understood that I am not going to go through all the work that Minister Wong and this government are doing—Senator Xenophon wants the government to bring forward $2 billion for water infrastructure projects under the government’s $5.8 billion Sustainable Rural Water Use and Infrastructure Program. Up to $3.7 billion in funding for Murray-Darling Basin state priority projects and private irrigation projects was agreed in princi-
ple in July 2008. For the most part, this funding will roll out once due diligence assessments on the specific projects are complete. Consultations with basin states on the special detail of the priority projects are now well underway. The basin states are at various stages of scoping the detail of the projects. It is expected that both off-farm and on-farm opportunities to improve water management and efficiency will be included in many of these priority projects. Two projects are already underway—the pipelines urgently required to supply irrigation and potable water to communities in the Lower Lakes region of South Australia.

I could go on to the Senate about what is happening in this area but suffice to say that the government’s contention is that if you agreed to bring all the money forward to tomorrow it is not practical to spend it in this way. There is an enormous amount of work being done and, in the context of my ministerial colleague Senator Wong, I believe that she has worked very thoroughly and effectively to deal with these issues. But they cannot be solved in one year; it does take a number of years. There is a practical element in bringing forward the expenditure. Everything that can practically be done to address these issues is being done and Senator Wong, as I say, is focused on these particular issues.

It seems reasonable to conclude that Senator Xenophon has indicated, should this amendment not be passed—and I think it is a reasonable conclusion that this amendment will not be passed because the government is not supporting it and the opposition have indicated they are not supporting it—that he will therefore be voting against the third reading of the bill. The vote will then probably be tied—and I do not want to pre-empt the outcome. If that is the case, this $42 billion stimulus package will be defeated. I have made the point on a couple of occasions already that this would be, I think, the first country in the world, where stimulus packages are being considered by their parliaments, that a stimulus package has been defeated. From that, obviously, would flow a range of consequences, not least considerable uncertainty. I would make one last appeal to Senator Xenophon—and I have not had an indication from Senator Fielding of his position.

The government is dealing with other issues, such as water and infrastructure, in other ways. This is a $42 billion package to stimulate and underpin the economy in the context of the financial and economic crisis that is rapidly emerging. Not every solution to every issue in Australia can be dealt with in the context of this package. But the government is taking every step it can to address these challenges, and that is the reason for delivering the Nation Building and Jobs Plan.

We are facing a global recession. There is a global recession and we cannot afford to wait and wait and wait. It has been suggested by the Liberal-National parties that we just ‘wait and see’. How long do we wait and see before things get successively worse? And there is no doubt that the state of the world economy will get worse. You have only got to see the number of jobs being lost in other countries; every month it is increasing across a whole range of countries.

We have had lengthy debates, there have been Senate committee inquiries and there have been lots of discussions, but the time has come to support this package of legislation and support the passage of the bills. We have had the support of a range of organisations. The IMF, the International Monetary Fund, has stated the reason we need stimulus packages:

Above all, adopt clear policies and act decisively … Delays in financial packages have cost a lot
already. Further rounds of debate will stoke uncertainty and make things worse.

I think Senator Xenophon should think about this. Further uncertainty, further delays—things will get worse. I would certainly urge the Liberal-National parties to have some regard for this. Things will get worse. That is the view of the International Monetary Fund. But, unfortunately, the Liberal-National coalition has continued to ignore a whole range of credible evidence from the International Monetary Fund, the Australian Chamber of Commerce and Industry and the Western Australian Liberal Premier—and, I notice, Rupert Murdoch recently indicated the need for a stimulus package.

Should this package fail to be supported, we will be the first country in the world to end up with a zero fiscal stimulus package, it having been rejected by our parliament. We would be the first country in the world. Given the rapidly changing and deteriorating world financial and economic situation, that would be irresponsible. There needs to be greater certainty. Times demand this from elected governments.

The package includes a $28.8 billion investment in our schools, roads and homes. It is time to support a $12.7 billion boost to consumption so we can support jobs now. The government is determined to take this action, as other governments around the world have been determined to take action and pass their particular packages. It is time to support this Nation Building and Jobs Plan. It is a targeted stimulus package, with more than two-thirds of it invested in building things that will make Australia a better place. It invests $14.7 billion in our children and their schools. It invests $6 billion in the construction of approximately 20,000 new public and community homes. And there are a range of other initiatives.

The world is facing the greatest economic crisis since the Great Depression. It will bring declining economic growth and it will bring job losses, and we cannot afford to wait around, debating ad infinitum the particular add-ons, when these issues are being addressed in other ways—in other pieces of legislation. This package is critical. The Senate should pass it now. We should not be engaged in political games. The national interest and the economy should come first.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (3.04 pm)—I stand to speak basically because I see Senator Xenophon as a very decent person and I think it is absolutely essential now that this situation be seen as nothing to do with Senator Xenophon; it is to do with the arrogance and complete lack of consultation on the part of the Labor Party. That is the reason we are here. To compare this package to fiscal packages in countries such as the United States, where there was extensive consultation between the Senate and the President as they progressed that package, is a complete insult. Quite obviously, this package will now fail. The sooner we get started on one where there is proper and open consultation between all parties to come up with something constructive that we can deliver back to our nation, the better. You dare to come in here and start pointing the finger at Senator Xenophon or Senator Fielding, or anybody else for that matter, when it is something that you have brought down on yourself because of the pathetic and ridiculous way that you have presented this package—the complete lack of detail, the gun-to-our-heads process and duress that you have placed on this chamber. You are now reaping what you sowed in how you went about trying to deliver government. This was a complete fiasco, but the fiasco rests on your heads and your heads alone—nobody else's.
What is happening today is the only reasonable outcome for something that has been cobbled together in an eclectic group of nefarious clauses in some divine hope that without proper analysis it can deliver Australia into anything but a debt position that is quickly becoming unfathomable. What is happening today is the only outcome that can be expected from such a ridiculous and insulting process as the one the Labor Party have delivered during the whole debate on this so-called fiscal stimulus package.

Senator PRATT (Western Australia) (3.06 pm)—Whatever the merits of the Murray-Darling Basin issues, the simple fact is that these measures do not belong as part of an economic stimulus package and I implore all senators to recognise this. The fact is that many Australians are fearful for their jobs if this package fails to pass. They are fearful that the Australian Senate will fail to pass this package and they have more economic sense than the opposition. Australians, along with economic analysts, have welcomed this package as a key tool to help us stimulate the economy but it must be structured properly and, unfortunately, an amendment like this does not fit within that.

I express my support for the measures that are in this package. Some people, such as Senator Xenophon, have argued that this package should be targeted for specific needs, to pressing regional projects or the most disadvantaged individuals in our community. I have spoken about these issues with many of my constituents and I am very happy to have that discussion with them and here in this place. I have been talking to them about the fact that one of the most important economic principles of this package is that it has been designed to have an impact around the nation and throughout the economy. Unfortunately, this particular amendment does not meet that test.

Unlike the opposition, Australians can recognise the importance of a package like this and, indeed, the way it is structured. They can comprehend and readily recognise that this package has been specifically designed so that its stimulatory effect is broad and general and that it spreads right throughout Australia, through many far-flung communities and throughout diverse sectors of the economy. It is about reaching out to retail, construction, manufacturing and other industries throughout the nation.

This package is about maintaining timely momentum in the economy, the whole economy, to counteract the far-reaching and widespread forces pushing down on our economy. The thing is, biasing too much of this package to specific regional projects, however meritorious, however worthwhile they are, undermines this primary objective of delivering a broad stimulus package to the whole economy. Naturally, we understand that there should be no compromises in the money extended to Victoria while we deal with the tragedy that is taking place there. However, what will compromise our capacity to support worthwhile projects like those in the Murray-Darling Basin and indeed the recovery from the Victorian bushfires is if our economy runs out of steam and becomes an economy where people lose their jobs in retail, construction, mining, manufacturing and around the nation, where housing prices collapse, where people go into a state of negative equity with their properties, where, as a result of the collapse in housing prices, construction drops off and more and more people lose their jobs. The problem is if our economy contracts too much then that spells trouble for our capacity to meet the challenges of rebuilding after the Victorian bushfires and, indeed, saving the Murray-Darling Basin.

This package of measures, including cash payments and the support for construction
and manufacturing projects that can be brought online quickly, is well targeted and is the primary objective of the bills before us. It is designed to mitigate against exactly the kind of downward economic spiral I have described. The measures that we have before us are well designed and well targeted, well directed to stimulate the economy while also delivering a benefit to people, schools and communities.

Let me repeat: it is fundamentally important that the effect of this package is spread right round the economy, to all our nation’s capital cities, to all our rural and regional communities; from Gosford to Dubbo, from Coffs Harbour to Bega, from Geelong to Warrnambool, from Mildura to Phillip Island, from Launceston to Devonport, from Port Augusta to Gawler, from Albany to Broome, from Merredin to Bunbury, from Darwin to the Alice. It is a package that must be felt around the nation and it must be spread around the economy—in local shopping centres, in tourist towns, on construction sites, in farming communities and in the nation’s factories.

What is most important here is that we have a package where the whole economy is able to maintain its momentum. It needs to be maintained. Unless the stimulus is spread around, you will not get the economic effect to keep the economy as a whole on the setting that we require, on a growth setting. So we have sound economic reasons for having structured the package as we have. I have to say, the opposition is placing the economy at grave risk. You are out of step with large sections of the business community and you are out of step with our colleagues—parliamentarians around the world—who are debating these very same issues and facing similar, although often greater, economic challenges in other developed nations. Your position is out of step with most economists, including the most conservative economists.

Indeed, it is even out of step with the IMF. My colleague David Feeney quoted Olivier Blanchard, a senior IMF economist, yesterday and I think his statement is worth repeating in this place at this time. He says:

… act decisively. Do too much rather than too little. Delays … have cost a lot already.

Australian electors know that this package is important. What the opposition should be most afraid of is its success in endeavouring to block this package. I have no doubt, no doubt at all, that you will be punished by Australian voters. The opposition is saying that the package is too big. It is not too big. Cash payments will come online quickly and they are needed now—yet another reason why the broad stimulatory impact of this package is important. It is about the timeliness of the projects that we have before us.

There are plans in place for the Murray-Darling Basin and they take time. What we are about is injecting something into the economy now. Even small-scale construction projects in schools are going to take some time to come into line and offer that stimulatory effect to our economy. The opposition leader, I note, has already conceded that a smaller package that he has called for would at some point possibly need to be increased. The opposition’s approach would deliver too little, too late. It is not going to deliver enough to keep our economy going to give us the opportunity to solve issues like the Murray-Darling Basin and rebuild after the Victorian bushfires. We know our economy is already being hit hard. It is being hit very hard in my own state of Western Australia. Things there have changed since last year. In WA last year we were still hopeful that the Chinese economy would help us maintain momentum. However, this year it is already clear that demand from China and India for Western Australian resources is dropping off. On that basis it is little wonder that the Liberal Treasurer in WA, Troy Buswell, has said
that the federal government’s economic stimulus package is providing good news for the state of Western Australia. He says:

I have to say that at first glance, there is a lot of good news in there for Western Australia in terms of the infrastructure projects that will support …

Infrastructure projects in schools, in roads and importantly in social housing, so we need to work through the detail.

Our response to the federal package is that from an infrastructure point of view we think the targeting is about right and the amounts are most welcome.

So the opposition is out of line with Liberal leaders around this country. What a pity Troy Buswell’s colleagues in this chamber, and their friends, are not so enlightened. Unfortunately, we are now very, very well aware that we face the prospect of the deepest recession since World War I. The commodity boom, which has provided significant growth, is over. The time to act decisively is now.

We all know that Australia is not alone in facing this crisis. No country will escape the impacts of this global recession, which is causing falling growth, job losses and indeed budget deficits right around the globe. Economic growth is slowing and employment is weakening, but this package will do much to mitigate these effects. The amount of $42 billion in our Nation Building and Jobs Plan is indeed designed to provide for immediate support and jobs growth. That is the plan’s primary objective. As meritorious as the Murray-Darling Basin is, that is not the objective of this plan. It is a very, very worthwhile project that we need to be supporting as a nation. But this $42 billion is about the timeliness of when the money can be delivered and it is about giving the economy a kick in the right places at the right time. There is no getting around that.

This plan is specifically designed to deliver around half of one per cent to GDP growth in 2008-09, about one-quarter to one per cent in GDP growth in 2009-10, and to support 90,000 jobs over the next two years. In the midst of this global recession it would be irresponsible not to act swiftly and decisively to support jobs and invest in nation-building. I am pleased that the crossbenchers, unlike the opposition, appreciate the importance of this stimulus plan, but I implore you to appreciate the importance of making sure it is structured correctly. I am pleased that people are working through the measures in this package with the government, but I implore you: work hard to get it passed. But it has got to be the right package, not structurally biased; it is about that broad stimulus to the whole economy. In the face of these very extraordinary global conditions, the immediate, overriding priority for fiscal policy must be to support jobs—jobs that support households, jobs that are providing government revenue for all those national, humanitarian and environmental projects that so many of us hold so dear. We cannot stand by and let the economy and livelihoods of Australians collapse around us. There is no quick fix to this global recession. Many of its effects are still to come, but I am very pleased that the Rudd government has seen fit to take necessary steps—the responsible action to help Australia through this global crisis. I implore senators in this place to see this package passed.

Senator LUDLAM (Western Australia) (3.20 pm)—I thank Senator Pratt for that contribution. I would like to bring the chamber’s attention to some of the matters Senator Brown mentioned before in terms of the additional funding that has been negotiated by the Greens to preserve Australia’s national heritage properties. We are aware that heritage funding has been falling in Australia for 10 or 15 years. In fact, it is potentially a wel-
come turnabout that we may be able to pass in the next few hours in this place $50 million in additional funding for the protection of Australia’s most precious national heritage places. They are places that are essentially falling into disrepair. They are places that were passed on to us by our parents and grandparents—by our ancestors, indeed. It is an extremely welcome measure that the government has agreed that perhaps not all of the economic stimulus funding would need to be in areas we might more traditionally associate with the construction industry. In fact, there is an entire area of the economy that would be stimulated by looking after these heritage places that have been protected and left to us by our parents and our grandparents and which we are passing on to our children and grandchildren.

What we are looking at doing here is funding the urgent maintenance and conservation of up to 250 properties held by the National Trust and other properties that could be put forward by other organisations or groups, and creating green jobs, largely in rural areas, where many of these properties are allocated. This not only boosts the economy and boosts spending but also provides a lasting benefit. This is not something that will be over and done with and forgotten about in the next week; this is something that we are passing on to the generations that come after us.

There are many properties that the National Trust has on its endangered list, as well as properties it has on its books in general, that require and would greatly benefit from the sort of funding that we are looking at providing here. There are jobs in the construction industry, obviously, but we would also be looking at electricians, plumbers and specialist conservators. There is not a great deal of work around for some of the people—carpenters and so on—who would be engaged in protecting and restoring some of these places.

And what potentially would be on the list? I am sure that we all have places in our home states and territories that would be very deserving and worthy of this injection of funding over the next couple of years. There are buildings and properties listed on the natural heritage list, but there are also community heritage projects around the country that are not necessarily coming through the National Trust—these could be put up by any community group with an interest in protecting or preserving one of their special places—as well as natural heritage projects, including walking trails and upgrades of public spaces. It has been estimated, and I think one of the other senators has pointed this out, that somewhere in the range of 800 new jobs will be created at a substantial discount on the raw numbers that were provided by the government as to how much benefit you get for the money that we are spending. This is extremely good value and we know this should be seen as nothing more than a down payment on the protection of Australia’s heritage; in fact, this is really just the beginning.

I certainly welcome the passage of the bills. We have spoken at quite some length on the housing and schools side of the construction package, but certainly getting some genuine protection for Australia’s precious heritage places is something that people around the country will really welcome. It is an area that we have substantially neglected over a very long period of time and it is about time that that was addressed.

**Senator CAMERON** (New South Wales) (3.24 pm)—I rise to oppose the amendment, and I do so on the basis of the clear need for the government’s package to be passed by this chamber. As I indicated earlier today, we are facing one of the greatest global crises, brought about by the collapse of the financial
system around the world. And yet here we are, being asked to take our eye off the ball in relation to the broad macroeconomic issues that need to be dealt with in one area only—need in this community. No-one is arguing the need to deal with the issues in the Murray-Darling Basin. No-one is arguing the importance of the environmental issues associated with the Murray-Darling. But we have had 11½ years of the opposition, when in government, doing nothing in the Murray-Darling Basin. We have had 11½ years of neglect in the Murray-Darling Basin. And it is absolutely unacceptable and absolutely wrong to try to force us as a government to deal with that issue on its own, in isolation from the broader national good. We have a national approach with a package to save jobs and to stop the recession in Australia, and on that basis I oppose this amendment.

Senator FIELDING (Victoria—Leader of the Family First Party) (3.28 pm)—I thought I would share my thoughts generally but also on this water amendment that Senator Xenophon has put forward. That way people could be a bit more clear with their vote. I may talk generally as well as specifically, if the chamber would allow me to do so.

This has been one of the most difficult and challenging weeks I have had in the Senate. The government’s $42 billion stimulus package is flawed. The Senate inquiry confirmed that. Knowing that it was flawed, the government should have agreed to crack open this package and act decisively on those flaws. It has not. Let us be clear: the $42 billion package may indeed save up to 90,000 jobs or create 90,000 jobs, but the $42 billion plan massively fails the 300,000 forgotten Australians who have been left behind by this package. Even after spending $42 billion, the government knows there will be 300,000 Australians added to the queue of unemployed. In good faith, we approached the government with a plan to give hope to those 300,000 forgotten Australians—a community based, grassroots employment plan called Get Communities Working. The government sees merit in such a program and does not deny that there will be 300,000 Australians added to the unemployment queue, but the government has stubbornly refused to make any substantial changes to its package.

In its desire to push this package through swiftly, the government basically has held a gun to the heads of the crossbenchers. We were damned if we voted for it; we were damned if we voted against it. Last night, around midnight, I walked around the streets of Canberra for an hour or so. It had been a
difficult and frustrating few days of talks and negotiations with the government. I have said all along, as have other crossbenchers, that Family First wanted to support a stimulus package. I recognise that Australia does need a stimulus package, but I have reservations about this package. As I said yesterday, I found myself between two hard places and a rock. One of the hard places was the government; the other hard place was the opposition. So what is the rock? The rock is the Australian people who are hanging on in these desperate times.

Family First’s objective from day one throughout the negotiations was to give help to the 300,000 Australians who have been forgotten in this package. After spending $42 billion, there will still be 300,000 Australians added to the unemployed. So that was our objective: to give help and hope to one-third of a million Australians. That is why we proposed diverting $4 billion of the $42 billion stimulus package into a program called Get Communities Working. I was hoping the government would move on this.

Let us also be clear: an agreement on diverting $4 billion of the package to the Get Communities Working fund would have secured Family First’s vote, but, as the days of negotiation unfolded, it became more and more clear that the government was prepared to walk away from the 300,000 Australians and not try to give them some hope and help. My dilemma is that I am genuinely troubled and sickened by the thought of 300,000 fellow Australians being unemployed.

So what now? My vote has had to be based on substance and not swayed by smaller packages that may be all well and good in themselves but still offer little hope to the 300,000 Australians who will be added to the queue of the unemployed, with little hope of finding a job. Many may become sick of me saying this, but I want it to sink in: 300,000 Australians will be added to the unemployment queue. Yes, the government has agreed to establish a pilot of the Get Communities Working fund by allocating $200 million to a community fund, but this offer has in no way swayed my vote. How could it? How can I sell out 300,000 people and say, ‘I’ve won a $200 million package’? The two are not reconcilable.

My vote was not for sale for just a number of small packages. My vote is and has been based on 300,000 Australians who are the innocent victims of this war on the recession. My vote is based on two simple propositions: vote for the government’s package and save or create up to 90,000 jobs, or vote for the coalition’s plan. What is their plan? So you have two options: two hard places and a rock in the middle. Vote for a plan that denies 300,000 Australians any real hope or help, or vote for nothing. That is the dilemma. Our vote is not swayed by some smaller packages. We are thankful that the government may be giving some little hope, but that does not sway Family First. From day one I said we wanted to give hope to those 300,000 Australians.

I end with this thought. If you are on a ship going down and you are offered the chance to save some lives, you would save some even if you could not save them all. In other words, I may not have succeeded in saving 300,000 Australian jobs but I have certainly saved as many as I can.

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

The committee divided. [3.41 pm]
(The Temporary Chairman—Senator SP Hutchins)
Ayes………….. 7
Noes…………… 46
Majority……… 39
AYES
Brown, B.J.
Hanson-Young, S.C.
Milne, C.
Xenophon, N.

Fielding, S.
Ludlam, S.
Siewert, R. *

NOES
Abetz, E.
Bilyk, C.L.
Brandis, G.H.
Cameron, D.N.
Colbeck, R.
Conroy, S.M.
Cormann, M.H.P.
Evans, C.V.
Faulkner, J.P.
Ferravanti-Wells, C.
Forshaw, M.G.
Hogg, J.J.
Hutchins, S.P.
Ludwig, J.W.
Marshall, G.
McGauran, J.J.
Nash, F.
Parry, S. *
Pratt, L.C.
Ryan, S.M.
Stephens, U.
Trood, R.B.
Wong, P.
* denotes teller

That these bills be now read a third time.

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (3.45 pm)—I want to take the opportunity to ask for support for the legislative package before the chamber. This is a most important package. It is a package that has been designed to deal with very urgent needs: to stimulate the economy, to protect jobs and to protect Australia from the worst impacts of the looming economic recession driven by the global financial crisis. This is urgent. It is necessary. Similar measures have been taken in countries around the world with the support of their parliaments. This will be the first parliament in the world, as I understand it, to defeat a government’s plans to stimulate their economy—not just to amend but to defeat, and to leave the government in a position where it is unable to implement the measures that will stimulate our economy and save Australians’ jobs. This leaves the government with a package that it cannot implement. If this package is defeated, the government has been denied its right to act on behalf of the Australian people, its right to govern in the interests of the Australian people.

We do not deny the right of the Senate to seek to amend, to examine and to argue about the package. But, at the end of the day, the Senate has to make a balanced judgment. It has to be a balanced judgment between the interests of the minor and opposition parties and Independent senators and the arguments they want to pursue and the interests of the government and the government’s decision making in trying to meet its responsibilities to the Australian people.

We have had a long process to try to reach a broader consensus in the Senate chamber. The opposition have refused to participate in that. They took themselves out of the equation weeks ago and have refused to support
the economic stimulus package. That is their decision. They made themselves impotent. But they also, of course, have put at risk the government’s capacity to stimulate the economy. They will be held responsible for the defeat of this package, if it is defeated, because they have refused to allow the government to implement its responsibilities. I am sure they expected that this package might pass. They were constantly making quite long speeches which effectively said they were pursuing a political tactic rather than an economically responsible position. They sought to position themselves for a political debate a year down the track. They said, ‘We can politically position ourselves to our advantage where we can argue the debt question.’ What they did not do is take on their responsibilities as parliamentarians and as an alternative government.

So we are left in the situation where the fate of these bills lies in the hands of Senator Xenophon because the opposition have painted themselves into a corner, into irrelevancy, but into a position where they seek to wreck the government’s capacity to govern. They have the opportunity to make their critiques, to argue their points, but to support the package. Instead, they seek to undermine the capacity of this government to respond to the crisis, to do the job of government. For an alternative government, I think that is quite reprehensible behaviour.

The government are committed to getting this economic stimulus package through. We will not desist from our efforts to do that. It is vital for our economy. It is vital for Australian jobs. We urge the Senate to support the third reading. I know Senator Xenophon has applied himself to these issues, but we urge him to think deeply about whether solving some of the environmental issues involved in the Murray-Darling can all be achieved in this package and whether or not putting at risk the whole economic stimulus package in order to pursue his very worthy agenda in relation to the Murray-Darling is worth it. We urge him to think about whether or not he has got the balance of considerations right.

The government have bent over backwards to try to find an accommodation that meets the concerns of the Greens and the Independents but allows us to get on with the fundamental job of governing and providing the necessary economic leadership for this country. So I again urge the Senate to support the package. I foreshadow that if the third reading is defeated the government will immediately reintroduce the package into the House of Representatives and seek to get the House to support the amended package. And we will look to sit the Senate as soon as possible, probably in the week starting 23 February, in order to again seek Senate support for the package. We are absolutely determined to act in the national interest to ensure that this stimulus package is carried and that Australian families and workers get the protections that this package provides.

In the meantime, there will be huge confusion in the community. There will be a complete lack of confidence. I think senators need to think about that and what that does to confidence in business and confidence in the community more generally about what the economic future holds for them. Every senator who votes against this will have to explain their role in that. They will have to stand up. I know the opposition did not think they would have to. They thought this would quietly go through, that Senators Xenophon and Fielding would join us, and they would be all care and no responsibility. Someone said to us, ‘Senator Xenophon’s called your bluff!’ It is not the government’s bluff that has been called. We will continue to pressure for this.
I advise the Senate that, if the third reading of this bill is defeated, Senator Ludwig, on behalf of the government, will seek to move a motion that allows the Senate to sit in its normal parliamentary form in the week commencing 23 February. Because we think this is urgent, we will seek to reintroduce the legislation. We hope to carry that in the House of Representatives tonight, if required, and we will look to make the Senate reconsider its position, look to insist that the Senate allow the government to do what is needed in the national interest, not tie our hands behind our backs, not allow us to lose vital time in providing the support the economy needs.

All the evidence from economists, commentators, business and state governments has supported the need for this stimulus package. While people may still argue about the detail, fundamentally, defeat of the package is a huge decision. It is a decision that calls into question confidence in the Australian economy. It puts at risk more jobs and more businesses. I urge the Senate to consider that carefully. We have been through a process that sought to get the best result. People have looked to negotiate. They have looked to accommodate. I appreciate the efforts that the Greens and the minor senators have put into that, but this is not the time to hold out. This is not the time to insist on having an individual senator’s agenda rated higher or given preference over the national interest. This is a time to get the balance right.

Senator Ryan—Every senator is equal.

Senator CHRIS EVANS—Every senator is equal, but there are 30-odd senators who ducked and got out of this very early on, who have no relevance in this debate at all. The Australian people know you are not relevant. It is important that senators consider their position. I would welcome the opposition reconsidering their position. I would welcome it because they ought to think about what they are doing here if this is defeated. Sure, if Senator Xenophon does not support us, he will come under intense scrutiny, but so will the opposition. I want to stress that the government are absolutely committed to getting this package through. We are absolutely committed to providing the economic stimulus that is needed in the Australian economy. I urge all senators to support the package. As I said, I foreshadow that, if we do not get the support, we will come back and try again until we get the Senate to understand the huge importance and the urgency that is associated with these measures.

Senator ABETZ (Tasmania) (3.54 pm)—We on this side of the chamber have no difficulty whatsoever in looking into the eyes of young Australians and telling them that we voted to save them from a debt that will cripple the nation in years to come. In 10 years time, when young Australians ask, ‘Why don’t we have the money for hospitals or for education or other matters?’ there will be parliamentarians who will have to tell them: ‘Unfortunately, we have a recurring interest bill of $7-plus billion per annum to service a debt incurred by a previous generation.’ We on this side are willing to take the debate into the community and say that we were on the side of looking after future generations. We believe in economic intergenerational responsibility. That is what we are on about and that is the position that we have put very, very strongly.

With great respect to the contributions of Senator Fielding and others, we have in fact put an alternative before the people. Mr Turnbull has made it quite clear. It is a package of smaller dimensions. It is a package that would include tax cuts, a package that would support the superannuation payments of small businesses to their employees as a way of supporting jobs. In relation to infra-
structure, we are very supportive of that aspect of the package that supports schools. Indeed, it was those on the other side who opposed it.

I say to the Leader of the Government in the Senate that the difficulty that he faces has been brought about by the arrogant, high-handed approach of both him and the Prime Minister. Can I suggest to the Prime Minister that, if his one-seater bulldozer that he has been driving for the last week stalls as a result of the vote of the Senate, his vehicle of choice should not be, as Senator Evans is suggesting, another one-seater bulldozer but a passenger bus that can in fact include other people in getting a package together.

I remind senators—and correct Senator Evans—that, when there was opposition in the United States to a package of this nature, President Obama, with a huge election victory under his belt, considered it appropriate to sit down with the Republicans and get a deal that was satisfactory. Mr Rudd has not been able to bring himself to do that. From day one he said, ‘Get out of our way! It’s my way or the highway.’ That shows the arrogance of this government. Might I add that the tactic of the leader of the government in this place, Senator Evans, has been to, time and time again, tell us and the Australian people that this package had to be passed by Friday of last week, without any Senate inquiry.

Senator Barnett—Within 48 hours.

Senator ABETZ—Senator Barnett, you are right. It had to be passed within 48 hours or all calamity would come upon us. Now, all of a sudden, the government is willing to amend its own package. All of a sudden, that is not a problem. Senator Ferguson has just reminded me that the most galling thing of all is that Senator Evans complained about opposition senators giving long speeches. Excuse me! Who was filibustering in this debate today and yesterday and trying to drag the issues on? I think everybody listening in knows exactly who gave the long speeches, who gave the irrelevant speeches. Might I just say to Senator Evans that he really does have to get his lines right on this. He says on the one hand that we are irrelevant, yet he blames us for the result. If these measures are defeated in this place, it will not be because of the coalition. We do not have the numbers. If the package is defeated it will be because 50 per cent or more of senators have voted against it.

That does not, of itself, mean that there will never be another package. What it means is that Mr Rudd would do himself and the Australian people a great service by sitting down with the alternative Prime Minister of this country, Mr Turnbull, and discussing a package. Mr Turnbull has been open to that from day one—that has been made perfectly clear—but in Mr Rudd’s arrogant style, on his one-seater bulldozer, he has refused to deal. Of course, the deals were done today—very, very late in the piece.

I simply say this to my fellow Australians: whilst on the face of it the Labor Party have a sugar coating to offer the Australian people, with cash payments—money here, money there, money everywhere—that lolly has a very bitter centre and the sugar coating will not last as long as the bitter centre, which will leave a terrible economic aftertaste in the mouths of all Australians. For the $900 cheque they might get in the mail on 11 March, they will have a $9,500 debt, together with interest. That is not a very good deal on any mathematics.

We are willing to engage in discussions with the government and we are willing to look at a package, but we are not willing to have a situation where we were told by the leader of the government that, on advice—and I would still like to know who the advice
was provided by; I have asked a number of times; we were never told—the package had to be passed by last Friday or the payments could not be made. All the officials said that was wrong. I still want to know where that advice came from. We know that the package went to the printer at 6 am; we know the Treasurer signed off on it the night before; and so it goes on. It was a rushed package; it was an ill-considered package. Indeed, in a matter of a few hours today, the government were able to concede $500 million worth of changes to the package with the Greens. I suggest to them that, if this package falls over, they ought to take a deep breath, learn from their arrogance and include everybody in a discussion so that we can all act within the nation’s interests.

We as an opposition have thought long and hard about these matters. Very simply, we are concerned about the following. We had the task of paying off Labor’s last debt. Labor’s legacy was a $96 billion debt. It took us 10 years of hard work, opposed every step of the way by Labor, to pay off that debt. In fact, it was finally paid off on 21 April 2006. What took the Hawke-Keating Labor government 13 years to rack up, $96 billion, Mr Rudd has been able to rack up in not 13 years but 13 months. Double that first amount and add a bit more, and there is a $200 billion debt legacy to this nation. Having been involved from day one to the very end of the Howard government in working off that debt, I do not look forward to a future Liberal government—and of course it is not the government that pays for it; it is a future generation of this nation—being confronted with paying off the $200 billion debt legacy, the $9,500 per man, woman and child legacy, that Labor wants to leave with them. We believe that is irresponsible. We believe that it is not social justice to say that we are delivering social justice today by mortgaging future generations’ capacity to deliver social justice when it is their turn to govern the country. We believe in intergenerational responsibility. That is why we oppose this measure and will be voting against the third reading.

Senator Conroy—You are such a hypocrite.

The President—Senator Conroy, withdraw that comment.

Senator Conroy—I withdraw.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.04 pm)—I appreciate Senator Abetz’s offer to be engaged in future negotiations on this matter, because that is where we are inevitably headed if we do not get a resolution in the positive in the next little while. Firstly, I seek leave of the Senate to table a letter from the Treasurer to me today.

Leave granted.

Senator BOB BROWN—I thank the Senate for that leave. I do not want to anticipate a vote of the Senate, but it may be that this package does not get the majority. I hear that the leader has flagged that the Senate may come back in a couple of weeks time to deal with the matter. I believe we should have another go if the matter is not resolved. Therefore, I want to flag to the Senate that somebody should move for an adjournment after the third reading vote—and I will do it if nobody else does it—anticipating that the Senate should come back at 10 o’clock in the morning. In the meantime, if it were not passed, the matter would go to the House. They could deal with it as they may, but I anticipate it would come back here. This would give the government and the people opposed to the amendment—and that may include Senator Xenophon—some time to look further at where the sticking point is.

Opposition senator interjecting—
Senator BOB BROWN—Senator, we can take two weeks, we can take two months, we can take two years, but the Senate is here and the cheapest option in real money terms is for us to look at this again tomorrow. By far the best outcome for the nation is to get a resolution in the positive to allow the government to be the government of the day, and to not lead to the upheaval, the indecision and the inability of people to know what is going to happen with the stimulus package. The Greens have fought to get thousands more jobs through the amendments in this package and we do not want those delayed. I have given the argument from the Greens’ point of view and I am not going to hold the Senate up about that. But I am saying let us chart a way to get, if needs be, a resolution of this matter by tomorrow rather than in two weeks time, if that is possible.

Opposition senators interjecting—

Senator BOB BROWN—Some constructiveness from the opposition would not hurt, Mr President. I note the interjections. This is not just a school debate in here; we are discussing a nationally important matter that requires some constructive strategy, and that is what I am putting to the Senate right now. We will see how this vote may go. Mr President, I would seek your advice on whether the opportunity for me to move an adjournment will come after the third reading. Otherwise I would like to move it now.

The PRESIDENT—Senator Bob Brown, are you advocating that, subject to the outcome of the third reading, if the third reading sees the bill defeated, you would seek to have the Senate adjourn until some time tomorrow? Are you foreshadowing that that is what you would do? You are not seeking to adjourn the debate on this bill now?

Senator BOB BROWN—Correct.

Senator LUDWIG (Queensland—Minister for Human Services) (4.09 pm)—I seek leave to make a short statement on a procedural matter in relation to Senator Brown’s foreshadowed motion.

Leave not granted.

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

The Senate divided. [4.14 pm]
(The President—Senator the Hon. J J Hogg)

Ayes............. 35
Noes............. 35
Majority......... 0

AYES


NOES

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

Question negatived.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.18 pm)—Mr President, I move that the debate be adjourned.

The PRESIDENT—The debate has finished. What are you seeking to do, Senator Brown?

Senator Ludwig—Mr President, to assist Senator Brown, he would need to move a motion that the Senate suspend until 9 am, Friday, 13 February 2009 and he would need to seek leave to move that motion.

Senator BOB BROWN—I thank Senator Ludwig for that advice. It is an unusual position I am in. I seek leave to move a motion.

Leave not granted.

Senator BOB BROWN—Mr President, if I may return some advice to the government, it is now in a position to so move.

The PRESIDENT—Are you seeking leave to make a statement?

Senator BOB BROWN—I have made my statement, Mr President.

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (4.19 pm)—I move:

That the sitting of the Senate be suspended till 9 am, Friday, 13 February 2009.

In doing so, I am happy to take up Senator Bob Brown’s suggestion that the Senate meet tomorrow. We have offered to come back and resubmit the bills at the first available opportunity of the next sitting of the parliament, but if there is a mood in the Senate to consider them tomorrow the government would be very anxious to have that occur because there is urgency, as I have argued before. We are happy to get these bills dealt with again as soon as possible. The bills will be represented as amended by the House of Representatives and they will come back here tomorrow if the Senate is prepared to sit, so I would urge the Senate to support this motion. If this motion is unsuccessful we will return to the proposition that we sit on 23 February.

Senator ABETZ (Tasmania—Deputy Leader of the Opposition in the Senate) (4.20 pm)—Very briefly, the opposition opposes that motion. I invited the government during my speech at the third reading stage to get off its one-seater bulldozer and actually engage in discussion. I say to the government: in all honesty, what do you think will be discussed and resolved between now and nine o’clock tomorrow morning? All that will happen is that pressure will be brought to bear on certain senators and the heat in relation to this issue will only be exacerbated rather than alleviated to allow good and proper discussion to take place.

It is quite clear that the Labor government, having been voted down by this Senate, are not willing to take that vote as the will of the Senate and are now trying to ram through exactly the same measure within a matter of 16 hours. Within about 16 hours of rejecting a whole raft of measures we would be asked to consider that raft of measures again. What would have changed? What negotiations would have taken place? What consultations does the Prime Minister have in mind for Senator Xenophon, for Senator Fielding or for Mr Turnbull? None of that has been
planned, none of that is appropriate, and I suggest to Senator Evans that taking a bit of time out, taking a deep breath and allowing for proper discussion to take place would mean—

Senator Chris Evans—You said you were going to vote no.

The PRESIDENT—Order!

Senator Chris Evans—You had no amendments.

Senator ABETZ—The arrogant Leader of the Government in the Senate continues to interject. We said we would vote against this package, as we have done. That does not mean that we are opposed to every single possible package that might be put to us. We have already indicated the sorts of parameters of a package that would be within the nation’s interests without putting a huge burden of debt on future generations—and that has been our concern. That is what we have dealt into the discussion and we have been ignored by the government, arrogantly so. Tonight they are left with egg on their faces. They should have engaged in discussion and relied on our good nature, but the reality is that, having been so dogmatic about it, they have been unable to get a majority of senators. The coalition does not have a majority of senators in this place.

Senator Carr—You don’t have any votes. You’ve got no votes? Is that what you are saying? No votes?

The PRESIDENT—Order!

Honourable senators interjecting—

The PRESIDENT—Order!

Senator ABETZ—You can always rely on Senator Carr—can’t you, Mr President?—to lower the tone.

The PRESIDENT—Order! Just address your comments to the chair, Senator Abetz.

Senator ABETZ—Thank you, Mr President. We believe very firmly that if the government is genuine about getting a majority for a package—a package—it needs to sit down and discuss it. Clearly, the 15-plus hours that there will be between now and nine o’clock tomorrow morning are not sufficient time for that to occur.

Government senators interjecting—

The PRESIDENT—Order!

Government senators interjecting—

The PRESIDENT—Order!

Senator ABETZ—In fact, I want these interjections to be taken and I will respond to them so Hansard can record them, because what they show absolutely clearly is the arrogance of the Leader of the Government in the Senate, who was in this place seven days ago demanding that this legislation be passed—at that stage, within 24 hours—because if it was not the whole package would collapse and things, as in moneys, would not be able to be passed out. That has now been exposed as being wrong. Whether it was wilfully wrong we will never know, because we have asked on what advice that assertion was based and we still have not been provided with that information.

But having had this difficulty all week I suggest that Senator Evans, unable to respond to that direct question, takes a deep breath and allows the government to regroup with the opposition and others to see if some sensible conclusion can be obtained. With all the best will in the world, I think every Australian would agree that, the Senate having defeated this package tonight, there will not be a resolution to the matter within the next 15 hours. The discussions that need to take place ought to take place, might I add, behind closed doors’ as in fact happened with Senator Bob Brown and his discussions with the government. They were not undertaken in this chamber; they had good working dis-
cussions, as I understood Senator Sherry and Senator Brown told us. We are inviting them to have those sorts of discussions with us but in a proper manner.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.26 pm)—I hope this motion does get passed. Clearly, it would be a good outcome—if there is to be a change—if that could be negotiated in the next 12 to 24 hours rather than in the next two weeks. Even the opposition agrees that a package is required to help save this economy from going into recession. But let me say this, Mr President: this is not putting pressure simply on Senator Xenophon, who is already under great pressure; this is putting very definite pressure on the Rudd government. There has to be some constructive meeting of grounds with Senator Xenophon if there is to be a resolution here. We Greens want to see that happen for two reasons: firstly, so that the package can be implemented and, secondly, for the sake of the Murray-Darling Basin, particularly the lower Murray. As the minister is here, I say, through you, Mr President, this is not just a case of sitting back and waiting for a proposal to come from Senator Xenophon in this case. I urge the government itself to make constructive headway towards an agreement or an ability to come to some resolution now with further discussions put in train. I hope this will lead to a resolution. If it does not, then, seeing the Senate is here and can meet tomorrow, we will have done the best we can.

Senator XENOPHON (South Australia) (4.27 pm)—I indicate I support the government’s motion. I am prepared to be part of a process of further discussions and negotiations and to do so in good faith and with goodwill. I think it is important, and if there is any opportunity for this impasse to be resolved then I would like to be part of that process. I know the time constraint leaves us some 15 hours, but I would like to think we could at least crystallise our positions further. If that leads to a breakthrough, then so be it. If it does not, at least we have given it a go.

Senator FIELDING (Victoria—Leader of the Family First Party) (4.28 pm)—I would also like to support the motion. We do need to resolve this as quickly as possible. Australia does need a stimulus package.

Honourable senators interjecting—

Senator FIELDING—Yes—

Honourable senators interjecting—

The PRESIDENT—Order! Senator Fielding, ignore the interjections and refer your comments to the chair.

Senator FIELDING—Thank you, Mr President. I would just say that we support the motion as well.

Question agreed to.

Sitting suspended from 4.29 pm to 9.00 am

Friday, 13 February 2009

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9 am and read prayers.

VICTORIAN BUSHFIRES

The PRESIDENT (9.00 am)—I present a message of condolence from the Lord Speaker, Westminster, the Rt Hon. Baroness Hayman, relating to the bushfires in Victoria.

AVIATION LEGISLATION AMENDMENT (2008 MEASURES No. 2) BILL 2008

DISABILITY DISCRIMINATION AND OTHER HUMAN RIGHTS LEGISLATION AMENDMENT BILL 2008

EMPLOYMENT AND WORKPLACE RELATIONS AMENDMENT BILL 2008

TAX AGENT SERVICES BILL 2008
First Reading

Bills received from the House of Representatives.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (9.01 am)—These bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will move a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (9.02 am)—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—

AVIATION LEGISLATION AMENDMENT (2008 MEASURES No. 1) BILL 2008

Aviation security and safety are high priorities for the Government and are under constant review to ensure the respective regulatory frameworks are responsive to changes in the industry covering security threats and safety needs.

This Bill contains a number of enhancements to the Aviation Transport Security Act 2004, the Civil Aviation Act 1988 and the Transport Safety Investigation Act 2003. The amendments will further strengthen Australia’s aviation security and safety.

There are four significant amendments in this Bill.

Firstly, the Aviation Transport Security Act 2004 is amended to enable the Secretary of my Department to require aviation industry participants to provide aviation security information, if the Secretary believes, on reasonable grounds, that a participant has such information.

The Secretary is already empowered under the Aviation Transport Security Act 2004 to collect security compliance information, which is information that relates to compliance or failure to comply with the Act.

The kinds of information that may be requested by the Secretary would be prescribed under the regulations, and would include, for example, information relating to the screening of passengers and baggage, and information relating to the management and control of airport areas and zones.

It is envisaged that this power would be particularly useful for the Office of Transport Security to obtain the necessary information on screening statistics, should the need arise, particularly in assessing whether new security measures are required, or existing measures need to be modified, as threats to aviation security change.

The measure is unlikely to have financial implications for industry.

Secondly, the Bill extends the Secretary’s delegation powers under the Aviation Transport Security Act 2004 to allow the delegation of their functions and responsibilities under the Act to another Agency Head of an agency with national security responsibilities.

This is a necessary amendment to address the vulnerability of the Secretary being unable to delegate certain powers within the Act, especially when there is a time critical element to the action. An example might be the use of the power to direct a plane to land at a certain place.

The delegation is limited to a small number of other Secretaries whose departments are responsible for national security matters. Certain conditions are placed on the delegation, in particular, that the other Agency Head must agree to the Secretary’s delegation in order for the delegation to have effect.

Thirdly, the Civil Aviation Act 1988 is to be amended to clarify the position with respect to allowing the copying and disclosure of Cockpit Voice Recorder information for testing and maintenance.
Presently, strict confidentiality requirements are imposed by the Act to seek to ensure the continued availability of Cockpit Voice Recorder information in the future for serious accident and incident investigations by the Australian Transport Safety Bureau (ATSB). However, the current confidentiality provisions could be, and often are, interpreted as preventing copying and disclosure for legitimate maintenance and testing purposes.

The proposed amendments would clarify the situation while requiring that certain conditions must be met before the Cockpit Voice Recorder is copied or disclosed such as the person doing so being authorised under the regulations.

The need for these amendments is derived from a recommendation made by the ATSB during the investigation of the fatal accident at Lockhart River in Queensland on 7 May 2005 in which all 15 people on board died.

Fourthly, the Transport Safety Investigation Act 2003 is to be amended to change the penalties for failing to report transport safety matters in accordance with Part 3 of the Act.

The Act is also amended to allow the Executive Director of Transport Safety Investigation – who is the Executive Director of the ATSB – to require further information from the industry in relation to transport safety matters after receiving an initial report.

The ability of the Executive Director to require additional information is necessary and desirable in order to be able to ensure that the information in the ATSB’s accident and incident database is adequate and correct with respect to each transport safety matter. Importantly, this additional information will assist with future research and analysis of accidents and incidents, including trend analysis and safety issue identification. This is consistent with chapter 8 of Annex 13 to the Chicago Convention, a safety annex which includes international civil aviation standards and recommended practices agreed by member states of the International Civil Aviation Organization.

The Bill amends the Act to introduce more suitable limitation periods for bringing a prosecution and to ensure the penalties are appropriately weighted to the seriousness of the offence. In a number of cases the ATSB has only 12 months to bring a prosecution which in the majority of circumstances is too short, as it can be several years before the offence is discovered. The more serious offences, attracting a penalty of more than six months imprisonment for failing to report, will have an unlimited period to bring a prosecution which is consistent with the Crimes Act 1914.

For the smaller offences, there will be a limitation period of 6 years for bringing a prosecution which would allow a suitable time for discovery of the offence and its investigation.

DISABILITY DISCRIMINATION AND OTHER HUMAN RIGHTS LEGISLATION AMENDMENT BILL 2008

The Disability Discrimination and Other Human Rights Legislation Amendment Bill 2008 will implement a package of amendments to improve the operation and effectiveness of our anti-discrimination legislation.

Disability Discrimination Act 1992

On this, the International Day of People with Disabilities, I am pleased to announce that the Bill will implement key recommendations made by the Productivity Commission in 2004 for improving the operation and effectiveness of the Disability Discrimination Act.

This reaffirms the Rudd Government’s commitment to upholding and strengthening the rights of people with disability—a commitment demonstrated earlier this year with the ratification of the United Nations Convention on the Rights of Persons with Disabilities.

The key amendments to the Disability Discrimination Act will introduce an explicit and positive duty to make reasonable adjustments for people with disability.

The original intention of the Act was to recognise that positive action may be required to avoid disability discrimination. Comments of the High Court in the 2003 decision of Purvis cast doubt on this. The proposed amendments implement the Productivity Commission’s recommendation to remove this uncertainty.

This duty to make such adjustments is balanced by limiting it to measures that would not impose
unjustifiable hardship. The general unjustifiable hardship defence is also being extended to all areas in which discrimination is unlawful under the Act—a recommendation also recommended by the Productivity Commission.

The amendments also implement the recommendation to extend the ‘inherent requirements’ defence to most employment contexts. This extension is only implemented to the extent that it is appropriate for the defence to apply. It will not apply, for example, when making available promotion opportunities.

The Bill also proposes to rectify discrepancies in the operation of the Disability Discrimination Act highlighted by the Federal Court in the case of Forest. The amendments provide that discrimination on the grounds of a person having a carer, assistant, assistant animal or disability aid, is equivalent to discrimination on the ground of disability.

The amendments clarify obligations regarding assistance animals, including making it easier to determine what is an assistance animal. The amended Act will recognise animals accredited under either a State or Territory law, or by a relevant organisation.

The amendments also extend the scope to make standards to cover all areas of unlawful discrimination, simplify requirements for demonstrating indirect discrimination and place the burden of proving the reasonableness of a requirement or condition on the person who has imposed it. These changes will make the Disability Discrimination Act clearer, more comprehensive and more effective. They will modernise the operation of the Act and further achieve the objects of the Act to eliminate, as far as possible, discrimination against people with disability.

**Age Discrimination Act 2004**

The Bill also proposes to amend the Age Discrimination Act 2004 to remove the ‘dominant reason’ test. The amendment will provide that, if a person’s age is one of the reasons for taking discriminatory action that disadvantages them, then this will be sufficient to be considered discrimination. It will no longer be necessary for a person to prove that age was the dominant reason.

This will give effect to the 2007 bipartisan recommendation of the House Standing Committee on Legal and Constitutional Affairs, ‘Older People and the Law’. It will harmonise the Act with other federal anti-discrimination laws, better align it with State and Territory laws and provide a better level of protection from unlawful discrimination for people of any age. In particular, it will ensure that older Australians will be better protected from age discrimination.

**Human Rights and Equal Opportunity Act 1986 and other Acts**


Earlier this year, the Commission changed its corporate identity to assist in ensuring that all Australians know that Australia has an independent national institution with the responsibility to protect and promote human rights in Australia. The amendments will implement the Government’s agreement to a request by the Commission to also change its legal name. Consequential amendments to other laws that refer to the Act or the Commission will also be made.

Another key amendment to that Act is to extend from 28 to 60 days, that is, to more than double, the period in which a person can take a complaint to the Federal or Federal Magistrates Court after it is terminated by the Commission. This gives effect to another recommendation from the Productivity Commission’s report.

A number of amendments are also proposed to improve the efficiency and effectiveness of the Commission’s complaints-handling process, including allowing the President of the Commission to finalise settled complaints and complaints for which the complainant expresses no intention to pursue the matter.

**Other amendments**

Finally, amendments of a minor and technical nature are proposed to the Acts already mentioned, as well as the Sex Discrimination Act 1984 and the Racial Discrimination Act 1975. These amendments will remove redundant or
unnecessary provisions, improve readability and apply modern drafting conventions.

**Conclusion**

This Bill is another important step towards promoting greater equality for people with disability and enhancing the human rights and anti-discrimination framework in Australia.

On this, the International Day of People with Disabilities, I commend the Bill.

**EMPLOYMENT AND WORKPLACE RELATIONS AMENDMENT BILL 2008**

Workers’ compensation – increasing death benefits

The Government will amend the *Safety, Rehabilitation and Compensation Act 1988* to increase the amount of death benefits payable under the Australian Government’s workers’ compensation scheme.

One-off lump sum death benefits will increase from $225,594 to $400,000 and weekly periodic payments for dependent children will increase from $75.10 to $110.00. Both payments will be indexed by the wage price index issued by the Australian Bureau of Statistics.

The increases will bring death benefits more closely into line with those provided under state workers’ compensation schemes. This will make it fairer for families of employees, particularly for those whose employers have joined Comcare from state schemes.

The estimated increase in death benefits of $6.1 million over four years will be met from Comcare’s existing premium pool. As agencies continue to improve their occupational health and safety practices, it is expected that there will be no net impact on the fiscal balance.

Social Security – expanding the Assurance of Support qualification provisions

The Bill will amend the *Social Security Act 1991* to extend to Sickness Allowance and Parenting Payment (single) the provision which prevents a person from receiving payment while there is an Assurance of Support in force and the assurer is willing to support the person.

As a result, a person who is subject to an Assurance of Support will not qualify for Sickness Allowance or Parenting Payment (single) where their assurer is willing and able to provide them with an adequate level of support and it would be reasonable for them to accept that support.

This will bring the qualification provisions for Sickness Allowance and Parenting Payment (single) into line with those for most other income support payments which are not payable to a person who is subject to an Assurance of Support.

These changes will protect social security outlays by ensuring that migrants who are subject to an Assurance of Support, and who become the single parent of a young child or become unable to work due to a temporary illness or injury, seek support from their assurer in the first instance rather than turning to the social security system for assistance.

Migrants will still be able to qualify for Sickness Allowance or Parenting Payment (single) if their assurer is unwilling or unable to provide them with an adequate level of support or it would be unreasonable for them to accept that support. This will ensure that migrants and their families are not placed in financial hardship if they are unable to receive support from their assurer.

The extension of the Assurance of Support qualification provisions to Sickness Allowance and Parenting Payment (single) is consistent with the January 2008 reforms to the Assurance of Support scheme, which among other things, added Sickness Allowance and Parenting Payment (single) to the list of payments that are recoverable under the Assurance of Support program.

Social Security – Rent Assistance

The Government will also make minor technical amendments to the *Social Security Act 1991* to ensure that Rent Assistance received by the partners of recipients of Austudy is taken into account in the calculation of the recipients’ own Rent Assistance.

The amendment will limit an entitlement to the partnered rate in circumstances where the partner already receives Rent Assistance in their own right and will align the calculation of Rent Assistance for Austudy recipients with the calculation...
of Rent Assistance for other income support recipients.

The amendment also clarifies that a partner with a rent increased benefit includes a partner who is in receipt of a payment under the ABSTUDY scheme which includes an amount of living allowance which is increased to take account of rent.

There is no impact to the funding for Rent Assistance which was costed at $87 million over 4 years from 1 January 2008.

Other amendments

The Bill will also make other minor technical amendments to the Social Security Act 1991 and the Social Security (Administration) Act 1991 to rectify incorrect, redundant or omitted references, including consequential amendments which were inadvertently omitted from the social security law. Minor technical amendment will also be made to the Social Security (International Agreements) Act 1999.

———

TAX AGENT SERVICES BILL 2008

This bill will improve the regulatory environment for the provision of tax agent services.

The bill has three main objectives. It aims to improve consistency in the registration of tax agents and other intermediaries in the tax field and to regulate the provision of tax agent services in an appropriate, but flexible way.

Secondly, the bill aims to enhance the protection of consumers of tax agent services, thereby reducing the level of uncertainty for taxpayers and the risks associated with the self assessment tax system.

The third objective is to strengthen the integrity of the tax system and the tax industry.

This bill will replace the existing law regulating tax agents in Part VIIA of the Income Tax Assessment Act 1936. This Part was introduced in 1943 and is now out of date and out of step with the current tax and commercial environment.

Indeed, Australia’s tax environment has changed significantly since 1943. For example, the self assessment tax system was introduced during the 1980s. In addition, the tax base has expanded significantly over the past 20 years or so, with an associated increase in the volume of the tax laws and the number of interactions within them.

These changes in the tax environment correspond with significant growth in the number of taxpayers seeking professional assistance from tax agents to prepare and lodge their tax returns. In 1980, for example, only around 20 per cent of individuals used tax agents to lodge their tax returns. This figure has now grown to 74 per cent.

Given the number of taxpayers who use agents to comply with their tax obligations, it is important that such agents are appropriately and adequately regulated, that there are mechanisms in place to ensure they are adequately supported, and that there are incentives for new agents to enter the market.

The Tax Agent Services Bill aims to deliver this balance through a number of key elements that I would like to outline.

The bill will establish an independent national Tax Practitioners Board to replace the existing state-based Tax Agents’ Boards. The Board’s key functions will be to register agents and to regulate the provision of tax agent services. The establishment of a single, national Board will make the registration process consistent and standardise the way in which entities providing tax agent services are regulated across the country. It will also enable greater efficiency in the allocation and use of the Board’s resources.

A formal post-implementation review of the proposed governance arrangements for the Board will be conducted in three years’ time to assess whether the independence of the Board is impaired in any way because of its continued connection with the Tax Office, and whether an alternative arrangement should be considered.

The second key element is the requirement for certain entities that provide tax agent services for a fee, to be registered. In addition to requiring tax
agents to be registered, the bill introduces a registration requirement for entities providing BAS services. This ensures a level playing field across the industry, by broadening the scope and application of the regulatory framework to reflect the broader scope of services provided, given the expansion in the tax base.

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

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

COMMITTEES

Membership

The PRESIDENT—Order! I have received letters from party leaders seeking to vary the membership of committees.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (9.03 am)—by leave—I move:

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

Education, Employment and Workplace Relations—Standing Committee—

Appointed—
Substitute member: Senator Hanson-Young to replace Senator Siewert for the committee’s inquiry into the provisions of the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009
Participating member: Senator Siewert

Finance and Public Administration—Standing Committee—

Appointed—
Substitute member: Senator Humphries to replace Senator Ryan for the committee’s inquiry into residential and community aged care in Australia
Participating member: Senator Ryan.

Question agreed to.

Legal and Constitutional Affairs Committee

Extension of Time

Senator O’BRIEN (Tasmania) (9.03 am)—by leave—At the request of the Chair of the Senate Standing Committee on Legal and Constitutional Affairs, Senator Crossin, I move:

That the time for the presentation of the report of the Legal and Constitutional Affairs Committee on the Foreign Evidence Amendment Bill 2008 be extended to 6 March 2009.

Question agreed to.

APPROPRIATION (NATION BUILDING AND JOBS) BILL (No. 1) 2008-2009 [No. 2]

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

HOUSEHOLD STIMULUS PACKAGE BILL (No. 2) 2009

TAX BONUS FOR WORKING AUSTRALIANS BILL (No. 2) 2009

TAX BONUS FOR WORKING AUSTRALIANS (CONSEQUENTIAL AMENDMENTS) BILL (No. 2) 2009

COMMONWEALTH INSCRIBED STOCK AMENDMENT BILL 2009 [No. 2]

First Reading

Bills received from the House of Representatives.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (9.05 am)—I move:

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

Question agreed to.

Bills read a first time.
Senator SHERRY—by leave—I move:

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

Senator MINCHIN (South Australia—Leader of the Opposition in the Senate) (9.06 am)—Mr President, the opposition will not oppose the exemption from the cut-off. I think it is clearly the will of the majority of the Senate that these bills again be debated, today. However, I trust that the government side and indeed the crossbenches are ready to debate these bills, if it is the will of the Senate that they be debated today, and that they be debated and brought to a conclusion. We on the opposition side do not want to see yet again another episode of filibustering, with backbenchers coming in here and making inane 15- or 20-minute contributions simply to fill in time while the government desperately try to buy off Senator Xenophon. We have seen a circus from the government. I trust, if they want to bring these bills today as they want to override the proper cut-off order in this, that they are ready to deal with these bills and bring them to a conclusion and that we do not have a parade of filibusterers.

What this whole episode has revealed is the arrogance of this government. This government has now been mugged by the reality that this is a bicameral parliament; this is a parliament in which the government has a minority in the Senate. It has to deal with that reality. It is a reality which Mr Rudd has completely ignored. Mr Rudd comes to the parliament, dumps a $42 billion spending package on the table and says, ‘Pass this or else!’ That is not the way to deal with a bicameral parliament in which the government is in a minority in the Senate. If this government does not want to be held to ransom by the crossbenches, it had better learn pretty quickly that it needs, with major packages of this kind, to negotiate with the opposition, otherwise it will continue to be held to ransom—

Senator Sherry—you said no!

Senator MINCHIN—The government comes in and says—

Government senators interjecting—

The PRESIDENT—Order on my right!

Senator MINCHIN—‘Pass this $42 billion package or else!’ Never at any stage did it come to the opposition and say: ‘We have a crisis on our hands. We believe a major stimulus package is required. We want to deal with the opposition, the alternative government of the country. We want to come to an agreement with the opposition as to the appropriate package to provide a stimulus to the economy.’ Never at any stage was that done. Instead, they just landed the $42 billion on the table and, in Whitlam-esque fashion, said, ‘Crash through or crash.’ Well, the government has crashed and it is now having to trade with the minor parties.

That all could have been avoided if this arrogant government had had the wit to sit down with the opposition and negotiate a sensible package to provide the stimulus that this country needs. We accept a stimulus package, but we do not accept $42 billion of expenditure—$9.500 of debt for every man, woman and child in this country. We do not accept that. The government could have negotiated a sensible package with us. Now we have this farce of the government negotiating with the crossbenches, buying them off to get a package through the parliament. It is outrageous and I hope this government has learned a very good lesson from this whole episode.

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (9.09 am)—I thank the opposition for their support in having these bills dealt
with today. I appreciate that they are prepared to allow us to debate these bills again without applying the cut-off. It is the sort of cooperation we welcome from the opposition. They have a very keen interest in having these matters resolved. They have a very keen interest in having them passed, because they know, if they have opened the Adelaide Advertiser or any other paper today, that if these bills are not passed they will wear the political blame. Certainly Senator Xenophon has got a lot of focus today, but the opposition know what the long-term political impact will be if these bills are not passed, so I appreciate their support.

I just rose to make the very simple point that everyone now understands: the reason the government is negotiating with the minor parties is because they are willing to negotiate. They take an interest in these issues. They accept that the stimulus package is in the national interest. What we are arguing about is the detail. Each of the minor parties has made a contribution to that. We have had our disagreements, but they are focused, as we are, on getting the package passed. The opposition dealt themselves out of the game. They convinced themselves of the righteousness of their position. They understood the stupidity of this tactic. It has been reported, and it has not been refuted as far as I have seen, that the leadership in the Senate actually said, ‘This is madness.’

Mr President, to return to the very serious debate at hand, the reason the government are negotiating with the minor parties on this package is because we believe it is in the national interest to have a proper stimulus package to try to protect Australian jobs. We are very focused on that. We think it is important. The opposition have said they are not interested. They are going to vote no. They are not going to support Australian jobs; they are just going to vote no.

Opposition senator after opposition senator came into this chamber and made big speeches about debts and Gough Whitlam. They convinced themselves of the righteousness of their position. They said, ‘Maybe in a year or so we can say we told you so.’ They said, ‘We’d rather play long-term politics than engage in the national interest today.’ So do not come in here and cry about not being consulted. The opposition dealt themselves out. Peter Costello went into the party room and frightened Malcolm Turnbull, and they all convinced themselves that they were better off sticking together and going down together on this ridiculously irresponsible path.

I know, from what I have read in the paper, that both your leader and deputy leader in this place did not agree with this tactic; they understood the stupidity of this tactic. It has been reported, and it has not been refuted as far as I have seen, that the leadership in the Senate actually said, ‘This is madness.’ There was an interesting combination: I understand Mr Pyne and Senator Minchin were as one on this. This is only just short of a miracle. There was an epiphany in the Liberal Party’s party room: Mr Pyne and Senator Minchin agreeing. That is what the Liberal Party has come to. This is the parlous state they have come to, that they both went around the back and met. I would have loved to have been a fly on the wall.

Mr President, to return to the very serious debate at hand, the reason the government are negotiating with the minor parties on this package is because we believe it is in the national interest to have a proper stimulus package to try to protect Australian jobs. We are very focused on that. We think it is important. The opposition have said they are not interested. They are going to vote no. They are not going to support Australian jobs; they are just going to vote no. They have dealt themselves out of the de-
bate. So I appreciate that the minor parties are cooperating with the government in the negotiations. I appreciate the responsible position the Greens, Senator Fielding and Senator Xenophon have taken. I would hope that Senator Xenophon and the minor parties today would again consider their position and support the government in trying to get these bills through. We are open to negotiation; we are open to trying to get the right package—not at any price, though, but it is important. We do regard it as a matter of urgency; we do think it is in the national interest and we would appreciate the support of the Senate.

If the opposition want to be relevant and think that this should not go on for a long time today, vote for the package; vote for the package and all will be resolved. If you think that the minors are holding people to ransom, as you say, act as an alternative government, act responsibly, and pass the package. If you indicate that today, clearly we will move through this very quickly. The decision is in their hands, Mr President. I appreciate their cooperation on procedural matters. That tells you where their hearts really lie on these issues. Hopefully, by the end of the day the Senate will support what is an important, responsible and urgently needed package of stimuli to protect jobs and to protect families from the worst effects of this global financial crisis.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.15 am)—We again have an opportunity to get this stimulus package out there working for the economy. We will know within a few hours whether that is going to happen or not. The stakes are very high indeed. Listening to the opposition and the government a moment ago reminds me of how strange the world can be. Meanwhile outside the parliament we have Chinalco and Rio Tinto, the commissars of communism and the captains of capitalism, getting together and trying to get the Beijing power elite a purchase hold on Australian resources, shutting out their shareholders along the way. It is going to be interesting to see what happens there.

The Greens have been concerned about this package. I have made that very clear. In particular, we have had a lot of feedback from the public about what the opposition has called the cash splash—the tax bonuses. Billions of dollars going to——

Senator Nash—It is not a bonus; it is a loan.

Senator BOB BROWN—I understand that. The opposition is right: this package will put the nation into debt—further debt. But I suspect that if the Howard government had stayed in power at the last election we would be doing exactly the same thing here in the parliament right now. The fact is, the opposition wants a multibillion dollar rescue package, just not this one because it has the government’s imprimatur.

The Greens, for all of that, have negotiated with the government. The outcomes have been extremely welcome. I heard the opposition complain yesterday that the Greens component of this package has double the jobs dividend of the rest of the package. I can tell you that that is exactly where we wanted to go in our negotiations: creating jobs in Australia, particularly local jobs and particularly green skill jobs, because that is where the economy will be going in the future.

For the first time getting the national government to focus on energy efficiency and water efficiency in new housing stock is a real breakthrough. It has been previously left to the states. We only had to listen to the federal bureaucracy before the Senate committee last Friday to understand that there was almost zero recognition of global housing
standards on such things as insulation, solar hot water heating and—

Senator Parry—Pink batts.

Senator BOB BROWN—The opposition seems to think that pink batts—insulation—is a joke. It is a global industry and this component of this package—

Senator Joyce—Will be imported.

Senator BOB BROWN—The opposition seems to think that pink batts—insulation—is a joke. It is a global industry and this component of this package—

Senator Joyce—Will be imported.

Senator BOB BROWN—The Leader of the National Party interjects.

The PRESIDENT—Ignore interjections, Senator Bob Brown. You have been here long enough to know that. Address your comments through the chair. Those people being disorderly should refrain from interjecting.

Senator BOB BROWN—I would like to, Mr President. I want to talk about the wool industry for a moment. The wool industry has been producing—

Senator Abetz—Mr President, I rise on a point of order. If I am not mistaken, we are not doing second readers; we are in fact discussing a procedural motion in relation to the cut-off. I would invite you to invite the Leader of the Australian Greens to in fact address his comments to the procedural matter before us.

The PRESIDENT—the debate has been wide ranging. Senator Brown may continue.

Senator BOB BROWN—There is no greater compliment to me than for Senator Abetz to try and cut me short. The wool industry has developed insulation. I would have thought that we would have had the opposition benches promoting that at the moment and trying to see that it got the kick-along that it deserves. Instead, that has been left to the Greens.

Opposition senators interjecting—

Senator BOB BROWN—that got them going, didn’t it? We have been able to get the liquid assets test, which applies before the unemployed are eligible for Newstart allowance, increased from $2,500 to $5,000. I remind the opposition that in 1997 it was the Howard government that imposed this harmful, punitive measure on people who lost their jobs. They said, ‘You’ve got to use your savings before you’ll get some unemployment assistance.’ That was a punitive measure by the Howard government. The Greens, in cooperation with the government, have been able to have that reversed. We would like to see it removed altogether.

There are $200 million in grants to local government, churches and other community organisations for job creation. That part of the package negotiated by the Greens alone contains 6,000 to 7,000 jobs.

The PRESIDENT—This is a motion for an exemption of the cut-off, Senator Brown.

Senator BOB BROWN—I am trying to argue why this measure should be exempt from the cut-off—so that these matters can be dealt with. You might remember that they were blocked by the opposition and Senator Xenophon yesterday. I am arguing as to why it is urgent that these be dealt with today and that we get the exemption from the cut-off. If we do not get the exemption from the cut-off, we will not get that $200 million package and the 6,000 to 7,000 jobs across Australia that would be created as a result of it.

The exemption would also allow us to proceed to discuss the $50 million extra to assist low-income earners and the unemployed. There is $10 million for bioremediation—Senator Hanson-Young and Senator Siewert were very keen to see something get done for the lower Murray—which will create jobs in the very area worst affected by the impact of drought on the lower Murray River.

If we can get the cut-off, there will also be $40 million extra for bikeways, as discussed.
This is a major breakthrough in government thinking at the national level. It will be a precursor to a much bigger allocation in Infrastructure Australia for bikeways in cities and towns, and that includes rural areas right across Australia, as we catch up with the rest of the world in an age of climate change and such simple things as tackling obesity. Bike-ways help enormously there. They improve the lifestyle of cities and get cars off the road at the same time.

There is also $60 million for heritage. Let me tell you why the cut-off should not be applied here. If it were, it would mean that this $60 million would have to wait for some future day. Rosslyn Beeby, the science and environment reporter from the Canberra Times, wrote this on 4 October last year:

Australia’s cultural heritage has been plunged into a crisis of neglect, as federal funds drop to their lowest level in more than 30 years, leading experts say.

A letter to heritage minister Peter Garrett, signed by 37 of Australia’s heritage heavy-weights, says funding is:

… only going to major sites with powerful lob-bies or to military sites overseas.

The letter also says that heritage conserva-tion funding has been slashed. Now was this, under the Howard government. Members of the opposition might note that the letter states:

Heritage funding has been slashed to $200,000 for the whole of Australia this financial year, with no support for research or skills critical to protecting Australia’s historic heritage.

The Greens are rectifying that. It has taken the Greens. The opposition could have taken this position, but it did not. It has taken the Greens, with the good offices of the government, to bring in here $60 million, as against $200,000, for refurbishing Australia’s national heritage—its built heritage and its natural heritage.

There is much more in here, including a reassurance of $5 million per annum to Australia’s Bushfire Research Centre in Melbourne—and hopefully to upgrade that to a global bushfire research centre in an age where catastrophic fires, unfortunately, are predicted not only to become more frequent but to become more devastating, not just in this country but around the world.

So this is a package we are proud of. It is a package all five Greens senators have worked hard, with our staff, to achieve. We came forward with ideas and we met a posi-tive response from the government. We want to see this cut-off applied so that these ideas can reach reality and get out there to help Australians who have either lost their jobs, are threatened with losing their jobs or need reskilling in an age of the greening of the economy so that they will have jobs in the future. So I support the motion.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (9.26 am)—In discussing this procedural motion for the cut-off, I think it is very important that we ac-nowledge exactly what happened yesterday in this chamber. Yesterday in this chamber, Senator Evans, when an adjournment was required, walked down to see Senator Bob Brown of the Greens and handed him the motion for Senator Brown to read out. Sena-tor Brown, on behalf of the Greens, did Labor’s bidding. That is how close the ar-rangement is.

Government senators interjecting—

The PRESIDENT—Order!

Senator Bob Brown—Mr President, that was a complete manufacture. I will lend the honourable senator my glasses.

The PRESIDENT—What is your point of order? There is no point of order. Senator Joyce has the call, but I draw his attention to the procedural motion.
Senator JOYCE—I am discussing, Mr President, how we got to this procedural motion. Senator Evans was basically instructing Senator Bob Brown to do the Labor Party’s bidding on this issue and then, when it was actually mangled, we had Senator Ludwig correcting Senator Brown’s motion. At least within the coalition between the National Party and the Liberal Party it is open and transparent. But their coalition is something that is—

Government senators interjecting—

The PRESIDENT—Order! I understand that there is a little bit of excitement around the chamber this morning. Senator Joyce, though, is entitled to be heard in silence.

Senator JOYCE—So the Labor Party were correcting Senator Bob Brown’s motion in this sort of nefarious approach they have to manipulating the structure of what is going on here. And the reason the Greens are very upset today is that Senator Xenophon has done a better job than them in protecting the Murray-Darling. Senator Xenophon actually had the courage and the conviction to go to bat for it. The Greens stayed back behind. I do not agree with the Greens but it surprises me today that we have to rely on Senator Xenophon to be doing their bidding. The Greens have compromised themselves on this issue and they have sold out to the Labor Party.

Government senators interjecting—

The PRESIDENT—Order! Senator Joyce, you are entitled to be heard in silence. Those on my right will cease interjecting.

Senator JOYCE—They are supporting this motion. It is good that we are having this debate. But what is it all about? It is about selling Australia’s future, putting us in hock for up to $200 billion.

In my former life I was an accountant and all the time I would have people coming to see me and saying, ‘I think I am in so much trouble I may lose my house.’ One in the unfortunate things you would have to say to them is: ‘Yes, you are going to lose your house; it is gone. You are so deep in debt. You are out of control and you are drowning in debt.’ And Australia is that house for all of us; it is our communal house. Yet the Labor Party today are marching us towards a point of no return. They know of the view out there that this excessive debt is going to have huge ramifications for the future of this country. And the only people who are selling out—

Senator Hutchins interjecting—

The PRESIDENT—Order! Senator Hutchins, you will cease interjecting. It is disorderly. Senator Joyce is entitled to be heard in silence.

Senator JOYCE—The Labor Party are arrogant. They have shown no semblance of wanting to engage with this Senate in a constructive package. They have come in here with a gun-to-the-head mentality, showing that this is exactly how they are going to deal with the situation. And in the process we have shown to the Australian people a relationship between the Greens and the Labor Party that is delivered when required, where the Greens do the Labor Party’s bidding, even if it means the Greens have to sell their own people down the tube. That is one of the things that must be brought to light.

This is an arrogant Labor government. It is a government that has no interest in being open and transparent. They are holding a gun to the head of this Senate. They are currently trying to work-over Senator Xenophon. That is the approach that they are taking to the Australian people, and it has not taken them too long to get there. But one thing the Australian people understand clearly is that $200 billion worth of debt is very hard to repay. My question to the Labor Party is: what are
you going to sell to pay this debt back? What do you have in mind to sell in order to pay back this Labor Party debt? You know where you are taking us. You know what you are doing to this nation. You know how deeply you are putting us into debt.

Senator Hutchins—You’ve signed your own death warrant.

Opposition senators interjecting—

The PRESIDENT—Senator Hutchins, I have already asked you to cease, on a couple of occasions, from interjecting. It is disorderly. And others on my right are interjecting as well. It is disorderly. Senator Joyce is entitled to be heard in silence.

Senator Joyce—Mr President, the Australian people are hearing the Labor Party interjecting and I say to the Australian people who are listening to this that that is because the Labor Party know where the truth lies. They know how stinky this whole process has been in the way they have conducted themselves. They have this arrogant approach: it is my way or the highway. ‘Get out of the way,’ is what the Prime Minister said. That is his form of negotiation: ‘Get out of my way and let me do my dirty work.’ At the same time the connotations are that there is a sort of moral threat if we do not put this package through—as if Mr Rudd is an omnipotent force of knowledge and you must listen to him and deal with his wishes within 48 hours.

If the Labor Party had openly engaged, if they had genuinely wanted to engage, with the coalition then we would have a stimulus package today that would be working. It would be underway. So the problems with the stimulus package rest on the heads of those opposite, because it is the Labor Party’s arrogance that has delivered us this situation. They cannot blame all the people all the time for their own mistakes.

Senator Sterle interjecting—

The PRESIDENT—Senator Sterle, order!

Senator Joyce—I thank you for that Mr President. It is important that we clearly understand that the coalition between the Liberal Party and the National Party represents two distinct parties but on this issue we are as one. At least we are open and transparent about it, but the coalition between the Labor Party and the Greens has been taking the whole of the Australian people for a ride. So we support this motion but we hope that Australia does not have to live with $200 billion worth of debt, because I do not know and the Labor Party do not know—because they have never shown us—how on earth we are ever going to pay that money back.

The PRESIDENT—The question is that the motion moved by Senator Sherry be agreed to.

Question agreed to.

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (9.34 am)—I table a statement of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

Purpose of the Bills

The two Appropriation Bills are supplementary additional estimate appropriation Bills which request legislative authority for further expenses to be incurred in 2008-2009 in relation to the Government’s Nation Building and Jobs Plan. Passage of the Bills by 5 February 2009 will allow funds to be made available to departments, thereby ensuring implementation of the programs relating to the package.

Further annual appropriation bills are required to fund a number of measures announced on 3 February 2009. They include funds for the Building...
the Education Revolution, Energy Efficient Homes, regional and local community infrastructure, the Black Spot Program, repairing regional links on the national highway network and social housing. The additional funding required exceeds what is currently available to the departments and from the Advance to the Finance Minister. The 2008-2009 Additional Estimates Bills are not expected to be agreed to by Parliament until the end of the 2009 Autumn Sittings. Consequently, a set of supplementary bills is required to ensure implementation of the Plan.

The Household Stimulus Package Bill (No. 2) 2009 provides for necessary amendments to deliver on the announcement to provide one-off cash payments to eligible families, those in education and training, and drought affected farmers as part of the Plan.

The Tax Bonus for Working Australians Bill (No. 2) 2009 provides for a tax bonus payment that is to be paid to eligible Australian resident individual taxpayers from April 2009. The Commissioner of Taxation will administer the bonus payments. The bonus will be paid to eligible individual taxpayers based on whether they paid net income tax in the 2007-08 financial year and had a taxable income of $100,000 or less.

The Tax Bonus for Working Australians (Consequential Amendments) Bill (No. 2) 2009 also makes amendments consequential on the enactment of the Tax Bonus for Working Australians Bill (No. 2) 2009 to ensure that the bonus payments will not be taken into account for taxation purposes and also for the purposes of income testing for social security and family assistance payments.

The Commonwealth Inscribed Stock Amendment Bill 2009 provides for an increase in the cap on borrowings where special circumstances exist.

**Reasons for Urgency**

These measures give effect to the announcement by the Prime Minister and the Treasurer in a joint statement on 3 February 2009 outlining the Government’s **Nation Building and Jobs Plan**. This Plan has the objective of providing immediate stimulus to the Australian economy in the face of the global downturn.

A range of important nation building and jobs measures are contained in the Appropriation Bills. Prompt passage of the legislation is needed so the approval and administrative processes, which involve other levels of government, can be established and the measures begin as soon as possible in 2008-09.

Introduction and passage of the Household Stimulus Bill is needed urgently to enable Centrelink system changes to be made which would provide for payments to begin in the fortnight from 11 March 2009.

Introduction and passage of the Tax Bills are needed quickly to ensure the Australian Taxation Office can have systems in place and settle system design to ensure tax bonus payments can be made to eligible taxpayers from April 2009.

As a result of the deteriorating global economy and the consequent falling tax revenues, the budget is now expected to move into deficit.

The **Commonwealth Inscribed Stock Act 1911** provides for a cap on the total face value of Commonwealth Government Securities on issue at any point in time, currently $75 billion.

This amendment inserts a new power for the Treasurer to declare that special circumstances exist, justifying an increase in the cap. Once the declaration that special circumstances exist has been published in the Gazette, the cap on Commonwealth Government Securities on issue will be increased by $125 billion.

The amendment must be passed as quickly as possible in the Autumn Sittings to allow for the most efficient and effective management of the Commonwealth Government Securities issuance program.

**Second Reading**

Senator **SHERRY** (Tasmania—Minister for Superannuation and Corporate Law) (9.34 am)—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—
Up until now, Australia has been partly insulated from the full impact of the global economic recession, but things are about to get more difficult—much more difficult.

The unemployment figures released today show that unemployment is now on the rise. It is a sign of what is to come. This global economic recession is the equivalent of an economic cyclone, spreading from country to country, continent to continent, leaving wreckage in its wake, devastating economies, devastating jobs, and crushing the dreams and the livelihoods of families across the world. The cyclone started in the United States, moved to Europe and then hit our major trading partners: China, Japan, Korea and India.

Now it is heading in our direction.

When you know an economic cyclone is coming, there are two things that you can do. You can follow the Liberal Party plan and do nothing; you can do nothing, just sit tight and hope that it simply passes you by—because, remember, the Liberals have already said that the global financial crisis has been overhyped. The alternative is decisive action, and this government stands for decisive action—to do everything possible, to do everything in our power to prepare for it while there is still time. That is what this government’s Nation Building and Jobs Plan is all about: supporting our jobs and small businesses before the brunt of the global economic recession hits Australia’s shores. It is not a silver bullet—there is no magic medicine available to cure all the ills of the global economic recession—but every responsible government around the world must play its part to reduce the impact of this global recession and to help our people.

Almost every government in the developed world is going into deficit to stimulate their economy in the face of a worsening international economy. This supports the Coalition position that the Government’s $42 billion spending spree is simply too big … The Liberal Party is demonstrably out of touch. It is demonstrably out of touch with the challenges facing the Australian economy now and the challenges facing those 36,800 Australians who, in the most recent jobs data, have lost their jobs. The Australian Chamber of Commerce and Industry today described today’s jobs data in very different terms to those employed by the Liberal Party.

The Australian Chamber of Commerce and Industry said today:

“Today’s employment data is the latest evidence of the need for urgency. The decision by the Senate this afternoon to not pass the Australian government’s Nation Building and Jobs Plan is a blow to business confidence and investment certainty.”

No other country’s parliament—except this parliament, led by this opposition. What the opposition has done by this act of economic sabotage in the Senate is to threaten the jobs, the livelihoods and the businesses of nearly 100,000 Australians.

All around the world, governments are taking unprecedented action to support their economies in the face of virtually unprecedented challenges. Yesterday in the United States they agreed on a planned fiscal stimulus of in excess of $1 trillion. Yesterday the United States committed $2 trillion to a further rescue of its banking system. The United States is responding to a crisis which has claimed more than half a million jobs each month since September. So are all governments around the world; so are all parliaments around the world—except the Australian parliament, with an opposition led by the Liberal Party and its vote against a plan to support nearly 100,000 Australian jobs.

Here at home, sobering unemployment data was released today. The unemployment rate increased substantially from 4.5 per cent to 4.8 per cent in January, the largest monthly increase since October 2001.

The number of unemployed persons increased by 36,800 to 540,200 persons. The Deputy Leader of the Opposition and Treasury spokesperson for the Liberal Party described this jobs result as strong:

“Today’s data clearly demonstrate the strength of the Australian labour market despite a worsening international economy. This supports the Coalition position that the Government’s $42 billion spending spree is simply too big … The Liberal Party is demonstrably out of touch. It is demonstrably out of touch with the challenges facing the Australian economy now and the challenges facing those 36,800 Australians who, in the most recent jobs data, have lost their jobs. The Australian Chamber of Commerce and Industry today described today’s jobs data in very different terms to those employed by the Liberal Party.

The Australian Chamber of Commerce and Industry said today:

“Today’s employment data is the latest evidence of the need for urgency. The decision by the Senate this afternoon to not pass the Australian government’s Nation Building and Jobs Plan is a blow to business confidence and investment certainty.”

CHAMBER
That is from the Australian Chamber of Commerce and Industry.

How does the quantum of the stimulus package proposed by the Australian government compare with those which are being recommended elsewhere? The Leader of the Opposition today described the government’s plan as too large, a package of spending that represents an enormous percentage of GDP. The size of the stimulus package is entirely appropriate to the challenges we face.

This package delivers 1.1 per cent of GDP in 2008-09 and 1.4 per cent of GDP in 2009-10, for a total of 3.4 per cent of GDP over the forward estimates, two per cent being delivered in calendar year 2009.

The size of this plan is also modest in relation to what other governments are doing abroad. For the benefit of the House, President Obama’s stimulus package is six per cent of GDP; Italy’s package is 5.2 per cent of GDP; Canada’s package is 3.7 per cent of GDP; Korea’s package is 8.4 per cent of GDP; Germany’s packages come to 3.4 per cent of GDP; Japan’s packages total 2.3 per cent of GDP; and, again, that which is contained within the Australian package translates into two per cent of GDP in calendar year 2009.

The Leader of the Opposition has also argued, as has the Liberal Party more broadly, that this $42 billion stimulus plan advanced by the government will result in too much borrowing. Average net debt across the OECD is estimated to be 45 per cent of GDP in 2010.

In 2009, net public debt in the following countries is expected to be as follows: 50 per cent of GDP in the United States, 48 per cent of GDP in the United Kingdom, 24 per cent of GDP in Canada, 44 per cent of GDP for the Euro area and, I repeat, 45 per cent on average across the entire OECD.

As a consequence of the government’s proposed package and dealing with the borrowing requirement which comes from the collapse in revenues occasioned by the global economic recession, the Australian package and the borrowing associated with it for this collapse in revenues will result in five per cent of GDP as net debt. The OECD average, therefore, is nearly 10 times that of the Australian proposed average. Let us put that into context.

Secondly, let us go to the argument about debt in general and examine the Liberal Party’s hypocrisy on the question of debt. Prior to 1996—and some honourable members will recall this—the Liberals said that they would reduce foreign debt. I quote the former Prime Minister, Mr Howard, who said, ‘I can promise you we will follow policies which will bring down the foreign debt.’ Let us examine the factual record. In 1996, foreign debt stood at $193 billion or 37.9 per cent of GDP.

When the Liberals lost office in December 2007, foreign debt stood at $603 billion or 55.5 per cent of GDP. Under the Liberal government’s economic management—and bearing in mind the promise they solemnly made to the Australian people—foreign debt exploded by more than 200 per cent. The Liberal Party’s hypocrisy on the question of debt is a matter of documentary record.

The Liberals say that a $42 billion stimulus package is too big. I have just contrasted the size of that package as a percentage of GDP with all of the stimulus packages of those major economies that I have just referred to. How does the quantum of this package therefore sit with what is being said by responsible economic organisations in Australia?

The Liberal Party say it is too much, but the International Monetary Fund, the Reserve Bank of Australia, the Treasury of Australia, the Australian Chamber of Commerce and Industry, the Australian Industry Group and the Council of Small Business Organisations of Australia all disagree. They all disagree with the Liberal Party’s position. The International Monetary Fund, the Reserve Bank of Australia, the Commonwealth Treasury, ACCI, the AIG and the council of small business are not units of the Labor Party. They are independent organisations which speak with an independent voice, and they say as one that an economic stimulus package of this size is right.

So let us be clear: those organisations, led by the International Monetary Fund, the Reserve Bank, the Treasury and the peak industry bodies, say that this quantum of stimulus is right and the Lib-
eral Party alone says it is wrong. The International Monetary Fund has said:
What we need is more than 1 percent—of GDP— we certainly need at least 2 percent …
The Reserve Bank of Australia confirmed a 100-basis point cut in interest rates on the very day and following the government’s announcement of its fiscal stimulus package, because the Reserve Bank noted the importance of aggressive, simultaneous action of fiscal and monetary policy. The Secretary of the Treasury said in Senate testimony:
These are highly unusual circumstances, and we have advised … that there was a need for fiscal policy action and that it was quite urgent.
He went on to say that with a smaller package:
… there would be some point at which GDP growth in 2009-10 in particular might well have been negative.
Let us turn to the remarks of the Australian Chamber of Commerce and Industry. Mr Evans said:
“Such is the scope of our current economic difficulties that this package, combined with monetary easing, is absolutely essential.”
He said it was ‘absolutely essential’. He continued:
The size of the package at two per cent of GDP in 2009 is appropriate and in line with our own estimate—referring to ACCI’s estimate— … of what is required. We recognise and accept that a temporary deficit is required to fund the program. The Australian Chamber of Commerce and Industry continued:
“… we consider it is in the national interest for those measures to be passed, and passed quickly, to avoid uncertainty and to promote confidence.”
The Australian Industry Group said:
“The nation building and jobs plan announced by the Federal Government today is simple and substantial, and will provide a big stimulus to help keep the economy moving.”
Further: “The package targets consumer spending, which is absolutely critical—“ I repeat: ‘absolutely critical’ — … to our near-term economic prospects, and boosts capital expenditure—looming as one of the real casualties of the downturn.
The Council of Small Business Organisations of Australia said the following: “The worst thing we can do is not to do anything. I think half-hearted action is not required as well. We want someone to get out there and do something big, and this is big.” So says the voice of small business.
Then we come to that well-known other front of the Australian Labor Party, the Liberal government of Western Australia, who through its Treasurer Buswell said: “That type of stimulus—whether it impacts on consumption, expenditure or investment—is something that the state government of Western Australia welcomes.”
There you have the IMF, the Treasury, ACCI, AIG, the WA Liberal government—not exactly left-wing radicals. What they see is the unfolding impact of a global economic recession, and they see the need to act.
The Liberals today and in recent days have claimed they have not been consulted. I would say to the Leader of the Opposition as follows. The Leader of the Opposition less than 24 hours after the release of the government’s Nation Building and Jobs Plan, before he had seen the legislation, before the Senate committee had even begun, said on 4 February:
“The opposition will vote against this package in the House and in the Senate.”
How is it logically sustainable to argue that you should be consulted when on day one you say to the parliament and the nation that in the Senate you will vote against this plan? This is absolute disingenuousness.
Furthermore, the Liberals have fundamentally attacked the quantum of the package, against the advice that I have just referred to about the necessity of such a quantum.
Furthermore, the Liberal Party have attacked every element of the package as well. On the question, for example, of the tax bonuses proposed: the Leader of the Opposition ruled out supporting these on day one, saying, ‘We do not support a further round of cash handouts,’ even though such measures in support of consumption have been directly supported by the IMF.
On the schools question, the Liberals have opposed the $14.7 billion school measures. The Leader of the Opposition rejected the government’s proposal on day one. He said:

“… what we’ve said—[referring to the Liberal Party]— is that the $14 billion is a very large amount of money to be focused largely on, as you know, primary school assembly halls and libraries.”

Furthermore, the Leader of the Liberal Party and the Liberal Party more broadly challenged whether schools and education were in fact a top infrastructure priority.

Let them eat their words as each of the members who have voted against this measure in the House of Representatives in the days ahead speak to each of their P&Cs, each of their P&Fs and each of their primary school principals and secondary school principals and say to them that their schools do not need this investment, that their primary schools do not need any further investment in either modern libraries or school assembly halls, that their secondary schools have no need for a modern science block or a language centre or that their P&Cs and P&Fs do not need an extra injection of funds to help with much-needed maintenance and repairs.

Then, on the question of small business, the Leader of the Opposition rejected the government’s proposal, saying it would not help small business. He said: “What he—[that is, the Prime Minister]—has proposed is a 30 per cent depreciation upfront, depreciation for purchases of new equipment by small business. Now, if you are a small business which has seen your cash flow decline, or if you don’t need any new equipment, that’s of no benefit to you at all.”

The small businesses of Australia, through their peak bodies, have welcomed this measure. Again, we find the Liberal Party out of touch with schools, out of touch with school communities and out of touch with small business.

On insulation, the Leader of the Opposition rejected the government’s proposal on day one by saying:

We would support an insulation subsidy of a lower amount, and I would suggest for the government’s consideration one that is, for example, $500 for all houses, increasing to $1,000 subject to a means test.

Again, on each of the individual measures, quite apart from the quantum, quite apart from the overall rationale for the stimulus package, the Liberal Party asks why they haven’t been consulted. They ruled out any support for this package from day one. They have undermined the need for the quantum of the stimulus from day one. And they have attacked every measure contained within it from day one. These facts speak for themselves in terms of the position that has been adopted by the Liberal Party.

Let us go, therefore, to all these Liberal claims in their aggregation. The Liberal Party say that unemployment is not a problem. We say it is. The Liberal Party say we should wait and see. We say we must act now and act decisively. The Liberal Party say the government’s plan is too big, when the IMF, the Reserve Bank, Treasury and all peak business organisations say the size is right for our current economic challenges.

The Liberal Party say that we will borrow too much. With this plan our net public debt will be about one tenth of the OECD average. They say they have been willing to negotiate, yet how can you negotiate when their leader says from day one that they will vote against the package? This, therefore, represents in aggregate the bona fides of those opposite on the question of this overall nation-building plan.

So we are left to ponder what actually is the operational strategy of the Liberal Party in this entire debate. The Liberal Party’s is not an economic strategy; it is a political strategy. It is a political strategy in three steps.

Step 1 from the Liberal Party is to do nothing or to do as little as possible.

Step 2 is to hope like hell that the global economic recession hits the Australian economy amidships, and therefore that it overwhelms the Australian economy in the course of the year ahead.

Step 3 is to turn around later next and simply say this: ‘I told you so.’ That is what this political strategy is all about. That is what the member for Wentworth, the Leader of the Opposition, knows full well. That is what those who have advised
within their party room know full well. This is a strategy driven by the politics of that as well the internal politics of the Liberal Party itself.

We know something of the debate that occurred within the Liberal Party when these matters were deliberated on. We know something of the intervention from the former Treasurer, the member for Higgins, whose passionate engagement on matters of national economic policy warrants his participation in this debate tonight—apparently not. What we have instead is not an economic strategy from those opposite but a political strategy pure and simple—a political strategy which is out of touch with the needs of the Australian economy; a political strategy which is only in touch with the political needs of the Liberal Party and its leader. That is what is at stake here.

It is for these reasons, therefore, that the government will continue to negotiate with the minor parties in relation to the government’s nation-building plan for the future. This government will get on with the business of acting in the national economic interest. This government has advanced a plan in the national economic interest. This government has advanced a nation building plan aimed at reducing the impact of a global economic recession on Australia. This government will get on with the business of acting decisively in Australia’s national interest.

This bill provides for amendments to various Acts to deliver the Household Stimulus Package contained in the Government’s Nation Building and Jobs Plan.

The Household Stimulus Package includes key bonuses:

- Single Income Family Bonus of $900 to eligible recipients
- Back to School Bonus of $950 to eligible recipients
- Training and Learning Bonus of $950 to eligible recipients
- Farmer’s Hardship Bonus of $950 to eligible recipients

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

Full details of the measures in this bill are contained in the Explanatory Memorandum.

TAX BONUS FOR WORKING AUSTRALIANS BILL (No. 2) 2009

We are reintroducing this bill due to Senate obstruction and I refer to the Minister’s previous second reading speech on this bill.

This bill provides for amendments to various Acts in relation to the tax bonus payment provided for in the Tax Bonus for Working Australians Bill (No. 2) 2009.

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

A payment of $900 will be paid to those who had a taxable income of up to and including $80,000 for the 2007-08 income year.

A payment of $600 will be paid to those who had a taxable income exceeding $80,000 to $90,000.

A payment of $250 will be paid to those who had a taxable income exceeding $90,000 up to and including $100,000.
Full details of the measures in this bill are contained in the Explanatory Memorandum.

TAX BONUS FOR WORKING AUSTRALIANS (CONSEQUENTIAL AMENDMENTS) BILL (No. 2) 2009

We are reintroducing this bill due to Senate obstruction and I refer to the Minister’s previous second reading speech on this bill.

This bill provides for consequential amendments to various Acts in relation to the tax bonus payment provided for in the Tax Bonus for Working Australians Bill (No.2) 2009.

Full details of the measures in this bill are contained in the Explanatory Memorandum.

COMMONWEALTH INSCRIBED STOCK AMENDMENT BILL 2009 [No. 2]

We are reintroducing this bill due to Senate obstruction and I refer to the Minister’s previous second reading speech on this bill.

This bill will ensure that the Government can raise the funds required to meet this temporary deficit resulting from the global recession, which has wiped out $115 billion of tax receipts across the forward estimates and moved the budget into temporary deficit.

Full details of the measures in this bill are contained in the Explanatory Memorandum.

Senator CARR (Victoria — Minister for Innovation, Industry, Science and Research) (9.34 am) — Yesterday, we learnt that Australia’s unemployment rate had risen to 4.8 per cent. We got confirmation of just how heavily the global financial recession is bearing down on Australian jobs. We were reminded just how much Australian workers are being hurt by a crisis that is not of their making—a crisis that began far beyond Australia’s shore. Yesterday we learnt that Nylex, a household name in this country, had gone into voluntary administration. We were told that the gearbox manufacturer Drivetrain Systems International has gone the same way.

Since September 2008, when the financial crisis came to a head, overall economic activity has slowed significantly—that is globally and in Australia. This was initially manifested acutely in the financial sector with the availability of finance becoming a significant concern. Subsequently, the main impact on consumers has been a lack of confidence. This in turn has impacted on business through a lack of demand and an increase on cash flow. The Ai Group recently noted that business may be shelving planned expenditure on capital investment and training while there is a focus on contending with falling demand.

What we have seen throughout a series of economic indicators is that the Australian economy is facing a very serious crisis—a crisis which some will say is not as great here as it is internationally, but it is a crisis nonetheless. The latest lease finance data from the Australian Equipment Lessors Association, for instance, which represents more than 90 per cent of leasing activities, shows that lease and equipment finance in the motor industry fell by 14 per cent in December 2008—a 14 per cent drop in one month. In the same period, lease and equipment finance for total business—that is, the non-motor sectors of the economy—fell by 24 per cent. New business in December was 20 per cent lower than it was a year before, or around 2005 levels.

We are facing an acute challenge in this country. Yesterday we were greeted by a National Australia Bank Quarterly Business Survey showing that business conditions continue to deteriorate and that business confidence is at its lowest levels since the early 1990s. And on this day of all days the opposition chose to block the government’s Nation Building and Jobs Plan. They refused to reach out their hands to workers and businesses at risk. They said: ‘Let the market sort it out. Whatever the market decides is fine by
us. If market forces try to destroy your job, you must deserve it.’ That was the logic of the position that has been put here: if market forces take away your home, it must be for the best; if market forces undermine your business, you have only yourself to blame. This is essentially the philosophy that has been put to this chamber.

It is a matter of deep concern to me that the opposition do not seem to notice that the market has failed many Australians. They do not seem to appreciate, they do not seem to notice, that their callous neoliberal doctrine has been totally and completely discredited. It is a doctrine that has tripped the global economy into free fall, and Australian workers are now paying the price. The American financial crisis erupted with the global economic crisis when Lehman Brothers collapsed last September. Since that time, 47,000 Australians have lost their jobs. The government has been completely upfront about what impact the meltdown would have on Australian employment. This is a reality this parliament has to face. It just does not follow for us to simply sit back and take whatever the world throws at us. Governments do have the power to intervene in the economy to safeguard their citizens, and the worst failings of the market—and it is a point that seems to be lost on so many senators in this chamber—

Senator O’Brien—On the other side.

Senator CARR—Clearly on the other side, because this government is of the view that we should be using every weapon at our disposal to fight for jobs and prosperity in this country.

We go into that fight with important advantages. Australia is in much better shape than just about any other developed country to ride out the storm that has now engulfed the world. Our economic fundamentals are sound and our financial system is strong. Our unemployment remains well below that of other countries. Unemployment is 6.3 per cent in the United Kingdom, 7.2 per cent in Canada, 7.6 per cent in the United States, eight per cent in the euro area and 14.4 per cent in Spain. But is the response to that situation to do nothing? Do we consign the Australian economy to this accompanied by inaction, which seems to be the proposition that is being put to this chamber by the opposition?

The government has made its position very, very clear. We have to act swiftly and decisively to keep Australians in work. It is impossible to overstate the urgency of the task. There is absolutely no time to waste. It is completely idle to suggest—as the Leader of the Opposition has done—that we should think about stimulating the economy at some undefined time in the future. We need that stimulus now. That is the view of the International Monetary Fund. It is the view of the Australian Treasury and the Reserve Bank. It is the view of the Business Council of Australia and the Australian Industry Group. It is the view of the Australian Chamber of Commerce and Industry. In fact, the chamber has called the opposition’s decision to sabotage the government’s plan ‘a blow to business confidence and investment certainty’. All of these authorities are convinced we need immediate action. I can assure the chamber that it is also the view of the Australian government.

That is why in four short months we have introduced deposit and wholesale funding guarantees; we have invested $4 billion in the residential mortgage market; we have implemented a $10.4 billion Economic Security Strategy to fuel activity and to assist the vulnerable; we have announced a long-term $6.2 billion plan to support the automotive industry; we have invested $300 million in regional and local government infrastructure; we have negotiated a $15.1 billion invest-
ment in education, health and housing reform through the Council of Australian Governments; we have provided guarantees for a $2 billion special-purpose vehicle to give car dealerships critical liquidity support; we have brought forward a $4.7 billion nation building package of infrastructure investment and to support capital investment by Australian businesses; and we have established a $4 billion Australian business investment partnership to protect jobs in the commercial property sector. At the same time, the Reserve Bank has cut interest rates from 7.25 per cent to 3.25 per cent. I note that the four big banks have only passed on about half of that for business lenders. We said we would move heaven and earth to keep the Australian economy growing, and we meant it.

All of these actions are designed to address today’s challenges and to make us stronger for the future—and so is the Nation Building and Jobs Plan. This is a plan to boost GDP by half a per cent this financial year and by one per cent in the period 2009-10. It is a plan to support 90,000 jobs over the next two years. It includes the largest single school modernisation program in Australian history; our largest single investment in housing; a massive investment in ceiling insulation to cut energy bills and to reduce carbon emissions; support for individuals and families bearing the brunt of the crisis, in the form of one-off cash payments; and 30 per cent tax breaks for businesses large and small in terms of their investment decisions. It is about an immediate injection of support to lift aggregate demand. It is about ensuring that this country moves through this storm as quickly as possible.

Each of these measures is designed to do two things. One is to deliver enduring social, environmental and economic benefits for Australia. The other, as I say, is to give an immediate boost to jobs and to growth—and we should be very clear about this: unemployment will be higher without this plan. Blocking this plan will put Australians out of work. Delaying this plan will put Australians out of work. Compromising this plan will put Australians out of work. How many jobs will be lost before the Liberals and the Nationals wake up to themselves? How much more hardship do people have to face before those on the other side of the chamber see that their free-market fundamentalism is an ideological dead end? How much danger does Australia have to be in before the Leader of the Opposition stops worrying about the member for Higgins and starts worrying about the national interest?

There is no rational basis for their opposition to this plan. It is not about debt and it is not about deficits. Mr Turnbull is talking about spending $20 billion now—he has discovered the need to spend some money—and saving the second shot, as he puts it, presumably another $20 billion, for later on. The only thing that they really will to change here is that the fiscal position will be much, much worse. Delay will cause a further deterioration in business confidence, will undermine further the levels of investment, will undermine consumer confidence and will cause higher levels of unemployment. All the economists around the world acknowledge this simple proposition.

The IMF has stressed that repeatedly. The need for action is immediate. In a recent paper on fiscal policy for the crisis, the fund described the essential ingredients of any successful stimulus package. The first, they said, is that it has to be timely. It is a pity this chamber does not appreciate the meaning of that word—timely. Second, it has to be large. It must be timely and large—not half-hearted, not half-baked. It has to be timely and it has to be large. The evidence is already coming in that last October’s economic security package actually helped support jobs
and economic activity over the last couple of months.

Senator Abetz interjecting—

Senator CARR—Senator Abetz, you should appreciate this. Governments can make a difference, if they are prepared to act quickly and act boldly. But the opposition is offering us the alternative: delay and timidity. The alternative to this government’s plan will only guarantee that Australian workers and businesses feel the full devastating impact of the global recession. It is a recipe for accelerating the decline in government revenues. It is a recipe for escalating the cost of relieving hardship. It is a sure-fire recipe for weakening the national balance sheet.

Of course, their position is not about economic responsibility. I find it incredible that the opposition can turn their backs on what they said was the great Menzies tradition—the tradition of economic responsibility. They have turned their backs on it. That is why we have seen a 20 per cent drop in their ratings in terms of who can manage the economy. That is because the public is beginning to understand that the opposition is economically irresponsible. They are about dogma. They are about petty politics. They are about killing hope for a headline. They are about burning down the house so that they can feel an inner glow.

The government cannot and will not stand back and let this happen. It will fight. It will fight every step of the way to get this plan through. We owe that to Australian workers, we owe it to their families, we owe it to Australian businesses and we owe it to the Australian people. It is their interests that should be paramount at this time. That is why we accepted constructive amendments proposed by the Greens, that is why we are prepared to accept modifications to ensure this package is passed through this chamber and that is why we have created so many measures since October. It is very much along that line of thinking. We have created 10,000 structural adjustment places under the Productivity Places Program to retrain workers displaced as a result of the global meltdown. Labor always stands ready to support the unemployed. But our first priority is to reduce the risk of people losing their jobs in the first place, and that is what this plan is all about. The plan is about maintaining the levels of economic activity to minimise the risks of job losses.

According to the economic orthodoxy that has prevailed for so long in this country, we should not be doing any of this. According to the neoliberal theorists—the views that dominate the position of the Liberal Party—we should entrust our fate to some invisible hand, no matter how long the jobless queues grow, no matter how many businesses go bust, no matter how much wealth is destroyed. The government reject this view, as do economists around the world. They understand the need for timely action.

We do call upon all senators in this chamber to acknowledge that simple fact: we need timely action, urgent action. We believe that there is a central role for government in regulating markets and providing public goods. We believe that we have a moral responsibility to ensure the prosperity of our people. We believe that we have an obligation to pursue this course of action to minimise the level of social hardship, to minimise the job losses, to minimise the levels of economic distress. Governments cannot abdicate their responsibility for maintaining economic stability. It is precisely the failures of governments to discharge this responsibility that has led to this crisis. The first duty of any government is to protect its people and that includes protecting them from the worst excesses of extreme capitalism.
That is what the government are doing. We are about ensuring that this country moves through this storm as quickly as possible. We call upon all senators to acknowledge their responsibility to the Australian people to ensure that we are able to see the timely and urgent action that is required to prevent further economic distress and further harm to this country.

Senator ABETZ (Tasmania) (9.53 am)—Having listened to that contribution, I am sure that those listening in will be assured that not all dinosaurs are extinct. Indeed, we had a good old socialist style rant from Senator Carr in relation to this matter.

Let us get back to the very beginning in relation to what happened in about October 2007. We as a coalition said to the Australian people that an economic tsunami was coming our way. We predicted what would happen. What did Labor do? They scoffed. They laughed. They said, ‘These nasty neoliberals are trying to scare you into voting Liberal. There are nothing but blue skies ahead and Kevin Rudd will make it even better.’ That is what they said and we were pilloried. Interestingly, Senator Carr says that the government’s policy is now to go for growth. Guess whose slogan that was at the last election? It was John Howard’s, which was condemned by Labor and Mr Rudd on the basis—and I remember Kevin Rudd thundering during his campaign speech—that ‘this reckless spending must stop!’ All we were doing was spending a bit of the surplus, but that was ‘reckless spending’. Here are Labor now, 13 or 15 months later, not only wiping out the totality of the surplus but putting Australia $200 billion into hock.

Senator O’Brien—There is a global financial crisis.

Senator ABETZ—Senator O’Brien interjects and says it is all the financial crisis. But, you see, Australia would have been so much better placed if the silly nonsense, the divisive and unsustainable nonsense, of Mr Rudd had not been allowed to impact the Australian economy and the budget. Remember, in January last year the economy was overheating: those nasty Liberals had made the economy grow too big! It was growing too fast and it had to be slowed down. What did Kevin Rudd do in the May budget? Through taxation measures he hoovered out of the economy $20 billion of extra taxes—keep that figure in mind, an extra $20 billion of taxes hoovered out of the economy—designed to slow the economy down because it was overheating.

They were still going on with that mantra in the face of all the evidence that we had predicted to them would overtake the Australian economy. So the situation today is that Australia is in a worse position to face this crisis because of the mismanagement of the economy by Labor. If they had allowed growth to continue, if they had not hoovered out that $20 billion by way of extra taxation, the economy would not have fallen into as big a hole as it is in today. Sure, it still would be in a hole because of the economic crisis, but I am saying—and I think most economic commentators now accept—that the Liberal-National plan for the economy, if it had been adopted, would have had Australia in a much stronger position.

I remind those opposite that when we left office unemployment was 3.9 per cent. After 12 months Labor, in their usual style, have already got it up to 4.8 per cent and it is heading north very quickly. What is their remedy for this? ‘Let’s borrow $200 billion.’ All they talk about is protecting this, doing this somehow—it is all good, sweet and light. And of course it is if you go on a spending spree and you pull out the bank card. It is great going round all the shops being able to buy up everything. But one day
you have got to pay it all back. It is a bit like a big lolly. In fact it is not a lolly; it is more like a pill with a very thin veneer of sugar coating over it. You offer it to people and say: ‘Look, taste this—how sweet is this! We can deliver $950—sorry, we have amended it now—$900 to you, $600 to you, $300 to you. We will give you a new school. We will even give you pink batts and a boom gate—you name it, we will deliver it, all at no cost.’

But the reality is that—and I think that the Australian people are waking up—all this sweetener on the outside of this very large pill hides a very big, bitter centre that will leave a very bad economic aftertaste in the mouths of Australians.

What we on this side are concerned about is that, in 10 or 15 years time, when the next generation of leaders are in this place and they have demands from their community asking, ‘Where is some money for a hospital or a road or a school?’ they will be told by the Treasurer of the day, ‘Sorry, the money ain’t there.’ The community will ask why, and the answer will be, ‘Because we have a recurring interest bill of $7 billion to $10 billion per annum,’ and they will rightly ask, ‘Who incurred that bill? Who incurred that bill and mortgaged our future?’ The answer will be: Mr Rudd and the Labor Party, aided and abetted by the Australian Greens—and can I say economic management has never been the strong suit of either the Australian Greens or the Australian Labor Party.

But I say to Senator Fielding from Family First: put not only families first but every individual family member first—because if Senator Fielding does vote for this package he will incur a debt of $9,500 for every man, woman and child in this country. And that is just the debt. There is then the interest to be paid year after year after year. Mr Rudd tells us it is only going to be short term. That is all very well until you ask how long short term is: ‘Sorry, we can’t tell you. We can’t tell you what “short term” means.’ And that is where the political spin comes in. Mr Rudd is not about economic management; he is about political management. If he cannot tell us how long this debt will last, he should have the decency and honesty to tell the Australian people that, rather than try to con them by saying, ‘This will only be short term.’

Let us keep in mind, my friends, that it took 10 long years to pay off the $96 billion worth of debt that the Hawke-Keating era racked up over 13 years in government: 13 years in government, $96 billion of debt. Mr Rudd weaves his economic wizardry and in the first 13 months of his leadership of this country he has budgeted not for $96 billion but for $200 billion worth of debt. That will be like lead in the saddlebags of the Australian economy. It will stall economic growth in the future. When the economy turns, it will recover a lot more slowly. As a result, people will be unemployed for a lot longer. There are economic consequences—negative economic consequences—of borrowing. That is why we as an opposition are so very strong in seeking to ensure that there is intergenerational social justice here. Let us make no mistake: intergenerational social justice—

Senator Conroy—You would not know what you are talking about. You are illiterate.

Senator ABETZ—and economic justice demands that we do not mortgage—

Senator Conroy—You are illiterate.

Senator ABETZ—the future of our children and our grandchildren.

Senator Conroy—You are seriously illiterate.

Senator ABETZ—The Labor Party do not want to hear about the mortgage. They do not want to hear about the debt. All they want to hear about is the spend, spend, because that has been the history in this country. You had Prime Minister Whitlam, and
then Fraser had to fix it up. You had Hawke and Keating messing up the economy, and then Howard had to fix it up. Of course, what will happen here very, very soon is that Mr Rudd will have mucked up the economy, and Mr Turnbull and the Liberal-National parties will have to clean up the mess. Let us not forget that 21 April 2006 was ‘debt-free day’ for Australia. That is how long it took us to pay off the debt—21 April 2006; that was ‘debt-free day’. It has only taken a very short period of time for the Rudd government to want to legislate for $200 billion worth of debt.

So I say to Senator Fielding, I say to Senator Xenophon and I say to the Australian Greens: you might get some support in the polls today, tomorrow—and the Labor Party—and we accept—

Senator Conroy—You’re not.

Senator ABETZ—Senator Conroy in his arrogant way interjects and says, ‘You’re not.’ We have accepted that we may well take a hit in the opinion polls, but, as the Leader of the Government in the Senate this morning in the procedural matters so foolishly told the Australian people and the Senate, the problem with the Liberal-National parties is they are looking to the long term. We plead guilty! We plead guilty because in parliament you have to look to the long term if you want to be a true national leader. It is so easy to play the short term. Senator Evans has clearly shown the Labor Party is all about playing to the short term. But I, for one, and my coalition colleagues cannot look our children and grandchildren in the eye, put our hands on our hearts and say, ‘Guess what? To make our lifestyle more comfortable today, we are going to mortgage your future by $200 billion.’ It is amazing, isn’t it?

Do you know what Mr Rudd said? ‘The economic crisis has been caused by greed and a squeeze on credit. There is too much demand on credit and as a result we have got problems.’ So how do you ease the demand on credit? By going into the marketplace and demanding an extra $200 billion! That sure is going to fix the credit squeeze! Then there is the issue of greed. If this generation has been too greedy—as it has according to Mr Rudd—tell me: how does mortgaging our children’s future indicate that we have learnt that lesson of greed? What Mr Rudd is saying is: ‘Well, sure, we’ve been greedy. What’s more, we’re going to take even more, and some poor, hapless generation down the track, when I’m no longer Prime Minister, can pay it off.’ Now, there is a definition of greed if ever there was one.

We have indicated that sensible, responsible packages are important. In the United States President Obama, with a huge election victory under his belt, had the decency to approach the Republicans, the opposition, and say, ‘Can we work together to work out a deal?’ Guess what? They did. What great leadership, what great statesmanship. That was unlike our Prime Minister’s approach. Our Prime Minister dropped something on the table and said, ‘Within 48 hours this has to be passed or else.’ We were basically misled—I am not allowed to say someone lied, because that is unparliamentary, so I will not. But the leader of the government in this place said that this had to be passed by last Friday otherwise the payments could not be made by 11 March this year.

Senator Williams interjecting—

Senator ABETZ—And as Senator Williams interjects quite rightly, that was rubbish. The Senate committee investigating this was told that that was wrong. Time and time again I have invited the Leader of the Government in the Senate to explain to the Senate and the Australian people why he misled them and on whose advice he said it. Given that we have not had an answer now for over
a week, we can only come to the conclusion that it was cheap, short-term politics to hect-
or and force senators to vote for this pack-
age.

This package was so sacrosanct that it could not be amended or changed. In a das-
tardly deal with the Greens, they have now amended $500 million worth. So, instead of only having boom gates and pink batts, we are going to have a few other things as well. But at the end of the day there are no sav-
ings; it is still the same debt. What concerns me and many other Australians is: what other side deals done with the Greens did not find their way into the letter signed by the Treas-
urer? A lot of people fear especially for the timber industry in that regard.

I want to finish on this. The Australian Labor Party have said that this is urgent. They recalled the parliament for nine o’clock this morning. Our view is that, if Labor can strike a deal with Senator Xenophon and others—and we accept whatever the numbers might be; that will be the way the numbers fall—so be it. Good luck to them. But what we are going to go through here this morning is high farce and an indication of the sham-
bolic management of this Senate by the Aus-
tralian Labor Party, because from now on we will hear Labor speaker after Labor speaker after Labor speaker filibustering whilst Wayne Swan and Senator Xenophon are try-
ing to cobble together a deal.

**Senator Coonan**—It’s a disgrace.

**Senator ABETZ**—You are right, Senator Coonan; it is a disgrace. They should have said: ‘We will sit down in a calm, timely manner and discuss the issues. When we have a deal, we will recall the parliament and deal with it.’ But today the Senate is sitting—and it costs about $10,000 an hour to run this show—and we will be hearing speech after speech after speech from Labor senators. I am sure Senator Jacinta Collins will be next. This is only to buy time for Mr Swan and Senator Xenophon to cobble to-
gether a deal. Why wasn’t the Senate ad-
journed until such time as a deal had been reached? They should act in a statesmanlike way; they should not use bullyboy tactics to try to force people into a position.

The Senate voted on these measures 15 or 16 hours ago. What has changed, other than this package that could never be amended all of a sudden now being capable of being amended? From day one we said that we oppose the package, but we also said that we were willing to negotiate around the pack-
age. Did Labor approach us? Never. All Mr Rudd was able to say was, ‘Get out of our way.’ He refused to get off his bulldozer. Well, the Senate has voted and as a result Mr Rudd’s bulldozer has stalled. He has been humiliated into backing down, he has been humiliated by the Greens and I assume he will be humiliated by Senator Xenophon. Quite frankly, I do not know what Senator Fielding will get out of this, other than a leg-
acy that Family First in this parliament voted for $9,500 of debt for every man, woman and child. That is not a great legacy. Senator Fielding, it is not too late to change your mind. There is an alternative approach, and that is the alternative approach put by Mr Turnbull, which does include tax cuts. Like every other package in the world—

**Senator Jacinta Collins**—Oh, come on. You’re misrepresenting the evidence.

**Senator ABETZ**—Like every other pack-
age in the world, Senator Collins—

**Senator Jacinta Collins**—Stop mislead-
ing the Senate.

**Senator ABETZ**—You can interject as much as you like.

**Senator Jacinta Collins**—I’ll bring in the Hansard for you.
Senator ABETZ—You can deny as much as you like, but the truth remains the truth, despite Senator Collins’s interjections. We have a different approach. We actually support jobs without Australians bearing this unbearable debt. I simply say that we as an opposition oppose the severity of this package, the huge debt that will be foisted on future generations. Those senators who vote for it will be responsible to those future generations.

Labor senator after Labor senator will filibuster, but we will not be party to the filibuster. I have set down the opposition’s position in relation to this.

Senator McEwen—What? You have been speaking for 20 minutes.

Senator ABETZ—Yes, I have, and we continue to oppose—(Time expired)

Senator JACINTA COLLINS (Victoria) (10.14 am)—Sometimes I wonder whether Senator Abetz and I are actually in the same room. His comprehension and reporting of various incidents, particularly through that diatribe just now, is outstanding. I am going to be sidetracked from a speech I have now sought to deliver I think at least two times. Hopefully, I will get back to some of the issues that Senator Carr raised earlier, but I will be sidetracked to address some of the blatantly false points that were raised by a number of opposition senators in the earlier procedural discussion and are being raised now in relation to this package of bills. They raised blatantly false matters before the Senate again today in relation to the urgency of this matter and how it is progressing.

Firstly, let us deal with Senator Minchin’s and Senator Joyce’s concerns about filibustering. As I said, as one of the senators who participated throughout the committee inquiry, this is the second time I have wanted to deal with this package of bills and have been encouraged, as a government senator, not to occupy the Senate’s time so that opposition, Green, Independent and Family First senators would have all the time they need within the Senate. Finally, we got to the committee stage debate. We were then encouraged to take some small amount of time whilst we allowed for the opposition, the Greens, Senator Xenophon and Senator Fielding to review their positions and come forward with amendments. There are no opposition amendments and that is probably the best example of the lack of bona fides from the opposition on this matter. They could not even evidence any sign of an alternative plan in this debate. They could not prepare amendments to demonstrate their bona fides. As an opposition they have been incapable of coming forward with a plan.

Then there are also the falsehoods. It is not only the incompetence that is being demonstrated from this opposition but the falsehoods that are particularly worrying here. They claim they have not been consulted. That is simply untrue. I do not know who Senator Abetz talks to, and obviously there are some issues within the opposition. The Leader of the Opposition has made this claim as well. Let us look at what consultation has occurred. There was consultation less than 24 hours after this package was released, then again before they had seen the legislation and again before the Senate committee had even begun. The real issue here, though, is that on 4 February the Leader of the Opposition said:

The opposition will vote against this package in the House and in the Senate.

As Senator Evans has pointed out, they dealt themselves out of this situation. They said to the Australian public, ‘We will oppose this regardless.’ Then we sat in the second reading debate and listened to speech after speech, which in one sense ultimately provoked me to come forward, about very misleading situations in relation
to debt—which we have had from Senator Abetz again today. The only way I could characterise the position that I heard from senator after senator after senator was that of global financial crisis scepticism; they are sceptics. We already know they are climate change sceptics on the whole, but in relation to the global financial crisis? For goodness sake!

We are confronting a crisis and Senator Abetz again tries to sheet that home to the current Labor government. He tries to claim that it has been our economic management that has put us in the situation we are in now. If you listened to the way Senator Abetz reported the situation you would probably say that it was the vote at the last election and that the Australian public put themselves in this mess. ‘The Australian public should have listened to John Howard. He had the right plan and if we had followed his plan we would be much better off now.’ That is essentially Senator Abetz’s revision of history.

Senator Abetz’s only problem is that he stands here this morning and claims that economists support him in this perspective. I asked him in the chamber when he made that claim, ‘Find one. Name me one economist who thinks we would be better placed now if the Australian public had listened to the Howard government at the last election and had voted them in to manage the economy,’ That is not what this week’s polls say. This week’s polls say the Australian public, in an unprecedented fashion, are downgrading this opposition’s economic management credentials. It is not just Labor, it is not the Greens, it is not Senator Xenophon and it is not Senator Fielding, all of whom acknowledge the crisis that we are in and the need for urgent action, and it is not any economist that I have come across. But Senator Abetz stands there and says: ‘Even the economists agree with my revision of history. And if we had had John Howard we would be much better placed.’ Unfortunately for the opposition, if we look at the critical issue that we are trying to address now, which is to stimulate the economy and jobs, the Australian public know the Howard government credentials on jobs. Senator Abetz might be happy to believe that what they confronted on Work Choices overpowered the Australian public’s good sense on economic management. I do not think so.

Any member of the Australian public who listened to the second reading debate that came from the opposition the first time we addressed these bills would shake their heads in frustration. The economic credential coming from the coverage of those on the other side was illiteracy, economic illiteracy, which is also what we saw principally during the Senate committee discussion in a range of areas. But the really worrying thing is when the economic commentary goes to even the opposition leader’s position in this area. Earlier this week I put aside a quote from Ross Gittins of the Sydney Morning Herald. I think it encapsulates extremely well the general economic illiteracy that has been occurring in this debate. He said: Malcolm Turnbull’s opposition to the $42 billion package is humbug.

I almost commenced my contribution with ‘humbug’, Senator Abetz. It goes on:

It seems almost completely politically motivated. He accepts that there’s nothing sensible the Government can do to stop the downturn pushing the budget into deficit—

he accepts this—

and he accepts the need for stimulus, which will add to the deficit. He claims the Government intends to borrow $200 billion (which is wilfully misleading)—

these are Mr Gittins’s comments, not mine—

and then admits he would borrow only $22 to $27 billion less than Rudd plans to.

Senator Conroy—Right now.
Senator JACINTA COLLINS—Yes, right now. I could go on and quote economic commentator after economic commentator, both Australian and international, the IMF and the OECD.

Senator Conroy—I’m going to.

Senator JACINTA COLLINS—Senator Conroy tells me he is going to, so maybe I will move to some other areas of my contribution to save the Senate time. Seriously, Senator Abetz, if your earlier contribution reflects the opposition’s case for the extraordinarily high-risk position you have taken here, then I suspect you face opposition for a very long time. Economic illiteracy is about the best description, as one of my colleagues put it to me.

Let us go back to the opposition position on the package, just to deal with some more facts rather than myth. The Liberal Party reject every element of this package. It is not just that Mr Turnbull said, ‘We’re going to vote against it in the House and in the Senate.’ They reject every element of this package. They reject the size. The Liberals’ view is that the package is too large. They were unwilling to listen to the advice from Treasury. They want a package half the size, unless you accept their earlier rhetoric of ‘letting the market rip’ or, indeed, Julie Bishop’s view, which was, ‘Let’s wait and see.’ Even if we present the best-case scenario, they want a package half the size. Let me quote Mr Turnbull from 4 February:

Our judgement is that a more appropriate level of stimulus is in the order of 1½ to two per cent of GDP, or between $15 billion and $20 billion.

That is their view, even though the Treasury advice was that a smaller package would not do the job. Let us look at Dr Henry’s comments. He said that with a smaller package:

… there would be some point at which GDP growth in 2009-10 in particular might well have been negative.

I could go on about the other elements of the package, the opposition’s objection to tax bonuses, their misrepresentation of international evidence, their misrepresentation of the situation in relation to schools, their lack of comprehension about the small business element of the package and their misunderstanding of what the insulation proposals will achieve, but I am conscious of allowing the Senate to consider these issues in the light of other contributions. I despair at the misrepresentation of the situation by the opposition. I encourage Senator Xenophon to pick up that bucket. Yes, the ship will sink unless we do something. This is your description of the situation we confront. Do not just believe we are going to sink anyway. Pick up that bucket and start bailing.

Question agreed to.

Bills read a second time.

In Committee

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

Senator JACINTA COLLINS (Victoria) (10.28 am)—I have some questions for Senator Conroy on some elements of the package that I am sure he will be able to address, but the point I was making before we moved into the committee stage was: why do the opposition claim that there has been no consultation here when clearly there has been? I earlier mentioned the fact that they do not accept the size of the package. They do not accept the tax bonuses as an appropriate method of delivery of payments to individuals. They disagree with the general schools funding package and, indeed, the measures designed to support small business. There are likely to be other questions as well, but I am sure Senator Conroy will be able to elaborate.

The other issue that I have for Senator Conroy in the committee stage debate is in relation to the importance and urgency of this package. Senator Abetz, in the second
reading discussion, claimed that the evidence before the Senate committee was that there was not any immediacy—quite contrary to the evidence that was presented to us. I am sure that when the departmental officers arrive they will be able to point to exactly those points for the benefit of the chamber so that we will not be misled by some of those earlier comments.

**Senator ABETZ** (Tasmania) (10.29 am)—Rather than dealing with the rhetorical questions posed by Senator Collins, I think it is incumbent upon the minister to tell us what deal has been struck and the details of that deal. Then let us get on with the business—

**Senator Coonan**—Instead of spending $2,000 an hour.

**Senator ABETZ**—Yes, instead of continuing this filibuster. I would have thought it appropriate for the full details to be advised to the chamber so that they could be considered, because undoubtedly what will happen is what happened yesterday: a deal is struck with the Greens and then we have to vote on the amendments in virtually no time. If this parliament is to be treated with due consideration, then I think we are entitled to know what the deal is.

**Senator MARSHALL** (Victoria) (10.30 am)—It is a process of—

**Senator Abetz**—It is a process of winding down the clock.

**Senator MARSHALL**—Senator Abetz simply represents a party that have said no. The minute they saw this package they said no to it. Now he wants to sit in the chamber and avoid listening to the arguments in support of such a package, particularly the necessity for such a package to stimulate the Australian economy at this time. These are things that he should sit down and listen to, instead of taking a position of saying no. But of course the worst position that this particular opposition take is not saying no; they want to say, ‘Oh, let’s wait and see. Let’s sit on our hands. Let’s do nothing.’ I do not know what they want to wait for and what they want to see. It is as if they do not understand that there is an economic and financial crisis. There is an economic and financial crisis, Senator Abetz—through you, Madam Temporary Chairman.

They fail to see that they cannot appreciate the unprecedented nature of this crisis. It was not long ago that I heard President Obama actually say that if we do not act now and that if we do not act decisively this crisis may well become a catastrophe. That is what the opposition over there, which simply does nothing and has abandoned the Australian economy and, as a consequence, has abandoned the Australian people, want to happen. That is what they want to happen to this country. They want this global economic crisis to become a catastrophe, because of their medium- to long-term political opportunism. Well, we on this side, as a responsible government, do not accept that. We will not abandon the Australian economy. We will not abandon the Australian people. There is overwhelming evidence from every source that we need a stimulus package and we need one of the magnitude and the direction that this package and its package of bills provide for the Australian economy. It is a disgrace and it is shameful for the opposition to put their heads in the sand, abandon the Australian people and abandon the Australian economy. It is appalling.

Where is the evidence to say that such a fiscal package is necessary? It comes from the experts themselves. Let us go back to the Senate committee hearing. Senator Cameron asked a question of Dr Henry during the committee of inquiry into this package of bills. Senator Cameron said:

There has been some commentary this morning that we should … wait to see how the global re-
cession pans out. Is there any economic basis for that statement that you would be aware of?

This is Dr Henry’s response:

For how long should one sit and wait? Obviously that is not a view that we have taken in providing advice to government. These are highly unusual circumstances, and we have advised government—and I indicated in questioning before a parliamentary committee on an earlier occasion that we had provided advice to government—that there was a need for fiscal policy action and that it was quite urgent.

This is what Treasury, Australia’s own Treasury, says: there is a need for fiscal stimulus and it is needed now. Of course the opposition can simply ignore the same Treasury that was there when they were in government and was providing advice to them in managing the economy. But now that they are in opposition, and because they are taking a political, opportunistic attitude to this matter, they simply want to discard that professional advice from Treasury. It is an appalling position.

Treasury are not the only ones that actually know that this stimulus package of bills needs to be passed. I refer to comments in today’s Australian Financial Review by the Australian Chamber of Commerce and Industry’s Greg Evans in an article headed ‘Rudd’s cash stimulates new friends’. ACCI, as everyone would know, have never been great supporters of or a great cheer squad for the Labor Party, but they have been a cheer squad for the opposition, those over there who will not even listen to their own cheer squad now. ACCI know what needs to be done and they also know that the opposition’s resistance to this package is simply politics—not about financial responsibility and not about economic responsibility but about political opportunism. Greg Evans said:

“… ACCI strongly supports the government’s stimulus package and its attempt to lift aggregate demand across the economy. Such is the scope of our current economic difficulties that this package, combined with monetary easing, is absolutely essential”.

There is no doubt in the mind of the biggest peak body of business that this package is ‘absolutely essential’. What does the Adelaide Advertiser say today in relation to the Senate not passing this stimulus package yesterday? It says:

To put it bluntly, it is inappropriate for a single senator to have this kind of deliberative power—especially at such a crucial time.

Economists of virtually all persuasions, central banks, and the International Monetary Fund, have called for exceptional, immediate government spending to keep economies ticking over to ameliorate the worst effects of the downturn. It goes on to say:

The Rudd Government so far has shown an admirable willingness to act decisively as this crisis has unfolded.

And of course we did. Everyone will recall that last year we introduced a stimulus package. People have said, ‘Oh, well, stimulus packages may or may not work,’ and the irresponsible opposition have taken the view: ‘Let’s just wait and see and watch the crisis unfold.’ But what does the Age say today? Under the banner ‘First cash splash helped jobs rate’, the article reads:

EVIDENCE pointing to the success of the first fiscal stimulus package has been presented to the Federal Government just as the Senate has rejected the latest one.

Employment held steady in January against expectations and buoyed by a surprise jump in the number of women employed full time. The article goes on to say:

“We see this as evidence of the efficacy of temporary spikes in income on activity,” said the Deutsche Bank chief economist Tony Meer.

So the Deutsche Bank chief economist supported our first stimulus package. He sees it as evidence. The evidence is there, yet this
opposition, in an irresponsible, political, opportunistic manner, seeks to block this government from governing, from taking the necessary action that is required to stimulate the economy and protect jobs. It is blocking this government from protecting jobs for the future, protecting our economy, stopping the economy contracting, providing the basis for the economic capacity into the future and positioning this country well for the time when the economic global crisis is over, positioning us well so we are in the strongest possible position to take advantage of when the tide starts to turn.

One thing is certain: global economic times will change, and Australia needs to be positioned to take full advantage of that so that we can ride the wave of prosperity and fulfil our economic capacity. If we go into serious recession, if we do not act now, we will not be leading the recovery; we will be following the recovery. To those over there who talk about debt and the burden on our future—and I am going to give you a few examples in a minute—let me tell you that those people who want to have a larger economic capacity to find jobs have the ability to pay back deficit, and they will thank us for the actions we are taking. We are positioning this economy for the future. We do not want to let it sink, like this irresponsible opposition. They would be happy for it to sink, happy for a crisis to turn into a catastrophe.

I am very aware of the real impact that is happening now. Maybe some of the opposition senators should get out and start talking to people and see what is happening in the economy. Yesterday I rang Victec, which is a group training company. It trains apprentices. For the information of senators, group training companies work by providing the direct employment of apprentices in a group sense. Different contractors, small and large, as they get jobs, as their staff needs increase or decrease, take apprentices from that pool.

The apprentices then move around different companies and get the full training. This significantly helps small businesses in particular. They may not be able to make the four-year commitment to take on an apprentice, but they may be able to take on an apprentice two days a week. Therefore, an apprentice may work two days a week with one company, three days with another, and it moves through. That trains apprentices. That provides the skill base for our economy. That provides protection for our skills capacity into the future.

I rang Victec yesterday. Since January, 70 of their electrical and plumbing apprentices—this particular company specialises in electrical and plumbing—are now on down time. That is one-third of the company, one-third of the apprentices that they employ. That is happening now. What happens if the economy is not stimulated to enable work to continue? If I get a chance I will go into some of the programs that are going to create stimulus in the building and construction industry which will enable these apprentices to keep jobs, finish their training and enable us to contribute to the economic capacity when times improve. If these apprentices cannot complete their apprenticeships, they disappear. When we need skilled tradesmen in the future, they simply will not be there. Group training companies are a great barometer of where it is going at the moment.

I cannot promise that this package or the last package will definitely save those 70 jobs or even more. But one thing I do know, one thing this government can guarantee is that with the introduction of this stimulus package things will not be as bad as they are going to get without it. Things will be significantly better than they otherwise would have been with this stimulus package. It is absolutely ridiculous for the opposition to sit over there and say, ‘Let’s do nothing.’ Explain that to the 70 apprentices at Victec that
are now on down time because there is no work.

Victec does an analysis and talks to its electrical and plumbing contractors to see what the likelihood is of re-employment of those apprentices. What it says is that there is very little tendering going on in the building and construction industry. What worries me more is that it also reports that architects are being put off. The logic of that is that if architects are not designing buildings, there will be no tendering for building. You cannot build a building that has not been designed. And if buildings are not going to be built, there is not going to be any work for tradespeople, there are not going to be any apprentices. So not only are the opposition risking the employment of these apprentices and others across the country, they are also sabotaging our skills base for the future. If these apprentices are not qualified, they go; they simply disappear.

I have heard no justification at all from the opposition about why we should not proceed with the stimulus package. In fact, every now and again, one of them says: ‘We agree. There needs to be a stimulus package. We agree there needs to be one.’ They do not know what it is, but they are just happy to say no to us. They have abandoned our economy and they have abandoned every single Australian in this country, and they ought to be judged harshly for it.

Senator FEENEY (Victoria) (10.43 am)—The issues that I wish to ventilate this morning are to do with the extraordinary conduct of the opposition on these matters. I am an enthusiastic supporter of the government’s National Building and Jobs Plan, a plan designed to protect the living standards of the Australian people and the solvency of Australian businesses. In that vein, I am truly amazed at the position taken by the Liberal and National parties in opposing these bills. They may seek to hide behind Senator Xenophon and his vote of last night, but the cold hard fact is that 34 of the 35 votes that sank this proposal last night were from the Liberal and National parties. Why is this so?

They have been driven off course by the inflated egos and hunger for power of the Liberals and the Leader of the Opposition, Malcolm Turnbull. Their plan for wresting back the Treasury benches in 2010 ultimately relies on Australia to fail. That is right: they are relying on Australia to fail. That is why they have opposed the most vital package of legislation put to this parliament in many years. In the face of an economic crisis that threatens us with mass unemployment, large-scale business failure and falling living standards and in the context of a global financial crisis, they have chosen to play the cheapest, the most irresponsible and the most dangerous kind of partisan politics.

The great curiosity about them playing partisan politics is that they do it while insisting that they remain bipartisan. Everyone in this place understands what is going on here. Malcolm Turnbull and the opposition keep parroting on about bipartisanship. But while that might form part of their key lines document, it has not formed part of their actions, their deeds.

Senator Minchin says that we should negotiate with the opposition. What he ignores is that Mr Turnbull has taken a position of outright opposition to these measures right from the very start. Mr Turnbull said last week that he was totally opposed to this package. His alternative was the traditional Liberal Party recipe of tax cuts for the wealthy and austerity for everyone else. What was there to negotiate with a man who takes such a position? What responsible government could accept such a proposal? Mr Turnbull precluded any possibility of negotiation right from the very start. He does not
want to be a negotiating partner; he wants to be Prime Minister, and he believes that wrecking the Australian economy is the best and quickest way for him to achieve that objective. To paraphrase Ben Chifley, the difference between Emperor Hirohito and Malcolm Turnbull is that Emperor Hirohito has renounced his divinity.

Mr Turnbull knows that he will take a hit in the polls for opposing these bills. But his hope is that this stimulus package will fail. He hopes not only that this government will fail but that Australia will fail—fail to come out of this downturn and fail to avert a serious recession. He wants Australia to fail. He wants unemployment to rise, business to fail, investors to lose their money and farmers to lose their farms. He wants this because he believes that it is his only hope for winning an election in 2010. That is the cruel, harsh truth of what is happening here. He hopes that if this package fails, the public will blame Kevin Rudd and he can get back onto the treasury benches from which he was so unfairly, so cruelly, ejected in 2007. His plan is to inherit the ruins.

I have news for those opposite and for their cynical, irresponsible, opportunistic leader in the other place: Australia will not fail; Australia will succeed. Australia will succeed in averting the worst of this downturn, succeed in preserving jobs and succeed in keeping businesses solvent, keeping people in their homes and farmers on their land. Australia will also succeed in making a rapid recovery from this downturn. And it will do that because of the leadership being provided by the Rudd Labor government, exemplified by this bold, prompt, responsible and necessary stimulus package.

Australia will succeed also because the federal government has the cooperation of all of the states and territories—including the Liberal Premier of Western Australia. It has the support of the business community, farmers organisations and the community and voluntary sector. It also has the overwhelming support of the majority of economists. Mr Turnbull and his followers are totally isolated in their position, not simply here in Australia but in world opinion. That is their choice and they have their own reasons for making that choice—their own petty, political, tactical reasons. They are gambling that Australia will fail, but I am confident that that will not happen. It is Mr Turnbull and his dwindling band of merry men who will fail.

Mr Turnbull has tried to present himself as the man who knows better than anyone else how to respond to this crisis. Mr Turnbull thinks he knows better than not only the government but the Treasury, the Reserve Bank, the IMF, Australia’s business leaders, the great majority of economists and other governments all around the world. Whatever happens, Mr Turnbull will claim that he was right. But he will only be able to make this claim because on every major question Mr Turnbull has taken every possible position. He could very well be the first opposition leader to meet himself coming in the door.

On 19 October last year he said that Kevin Rudd had ‘hyped up this so-called financial crisis’. On one day it is a ‘so-called financial crisis’. But on the very next day he said that it is ‘undoubtedly a very grave, the gravest global financial crisis that we’ve seen since the Great Depression’. But wait: Turnbull’s callisthenics continued. On 30 September last year he said that nobody could have predicted the financial crisis even a few months ago. But two weeks later he criticised Mr Rudd for ‘missing the warning signs at the beginning of the year’. So firstly the crisis could not be predicted and then later it was Mr Rudd’s fault for not predicting it.
When the government’s first stimulus package was announced, Mr Turnbull said: ‘We support these measures and we are particularly pleased about the measure, the payments to pensioners.’ However, now he accuses us of reckless spending and running up debt. When the Prime Minister announced the bank deposit guarantee, Mr Turnbull said:

We welcome this measure, we support it and we will give the Prime Minister every assistance.

Once again, we see the bipartisanship from his key lines document, but we do not see it in his deeds. Yesterday he described the deposit guarantee as ‘the catastrophic unlimited bank deposit guarantee’.

This is an opposition leader assiduously walking both sides of the street. Mr Turnbull, far from being the towering economic genius he likes to be seen as, is in fact a man who has changed his mind on every major issue at every major juncture; a man who is for stimulus one day and against it the next; a man who demands increased payments to pensioners, welcomes them when they are announced and then opposes them after the event; a man who describes as reckless and catastrophic measures that he supported when they were announced. He is a man with no credibility, no authority and no support in the community. He was a climate change sceptic; now he is a GFC sceptic.

John Maynard Keynes, the greatest economist of the 20th century and the man who, along with Franklin D Roosevelt, did most to save the world from the Great Depression, once remarked:

Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist.

That is the case today with Mr Turnbull and his rather reluctant followers on the other side. They are slaves of the defunct doctrines of Hayek and Friedman, of Reagan and Thatcher, of Newt Gingrich and George W Bush, of the HR Nicholls Society and the Institute of Public Affairs. They want to chain us to the policies which have failed so spectacularly in the United States—the very policies that got us into this mess.

But all is not lost. We have Julie Bishop, that towering economic figure, ready to wade into this debate. But where is she? It would appear that Julie Bishop, the shadow Treasurer, is still in hiding in a location not yet revealed where Malcolm Turnbull and his colleagues are desperately trying to prevent her from making another outlandish comment. But in fact her penchant for plagiarism could be your salvation because in all likelihood she will be forced to write something written by one of the mainstream economists, and you could inadvertently find yourselves back on the right track.

This brings me to another truly amazing aspect of the response of those opposite to the current situation. Not once have we heard any of them discuss exactly why the world economy has been plunged into crisis over the past two years. Not once have they mentioned the disastrous policies of the Bush administration and the Republican congress in the United States over the past decade. These included the massive and irresponsible tax cuts for the wealthiest section of the population, the reckless deregulation of the financial system and, particularly, the repeal of the Roosevelt-era legislation which served to prevent a financial crisis cascading through the banking and insurance sectors of the US economy. And they failed to mention the selfish, corrupt and profligate behaviour of so many bankers and corporate executives on Wall Street and elsewhere and the reckless lending of the banks to people with no prospect of being able to repay their loans.

The Liberal Party has close links to the Republican Party—they are soul mates.
Those opposite were keen supporters of the economic policies of the Bush administration which have now led the world into this dangerous position. It would be nice to hear some small expression of regret from those opposite, but of course we will not because your economic prescription and your policy platform for the future is: ‘Stop the world, I want to get off. There is no climate change, there is no GFC. Stop the world, I want to get off.’ To be fair, the opposition have put forward two principles that they think should guide Australia’s response to this crisis. The first is that we should keep the budget in surplus and the second is that our main response should be to cut taxes. Speeches from those opposite and in the other place made these two points over and over again.

Yesterday Mr Turnbull condemned the government’s stimulus measures as a ‘headlong rush to huge deficits and heavy debt’. He assured us that ‘tax cuts often provide a larger boost to the economy than public spending’. The shadow Treasurer, Julie Bishop, in a rare guest appearance, accused us of ‘taking out a $200 billion mortgage on our future and that of the next generation’. I congratulate the authors of those words.

I assume that Mr Turnbull understands enough about economics to know what the consequences would be if this absurd prescription was followed. I am not so sure about what Ms Bishop understands, but no doubt she can read all about it in the Wall Street Journal. What any economist would tell Mr Turnbull and Ms Bishop is that if you insist on maintaining a budget surplus at a time of falling government revenue—a time such as now—then you must cut government spending. There is no other course open to you. And if at the same time you cut taxes, thus further eroding government revenue, then of course you must cut spending even further.

It is of course true that cutting taxes will put money in the pockets of taxpayers, and the wealthier those taxpayers are the more money they will get. That will have some stimulatory effect as your friends purchase more Jaguars, but this will not offset the counterstimulatory effect of making sharp cuts to government spending—cuts in pensions and benefits, health services, school building, universities, public works, defence purchases and the many other things that modern governments spend taxpayers’ money on. All those cuts will take money out of the pockets of working families and out of the tills of Australian businesses.

Cuts to government spending on the scale necessary to maintain a budget surplus at a time of falling government revenue would have a savagely deflationary effect. They would produce a sharp increase in unemployment, a drastic reduction in purchasing power and a deeply depressing effect on public confidence. In other words, the application of the principles put forward this week by Mr Turnbull and Ms Bishop would have exactly the opposite effect to what they claim. It would drive us into a deeper and darker, more prolonged recession.

We know this because we have been here before. When the Wall Street crash of 1929 had a devastating effect on Australia’s trade and national income, what did Australian governments do on the advice of the orthodox economists of the day? In the notorious Premiers Plan, they sharply cut government spending to keep the budget in surplus, they cut public servants’ wages and they cut pensions and unemployment benefits. This is the prescription of those opposite. They have learnt nothing in 80 years. The lessons of 1929, and indeed of the 1930s, have been completely lost upon them. They intend to sacrifice the living standards of the Australian people on the altar of economic conservatism in a fundamentalist belief that the
surplus is virtuous in its own right. In fact, this is a crowd of people still being led by Sir Otto Niemeyer, the 1929 emissary of the Bank of England.

The world today is very different from that in 1929 and those opposite need to realise this very quickly indeed. The financial orthodoxy of the 1930s cannot continue to be defended. It has been junked by mainstream economic thinking. Equally importantly, we have today, in Prime Minister Kevin Rudd, a Prime Minister who has the expertise and the courage to take a stand in defending the living standards of the Australian people. The Rudd Labor government will not stand by during this downturn and nor will it allow Australia to sink into recession or, dare I say it, depression. Like other great Australian Labor prime ministers, Kevin Rudd will do whatever is needed to save Australia from disaster, to secure our future and to protect our prosperity. That is why these bills are so important. That is why Sir Otto Niemeyer and his slaves opposite need to learn the lessons of the 1920s and 1930s.

Senator MILNE (Tasmania) (10.59 am)—I rise to address the issue of debt. I particularly want to talk about the fact that the Leader of the Opposition, the Hon. Malcolm Turnbull, has been saying that he does not want to look into the eyes of future generations and tell them that they plunged the country into debt. Let me say that no government plunged this nation into recession or, dare I say it, depression. Like other great Australian Labor prime ministers, Kevin Rudd will do whatever is needed to save Australia from disaster, to secure our future and to protect our prosperity. That is why these bills are so important. That is why Sir Otto Niemeyer and his slaves opposite need to learn the lessons of the 1920s and 1930s.

Senator MILNE—It is ecological debt—UNDERSTAND IT. Let me tell you about the extreme weather events around the country, the death of the Great Barrier Reef, the loss of productivity in the Murray-Darling system and the extreme drought. We have parts of Australia now suffering in an extraordinary way—in the Riverland, in Queensland, right across the country; and, of course, no more so than in Victoria. The ecological debt of this country was racked up in an enormous way by the Howard government, and instead of addressing the ecological debt and the hideous dependence on foreign oil—those vulnerabilities—all the Howard government did was rely on tax cuts: rivers of gold, manna from heaven. Australia had never been better off; there were dollars thrown up in the air.

The reality is that we ran into massive ecological debt, and every time they approved new coalmines and new coal ports they were ratcheting up ecological debt for future generations. The difference between a debt on an economic sheet and an ecological debt is that you can pay off financial debt but you cannot recover if you go so far into ecological debt that you kill the system. It cannot be recovered. That is what is going on with climate change right now. We are experiencing dangerous climate change and we are in a headlong rush into catastrophic climate change.

Scientists around the world are telling us that we are approaching tipping points, if we have not already passed them. We have heard the stories about the melt of the Arctic ice. We know that the West Antarctic icesheet is vulnerable. We have seen the collapse of glaciers around the world. That kind of ecological debt that we have plunged future
generations into may not be recoverable. So the Hon. Malcolm Turnbull and all these members of the coalition cannot claim that they can look future generations in the eye and say that they have avoided debt.

Not only have they plunged future generations into ecological debt, but now they are actually preventing putting people to work to address that debt. The Greens have negotiated successfully for money, as part of this stimulus package, to go to communities to address natural heritage and built heritage issues. Money will go to local communities and local governments to put people to work. We want to put people to work repairing ecosystems. That is a way of stimulating the economy: providing people with paid work restoring Australia’s biodiversity and doing everything they can. We have so much work to do in natural resource management to recover some of these areas—hence we got the $10 million for bioremediation in the lower Murray and the lakes. We are doing that: putting people to work to address the ecological debt that you ran up. And now you do not even want people to go to work doing that. Having run up the debt you are not even prepared to put up the money to address that debt and recover some it.

Let me talk for a minute about social debt as well. I would invite the opposition to go into schools around the country and see how many of them have leaking toilets. There are extraordinary facilities in some very well-off schools in the country, but if you go traveling around rural and regional Australia you will find communities suffering in terms of social debt. There is not enough affordable housing in this country and we have a problem with homelessness. The Howard government was prepared to give tax cuts to the highest income earners in the country while schools had leaking toilets, while people were homeless and while there was no money for affordable housing. There was no massive investment when it was required in public education across the country. And we ran down our skills base, hollowed out the manufacturing sector and left ourselves as Asia’s quarry—to the point where, as a result of Howard government policies, not only are we the quarry for China but, at the rate we are going in terms of this deal with Rio Tinto, China will own the quarry. All of that is because you are worshipers of a free market.

The CHAIRMAN—Order! Senator Milne, address the chair, please.

Senator MILNE—Certainly. I stand corrected. Through you, Mr Chair, I say that when members of the former Howard government talk about debt they need to reflect on the social debt and the ecological debt of 10 years of indulgence and a failure to spend on community infrastructure and on the ecology. Mr Chair, I put to you the ecological debt of the loss of the Great Barrier Reef and its whole ecosystem. The coral reef scientists are saying that it is already too late for the world’s coral reefs. There is so much warming locked in that we are now going to see increased frequency of bleaching events, and with that increased frequency we will see a lack of ability for the reef system to recover. We are managing coral reefs around the world for decline.

The members of the Howard government were prepared to see massive investment in coalmines and coal ports guaranteeing a debt—a debt which cannot be overcome: the death of a magnificent World Heritage listed reef system. It is the same in Tasmania with our forests. There we are still seeing the ratcheting up of ecological debt as some of the world’s greatest carbon sinks are absolutely destroyed and all that carbon goes into the atmosphere. That is all ecological debt, contributing to climate change and loss of biodiversity.
Future generations will look back at these last 10 years and say to themselves: ‘How could that have happened? What were those people doing? Didn’t they understand that without environment there is no economy?’ People in the Murray-Darling system, now that they have experienced it themselves, would know that without environment there is no economy, there is no viability. That is why there is a discussion here today about exit packages for people on the Murray-Darling system—because without environment there is no economy. That is something that the Howard government never understood. Clearly the coalition still do not, judging by the interjections of people like Senator Brandis earlier, suggesting that the only debt he could consider would be on a balance sheet. He is not prepared to look at social debt, at the community’s debt, at the ecological debt.

In looking at addressing the global financial crisis we would have the opportunity to address the ecological crisis, the climate crisis and our dependence on foreign oil if the coalition were seriously interested in the vulnerability of the Australian economy. In the report Re-energising Australia I pointed out that our economy is vulnerable because we have hollowed out the manufacturing sector and failed to invest in skills and education to build a more sophisticated, diverse and resilient economy in the face of inevitable downturn in the resources sector. That illusion of prosperity was all about profits from the mining industry—that was the only thing that gave Australia the capacity to have those massive tax cuts in the last 10 years. Once the rest of the world withdraws the social legitimacy for exporting coal, we are in serious trouble in this country. So let’s not hear anyone even for a moment consider that the coalition is worried about plunging Australia into debt.

We are in serious ecological and social debt now, and the only way to get out of it is to address the financial crisis, the ecological crisis and our dependence on peak oil together. That is what the Greens have done in relation to this package. We have asked how we can begin the transformation to a low-carbon economy through a stimulus package, a green new deal. We did not get the visionary and bold plans that the Greens have had for a green new deal. We would have liked to have seen the retrofit of all of Australia’s housing with our easy scheme which we put to the government and they did not accept, but at least two million homes are to be retrofitted. We have now for the first time got the Commonwealth focused on the fact that Australia is behind even the United States, by two star points, on energy efficiency, without the most basic efficiency in our housing. That is largely thanks to the influence of the HIA. The Housing Industry Association have been a huge burden on this economy in terms of getting decent energy efficiency and more comfort in houses. The social housing, which will be more energy efficient because of the Greens input, will have a great social dividend in that it will mean permanent cost savings for the low-income earners who will be accessing those houses.

We also want a redesign of Australian cities, we want to get off our dependence on foreign oil and we want a massive investment in public transport. That is not in this package but it is something that we were arguing for. We want a massive investment in an intelligent grid so that this country is capable of bringing on the renewable energy revolution that the Greens feed-in tariff would deliver if both the government and the opposition would get behind it. It is no use having the technology if you do not have an intelligent grid that is capable of bringing it on. So there are a lot of things that are not in
this package, but it is a beginning and we will be working very hard to make sure we get that delivery out into the community.

In terms of cycleways, it is certainly a beginning as well. It is the first time we have had a real injection of funds into giving people the capacity to improve their health, getting better air quality and amenity, getting cars off the road, lessening congestion and building community. Again, it was not just the lack of investment in infrastructure that has destroyed communities; it was the dog-eat-dog, individuals first, forget the community, put yourself before everybody else mentality of the last 10 years. In difficult economic times, one of the very few silver linings is communities coming together to help themselves and rebuild a sense of community. This package, through the Greens intervention, puts more money into rebuilding communities. There is a lot to be said for supporting this now.

If we do not address the financial crisis and the ecological debt then we will plunge this nation even further into debt—adding more financial crisis onto the ecological crisis that you have worsened.

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (11.13 am)—I want to make a contribution to this committee stage discussion. I can reasonably anticipate that we are drawing to a conclusion. I know there are a number of senators who wish to make a statement, and I understand they will be making those shortly. I just want to make a couple of points because the Senate over the last week, in this chamber and its committees, has been thoroughly debating and analysing the government’s $42 billion fiscal stimulus package. There has been very significant debate and consideration by this chamber and its committees of the Rudd Labor government’s fiscal stimulus package.

By way of background, we have seen over the last year the development of the world’s worst financial and economic crisis since the Great Depression. It has been rapidly unfolding, initially in the financial markets from its origins in the United States, spreading rapidly into Europe and now, in turn, spreading into Asia and some of our major trading partners, such as India and particularly China. It has moved from financial markets, where we have seen massive dislocation and a shrivelling of the ability to provide credit to businesses around the globe. It has also seen the collapse of some 30 banks and, in various ways, quite extraordinary policy—necessary policy—for the nationalisation of banks in the UK and Europe and, in the US, the forced merger of banks in an attempt to stabilise the financial system. There were the unprecedented actions of providing not just guarantees to financial institutions such as banks but guarantees to ensure interbank lending so that we can minimise counterparty risk and keep the financial system operating.

In terms of the financial system in Australia, the Labor government has acted decisively. It has provided a guarantee not just for banks but for building societies and credit unions. This decisive action was necessary to maintain stability and confidence in the financial system. If you do not have a banking system that is operating with confidence to provide the necessary finance to business and consumers, frankly you do not have an economy. The Labor government acted decisively in this regard.

As I mentioned, we now face the greatest economic crisis since the Depression, and, frankly, I do not think anyone is arguing we do not face a significant economic crisis. This crisis is beginning to have devastating impacts around the world. Many comparable countries are now in recession, and deeply in recession, and have moved rapidly into re-
cession. In the last three months alone the US economy has shed half a million jobs. This is unprecedented. We have not seen this level of job shedding since the Great Depression.

We are not immune from this. We saw in yesterday’s labour force figures an increase in unemployment from 4.5 to 4.8 per cent. These sorts of terrible outcomes in the US and Europe underscore the need for a major government stimulus package—the Nation Building and Jobs Plan—so that we can support business, jobs and growth in our economy. We cannot ignore the virtually unanimous advice and evidence from right around the world from expert bodies like the International Monetary Fund. All of the major experts and international institutions are urging major stimulus packages, and many countries have acted in this regard.

Unfortunately, due to that vote yesterday, Australia was faced with being the only country in the world not to have a major stimulus package. Our advice is: you have to act now or we will have even higher unemployment and slower growth for longer. As the International Monetary Fund’s chief economist, Olivier Blanchard, has said: Above all, adopt clear policies and act decisively … Delays in financial packages have cost a lot already. Further rounds of debate will stoke uncertainty and make things worse. This is directly contrary to the Liberal-National Party’s position, which is just to sit and wait and see. But the costs of sitting and waiting and seeing can be severe, and we saw the costs of sitting and waiting and seeing in the Great Depression. None of us literally saw it, but we know from commentary and analysis of what occurred in the Great Depression that you have to act early, you have to act substantially and you have to act decisively. The Labor government’s plan has been shaped by the need to support jobs, by the need for fiscal stimulus, by the need to cushion Australians from the worst the world can throw at us—the worst circumstances we have seen in the last 80 years—and by the need for confidence. The package must pass in order to ensure and underlie confidence. That is particularly important in the current circumstances.

In formulating its package, the government has been through an exhaustive process. We have taken the best advice from Treasury and we have taken the best advice from international experts and Australian experts. Above all, we have had regard to the lessons of history, to the lessons of that Great Depression. So, with respect, the argument that we do not listen to others just does not bear scrutiny. The plan has support from all parts of the country—community, business, unions and across the political spectrum. There have been numerous endorsements from organisations who do not traditionally support a Labor government. We have had support from the ACCI, the Australian Industry Group and numerous other business groups. Given the unfortunate circumstances of yesterday, these business groups have again come out and explained the need for this package to be passed. It is necessary at this time and there is a need for certainty.

This Labor government believes in supporting jobs, but unfortunately the Liberal-National Party has voted against jobs. That is what we saw yesterday. They declared their position last week: vote no and do nothing. That is the Liberal-National Party’s position—do nothing. Wait and see. That is not appropriate, given the seriousness of the circumstances we face. We have heard a lot about deficits, but the opposition has already admitted that a deficit is inevitable because of the projected slowing of growth in Australia. Revenues will be down because of the decline in the Chinese economy. Because of what has happened in Europe and North
America, the Chinese economy is rapidly slowing down. That impacts on Australia. It means less demand for our minerals, the ending of the mineral boom and less revenue to government. We announced earlier the decline in government revenue of some $115 billion, so we do need to act now.

I just want to conclude by making this point. I find above all else the position of the National Party particularly strange. The National Party purports to represent rural and regional Australia. The fact is that, whilst everyone faces a very significant economic and social challenge, it will be rural and regional Australia that suffers significantly more. My own home state of Tasmania, which is predominantly low and low to middle income and regional, is a good example. These areas in rural and regional Australia suffer significantly more in these types of circumstances. So I do find it somewhat odd that we have the National Party opposing this package.

On the issue of debt, I point out that under the former Liberal and National Party government, up until December 2007 when they lost the election, the country’s national debt—and we should not just focus on government debt; we should look at accrued national debt—

Senator Abetz interjecting—

Senator SHERRY—Accrued national debt, Senator Abetz, touched some $603 billion. You moan about government debt: what about national debt, which grew by a staggering 100 per cent over that decade to $603 billion? National debt, government debt and also personal debt are all-important issues that need to be considered. In the past decade, unfortunately, we saw in Australia—though not so much, I would have to say, as in the US or Europe—levels of irresponsible lending. What did the former government do about irresponsible lending? It did not do anything in a regulatory or supervisory sense, and we are unfortunately seeing some of the impacts of that now in Australian communities.

Senator Minchin—We have the strongest banking system in the world.

Senator SHERRY—We have a strong banking system thanks to the decisive action of the Labor government. But we are still seeing issues around margin lending and lack of appropriate supervision, which this Labor government has had to act on and which the former Liberal government did nothing about for that decade.

This package is very important in these times of economic weakness, the gathering recession in other parts of the world, and increasing unemployment. There is need now for a decisive package that will underpin the strength of the Australian economy, Australian business and Australian jobs. I would urge the Senate, after lengthy consideration of this particular package, to pass this package. We should not go down during this very difficult economic period in Australian and world history as the only parliament in the world that cannot pass a fiscal stimulus package.

Senator XENOPHON (South Australia) (11.25 am)—Yesterday I voted to defeat these bills. However, I wanted to continue to negotiate for the Murray-Darling Basin—for its economy, for its people and for its environment—and I believe that was in the national interest. That is why I also voted to support the motion to bring the Senate back today, because I do not want to stifle the chance of a compromise. For that reason I also met with the Treasurer and the Minister for Climate Change and Water last night and continued discussions this morning. If there is a fair and reasonable way forward, I will take it.
A lot has been said in the press and the wider community about yesterday’s vote in this chamber. Let us face it: if politics was a popularity contest most of us would be out of jobs. So let us put that issue to one side. There are still some questions hanging over this Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and related bills stimulus package in the minds of many Australians, especially in relation to the cash payments. I appreciate that it appears that half the country seems to think that they are a waste of money while the other half wants, or in many cases needs, that money for essential purposes. I am not sure whether this package is going to save the country from recession and I do not think that anyone can be definite about that, but I have broadly always supported the need for an economic stimulus package.

My problem with the package proposed by the government was that it ignored a key part of the economy, and that is the Murray-Darling Basin economy. I was elected to the Senate in part to fight on this issue for my state and for the other basin states. The people who voted for me knew that I was an Independent. They knew what it would mean in terms of votes like this. They knew the risks and opportunities of electing an Independent to the Senate and they cast their votes accordingly.

Let me say at this stage that any resolution reached has to take into account my fellow crossbenchers. I want to acknowledge in particular the remarks made by Senator Brown yesterday, and also my colleague Senator Siewert in terms of the work she has done and the assistance she has provided in dealing with this issue. I am very grateful for her help. I would also like to thank Senator Hanson-Young for her continued, fearless championing of the river and the Lower Lakes, and I also note the very significant concession obtained by the Greens in relation to the Lower Lakes and bioremediation, which is a very important element that must be dealt with as a matter of urgency.

I also note Senator Fielding’s championing of the issue of the unemployed and I commend him for that. And I should say at this stage that if it were not for the Greens we would not have seen significant inroads into the issue of fairer unemployment benefits, particularly in relation to the liquid assets test and many other things. So we are in this together in terms of goodwill and having at least a broad spirit of unanimity.

It is easy to criticise the Senate for slowing things down, but I reject that argument. I always say: do you want a fast plan or a plan that works? For the last two years, and again overnight, I have been consulting closely with arguably the country’s best water experts about the future of the Murray-Darling Basin. They tell me that the basin needs help and it needs it fast. At a minimum, they say we need to start spending close to $1 billion immediately to fast-track expenditure and to keep spending it over the next two to three years if we are going to have any chance of saving our dying river system. This money needs to be spent on water buyback, on stormwater projects to wean cities and towns off the rivers, and on assistance to communities to adjust to a drier environment. This is the minimum amount that eminent scientists such as Professor Mike Young and Professor Quentin Grafton say must be spent right now to give the people who rely on the Murray-Darling economy and its environment a fighting chance.

I think it is fair to say that yesterday the government was reluctant to spend this amount of money. But I believe the 1.9 million people in the basin and from Queensland, New South Wales, the ACT, Victoria and South Australia deserve us to fight for them and to go down to the wire to do what-
ever we can. So I persisted and I am pleased to say I believe we have been able to reach a compromise that, while not giving everybody everything they want, may give everyone what they need.

This morning, the Treasurer and the water minister have agreed to a package of $900 million in spending commitments, including fast-tracking spending for the Murray-Darling Basin for its economy over and above any previous commitments. There will be an additional $500 million brought forward over the next 3½ years for water buybacks, bringing the total spending for that period to over $2 billion. There will be $200 million in grants to assist local communities in water saving and planning for a future with less water, and that is welcome up and down the basin. For the first time there will be a guaranteed minimum of $200 million for stormwater-harvesting projects, with the threshold being reduced from $30 million to $4 million for projects, with the Commonwealth contributing up to 50 per cent, and that will make a huge difference in local communities around the country where stormwater harvesting needs to be implemented as a matter of urgency.

There will be significant changes to the restrictions placed on the Exceptional Circumstances Exit Packages. These packages were previously restricted to properties of 15 hectares; this will be increased to 40 hectares or less. The increase will most likely see demand for exit packages increase, and that is an additional funding commitment based on demand. In addition, the government has agreed to double the grants available for the removal of irrigation plantings and infrastructure, from $10,000 up to $20,000. That will make a big difference not just in my home state but in Sunraysia and irrigation districts in New South Wales and Queensland. It will make a big difference.

Finally, I have secured an undertaking by the government to have a Productivity Commission inquiry to look into the most effective way to run a buyback, and I believe that will be a valuable opportunity for the Wentworth Group of Concerned Scientists, for scientists such as Professors Young and Grafton, to have significant input into that inquiry so that we can look at further speeding up water buybacks.

I believe this commitment shows a renewed focus on the Murray-Darling Basin, its economy and the crisis unfolding in rural communities evermore, and I will continue to work with the government and all my colleagues constructively to help them maintain that focus. I believe that for the river this is just the beginning with respect to that new focus. Ultimately, I was sent here to do a job, and that job is to do whatever I can so that the hundreds of thousands of people along the rivers have a chance to keep their jobs and, most importantly, for the environment to have a fighting chance. Given this commitment by the government, given this fast-tracking of proposals and of new commitments, I believe this is the right thing to do and I am willing to support the government’s economic stimulus package.

Senator FIELDING (Victoria—Leader of the Family First Party) (11.32 am)—I would like to begin this morning by saying to Senator Xenophon: I know how you feel and felt; I have been there before. It is not easy. I do understand the fight for the Murray, and yesterday, as you know, the division was called by me to make sure that that support was there. We are pleased that Senator Xenophon has come to this decision, for all Australians.

As I said yesterday, this package is imperfect; it has flaws. But it will save some jobs. It will give hope to many Australians. As you know, I was not able to get all that I felt was
needed for the 300,000 Australians that will lose their jobs or be added to the queue of unemployed over the next two years, and I wish the government had agreed to do more. Our fellow Australians do need our help, and I think today they will get the hope and help that they need from federal parliament. My fellow Victorians, particularly those reeling from the bushfires, are also going to need a lot of ongoing support.

I have secured some measure of support. I was negotiating with the government on a new program called Get Communities Working and I was trying to make sure that $4 billion would be set aside within the package to deal with those 300,000 Australians. I have secured a $200 million pilot of Get Communities Working. I hope that over time it will prove its worthiness and secure more money. It is a pilot of Family First’s $4 billion Get Communities Working plan, as it will offer grants of up to $2 million to grassroots projects in struggling communities. It is a start. The fight for those 300,000 unemployed Australians will continue. This is not the end; this is the start.

I take this opportunity to say I believe the crossbench has this week displayed its important role in the Senate. I acknowledge the efforts of Senator Bob Brown in working to improve the package for Australians and of Senator Xenophon in working to address the Murray-Darling. The inquiry we called for exposed some flaws in the package, and we have all negotiated with the government to repair some of those flaws.

This has been a challenging week, but the outcome for Australia has made it worthwhile. I think it shows the importance of the Senate. There is no way that we should treat the Senate as a rubber stamp. It may be frustrating for the government of the day, as it was for the previous government from time to time, but it is tried and tested and it does actually work. I still believe that, if the previous government had listened to some of Family First’s proposed changes to the Work Choices legislation, they might be here on the other side of the benches today. I went to the then government for changes and got zero—and look what happened to them. Today we went to the government as a crossbench and we got some changes, and I think Australians can be thankful for those changes.

I will reinforce what the issue here is. Family First still believes that more needs to be done for the 300,000 Australians who will be the innocent casualties in this war on recession. At least the government have said they think there is some merit in the Get Communities Working scheme and are willing to dedicate some significant funds to that program—$200 million. I think that shows how the government are prepared to work with the crossbenchers.

Let us make it clear that the decision yesterday was between two clear choices. One choice was to have a $42 billion plan to fight the war on recession and save/create up to 90,000 jobs. I also wanted to do something for the forgotten 300,000 Australians who will be added to the unemployment queues over the next two years even with the $42 billion plan. The other choice was, frankly, a bit of a dog’s breakfast. You cannot vote for a dog’s breakfast. So my decision today will be the same as it was yesterday: I will vote for this package because it is a package that will at least save some of our fellow Australians. I think today is a testimony of how the Senate can work. I also thank my crossbench colleagues.

Senator XENOPHON (South Australia) (11.38 am)—For the sake of completeness, I seek leave to table a letter from the Treasurer, Mr Swan, dated 13 February 2009, which outlines the matters that I referred to.
in my earlier contribution. I understand the government will be confirming that further in the context of this debate.

Leave granted.

Senator FIELDING (Victoria—Leader of the Family First Party) (11.39 am)—I also seek leave to table a letter from the government with regard to securing $200 million for the Get Communities Working fund.

Leave granted.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (11.39 am)—I think this is a splendid outcome. I feel very proud of the crossbenchers and the role we have taken and the good offices of the government. It must leave the opposition wondering how on earth they could have missed this bus. The fact is that this government’s stimulus package is about—

Opposition senators interjecting—

Senator BOB BROWN—They don’t like this.

The CHAIRMAN—Order on my left!

Government senator—Go back to Tasmania.

Senator BOB BROWN—I think the honourable senator would like me to go back to Tasmania. I will, and I will have a smile on my face after what has happened today. There are seven of us on the crossbench. The outcome here is somewhere between $½ billion and $1 billion extra for Australian communities, with a social justice outcome, a jobs outcome and an environmental outcome. I am not going to go back through the package, but this has been a great team effort. Let me say that the government facilitated this. Through the collective nous in the Senate we have been able to give Australia a much better outcome, while the opposition were totally sidelined. That is their problem. They are irrelevant to this process. They have become the blockers of even urgent economy policy that the government wants to implement. That is their problem. We are able to celebrate an enhanced win here. We are able to feel—

Opposition senators interjecting—

Senator BOB BROWN—Dear, oh dear! I am looking forward to going home to my constituency. Obviously, the opposition are
very worried. Maybe they will stay here for the next fortnight. The reality is that it is a great outcome. It is a tribute to the Senate and it is a tribute to the balance of power. Compare this with the last three years, when the government had no brake in the Senate and used the Senate as a rubber stamp, and the people were so frustrated that they changed government. The wisdom of that change has been rewarded today. I again congratulate—

Opposition senator—Senator Xenophon.

Senator BOB BROWN—Yes, I do, and Senator Fielding and my four colleagues. It is a great outcome.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.45 am)—I rise to speak briefly in relation to some comments, particularly Senator Xenophon’s. In relation to the contribution by Senator Brown—and I am sure the Leader of the Government in the Senate will expand on this more—who leads the largest contingent on the crossbenches, he is to be congratulated for the responsibility that he has shown in this debate and for how he has handled the negotiations to date, and the government acknowledges that.

It is interesting in that we have an extraordinary situation—and I hope that Senator Brown will understand the spirit in which this comment is made—where Senator Brown and the Greens are demonstrating more economic responsibility than the opposition. It should be said that perhaps the opposition senators could go back to their electorates and explain why it is that the Greens have demonstrated more economic responsibility in this economic crisis than the Liberal Party and the National Party, because that is the reality of the situation.

Opposition senators interjecting—

Senator WONG—Obviously, Senator Fielding has made his contribution. His agreement with the government is not in the context of my portfolio, so I will not comment on that, but I will say that I think none of us can doubt Senator Fielding’s commitment to representing the people of Victoria, and he has demonstrated that commitment in his contributions to the chamber and in his negotiations. I want to just respond briefly to Senator Xenophon’s contribution.

Senator Joyce interjecting—

Senator WONG—Perhaps, Senator Joyce, you might remember this is the Senate chamber. Senator Xenophon has a whole-hearted commitment to the Murray-Darling Basin. It is a commitment that I respect, it is a commitment that I share and it is a commitment the government shares. As a government, we are absolutely committed to restoring the Murray-Darling Basin. We understand that that is not an outcome that can be delivered overnight. As I said, we share Senator Xenophon’s commitment to the Murray-Darling Basin—

Honourable senators interjecting—

The CHAIRMAN—Order! I think it is in everybody’s interest that we draw this committee stage to a conclusion as quickly as possible, and the interjections are not helping.

Senator WONG—I am able to ignore the interjections, Mr Chairman, but I do find it extraordinary that those on the other side think that this stimulus package is a joke and think that this is an appropriate circumstance to joke about it. It really is extraordinary and demonstrates their lack of responsibility.

As I was saying, we share Senator Xenophon’s commitment to the Murray-Darling. We do not always agree with his ideas. It is the case that the government was of the view that the scale of bring-forward that was being proposed was not responsible. In the context of the water market we did have the view, and I have indicated this to Senator Xeno-
phon, that that kind of bring-forward had the potential to substantially increase the price of water, thereby reducing the amount of entitlement we could take out of the basin, and would actually reduce the environmental outcome for the river. In other words, bringing forward too much money would in fact have a worse environmental outcome. We are pleased that Senator Xenophon took that on board and was prepared to compromise the demands that were included in the amendment from yesterday. We think this is a substantially better situation than was proposed in the amendment and we are pleased that we were able to achieve agreement. We will continue to negotiate with the crossbenches in relation to this policy.

I do want to acknowledge, because it has been raised, the contribution of Senator Siewert in the context of the discussions on the water bill. A number of senators in this place are prepared to have constructive discussions even if they may not always agree about the best way to implement the reforms in the Murray-Darling, which is an enormous problem. I hope we can continue to do that because it has suffered too long from too much politics.

Senator MINCHIN (South Australia) (11.50 am)—I just point out the obvious that it is now clear that there is a majority in this chamber to pass this $42 billion spending package. I inform the committee in relation to the third reading that will soon occur that the opposition does continue to oppose this spending package and I am certainly proud of the principled stand which our parties are taking on this matter. It is one we knew would not be popular. It is never popular to say that we think that what are now $900 handouts to Australians are not the way to resolve our economic problems, that putting assembly halls in every primary school is not the way to deal with our problems and to put pink batts in people’s roofs is not the way to deal with our economic problems.

We have said that this package of $42 billion, some four per cent of GDP, at what is clearly a very early stage of what is going to be a difficult economic cycle for Australia, is irresponsible. It is a panic reaction and it is not consistent with responsible economic management of this country. It is a package that is going to drive the Australian budget into deficit much faster than would otherwise have occurred. It is a package which already appears to be one that will incur some $200 billion in debt, which will hang over the head of this country for years and years to come. A simple bit of mathematics: it will take a decade of $20 billion surpluses simply to cover a $200 billion debt, and that is not allowing for the interest payments.

We are reminded, tragically, of the situation we inherited upon coming to government, with nearly $100 billion of debt in 1996 terms. We were spending more on interest in the budget than we were spending on defence—an extraordinary situation. Regrettably, the next generation of Australians are condemned to inherit exactly the same situation from this Labor government, which has, in our view, completely overreacted to the economic circumstances and rushed out with this extraordinary and extravagant package of some four per cent of GDP, or $42 billion. It is not directed to productive investment in the economy; it is not directed to enhancing the capacity of this economy to repay the debt which is now going to be incurred.

While we were in a position to exit the government from government business enterprises, despite the opposition of the Labor Party, that opportunity will no longer be available to future governments. How will future governments, either Labor or coalition, be able to repay this debt, given that we
are now facing an ageing of the population, which already makes it quite difficult? Fortunately, our government was able to set aside some $60 billion to $70 billion in the Future Fund to ensure that the unfunded public superannuation liabilities of this country are covered, which will relieve some $4 billion annually from the budget. That was done despite the opposition of the Labor Party and is a great boon to future generations. But now those future generations, our children, are going to be lumbered with some of the greatest debt this country has ever seen.

This government inherited probably the best set of books in the Western world as a result of the good work that our government did. It is tragic for me, I must say, as Australia’s longest serving finance minister, to see that situation turned around so quickly. This government is condemned to a situation where it will probably never in its history deliver a surplus. The next budget of this government will be a deficit budget and we see deficits for years and years to come. The government now has saddled us with this debt. It has left itself very little room to react to the developments that are going to occur in what we acknowledge is a very dangerous situation for the world economy. It is now borrowing and borrowing without any of that money going into productive investment in this economy. The government’s economic strategy is completely wrong; that is why we have opposed this package.

Regarding Senator Sherry’s remarks, it is a complete misrepresentation to suggest that the opposition’s position is to do nothing. That is a nonsense. As the party that has championed and built the strength of this economy and of this nation, we recognise that in a downturn it is appropriate for the government to respond accordingly but responsibly and in a targeted fashion. A re-elected Howard government would of course have responded to the global downturn with a stimulus package, but it would have been one that was much more modest and much more in keeping with the international community’s view that a response at this stage of about two per cent of GDP, or some $20 billion, would have been much more appropriate. It would have been targeted much more at stimulating productivity through tax cuts and investment in the productive side of the economy. So it is an absolute furphy, an absolute nonsense and a complete misrepresentation to say that our position was to do nothing—but we could not in good conscience agree to this package. It is an irresponsible package and one that we could not support.

It is a shame that the government did not have the wit, in the face of the economic downturn which this country faces, to come to the opposition and say that there should be a proper bipartisan approach to dealing with this crisis that the country and the world are facing. We hope that in future the government will have the wit to behave accordingly. Now we find that the government has gone to the crossbenches to do what amounts to a cross-trade. We heard fine words from many in the crossbenches about how they would never cross-trade, but that is exactly what has occurred. It is interesting, may I say, that the crossbenches were trenchant in their criticism of this package. They have been vocal critics of this package. The Browns—the Greens, I am sorry—

Honourable senators interjecting—

Senator MINCHIN—I am not sure what colour they are! The Greens, Family First and Senator Xenophon have been as trenchant as we have in their criticism of the structure of this package. They have criticised this panic handout of $900 to certain sectors of the Australian community. They have been critical of many parts of this package. I am surprised at the very small price they have been prepared to accept for their support for
this irresponsible, ill-targeted, ill thought through package. Their price is remarkably low.

I respect the integrity of the position Senator Xenophon brings to this debate. He has acted with integrity; he has been honest; he has been upfront. He comes here in order to extract from the government support for the Murray-Darling. May I say, as a South Australian senator, I know as well as he does the plight of the Murray-Darling Basin and the difficulty that causes for our state in particular. That is the legacy of state government irresponsibility over years and years. State governments that have responsibility in this country for water management have destroyed the Murray-Darling Basin with their wanton and irresponsible disregard.

Government senators interjecting—

Senator MINCHIN—May I remind the Senate that the Howard government was the first national government in this country’s history to take responsibility for the Murray-Darling Basin, to accept that a national government had to act and, with the good husbanding of the resources of this country, to be in a position to set aside $10 billion for the Murray-Darling Basin to put in place the programs which the current government inherited. We now witness the lethargy with which this government approaches that great legacy—$10 billion to accept responsibility at a national level, in the face of irresponsibility at state level, for the Murray-Darling Basin. All programs that are in place are there because the Howard government produced the surpluses that enabled a $10 billion investment in the Murray-Darling Basin while keeping the budget in the black and continuing to produce surpluses.

What we note from the agreement which Senator Xenophon has apparently reached with the government is that, while it may be appropriate for the Murray-Darling Basin, this does not go to economic stimulus. Water buybacks and exit grants are not about providing stimulus to the economy; they will not of themselves provide any stimulus to the economy. We note, while subject to further inspection, very little in relation to the issue of investment in water infrastructure. Investment in water infrastructure must be on time and on budget, and we will continue to hold the government to account for the necessary investment in water infrastructure. Investment in water infrastructure will assist the productive capacity of this economy, but buying people off their land and out of their water does not amount to an economic stimulus, albeit that those measures may be worthy and may be an appropriate part of the overall package.

I am disappointed that Senator Xenophon has felt that his clear opposition to this package can be compromised by measures which involve cross-trading on issues that do not go to the substance of this package, which is about economic stimulus. These are not about economic stimulus, albeit I continue to recognise the integrity of the position he brings to bear. But never let it be thought that any of those of us from South Australia on the benches on this side of the chamber are anything but earnest in our commitment to the Murray-Darling Basin, and we will continue to do whatever we can to ensure that there is appropriate and responsible investment by this government in restoring the health of the Murray-Darling Basin.

I conclude by simply saying the opposition has been entirely principled in its approach. Of course we could have simply said, ‘Yes, we’ll wave this package through.’ But we know this package is not affordable. It will saddle future generations with untold debt. It will reduce the flexibility of the government with respect to any deepening of the crisis which the globe faces in relation to the economy and it will saddle future genera-
tions with billions and billions of dollars of debt for which this government has given us no indication whatsoever that it has a plan at all as to how it will repay those billions of dollars.

Senator Conroy interjecting—

The CHAIRMAN—Order! Senator Conroy!

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (12.01 pm)—Friday the 13th is going to go down in Australian financial infamy because this is the day that Australia gets saddled with a debt that we have not got a clue how we are ever going to repay—and it is thanks to the Labor government that this is happening. Let us go through the recent history of what all this is. Family First were tricked. Family First were taken out of the deal—or they took themselves out of the deal—right from the word go. We do not believe that this is the best package. It is a terrible package. It has no efficacy, it has no outcome and its cost is immense. Senator Fielding was tricked by the Labor Party. As for the Greens, well, they sold out and were caught out—and they were caught out on film. They were caught out in this chamber when Senator Evans came down here to ask Senator Brown, one of his adjuncts, to do his dirty work. Then all of a sudden when it did not work out they had to get Senator Ludwig to correct them.

The CHAIRMAN—Senator Joyce, I think you should be very careful with what you are saying because you are implying improper motives. I think you should reflect on what you have said and be very careful. Thank you, Senator Joyce.

Senator JOYCE—Thank you, Mr Chairman. Senator Evans did come down here and he was talking to Senator Brown—it is on film. I am talking about what is there on the record for everybody to see. We know how these things work between the Labor Party and the Greens, but basically the Greens have left all the running to Senator Xenophon. For Senator Xenophon, even though I do not agree with his position, it was a political masterstroke! He has left them all in his wake. He has managed to get more than Minister Wong got from her own cabinet. It is quite incredible and I think that if there is a political award he should get it—and good luck to Senator Xenophon. He is extremely astute and adroit, far more adroit than the Greens and far more adroit than Labor’s own minister.

If there is a benefit to the Murray-Darling people because of it, good luck to them, but this has really and clearly displayed the ability for sneakiness and the arrogance of the Labor Party in this whole process. This whole process is now going to lumber Australia with a debt that we have not seen before. In my time in banking there was always one clear thing that you had to explain to get money. It was called an exit strategy. It was the exit strategy of how you would pay the money back. Unless you could display an exit strategy you did not get the money. Well, there is no exit strategy to this. I do not know what asset they had in mind that they were going to sell to try to pay back this money.

Honourable senators interjecting—

The CHAIRMAN—Order!

Senator Conroy interjecting—

The CHAIRMAN—Order! Senator Conroy, I have continually asked you to be quiet. I am sure you would like to be in the chamber for a vote later on, so I would suggest you remain silent.

Senator JOYCE—This is really going to be something that I am sure the fourth estate will pore through with great interest in exactly what was going on around this chamber, and I hope that they will hold people to account. I hope that Greens supporters realise that they were sold out yesterday and
that, when push comes to shove, they are the minor party of the Labor Party and they do the Labor Party’s bidding. Good luck to Senator Xenophon because he managed to exploit that. He outread them; he outsmarted the lot of them.

Unfortunately, I do believe that where we are now is a very precarious position. It is an extremely precarious position because no one knows. We have just two bullet points with which to try to work out how we are going to repay this money, and into the future we will have all the things that will be compromised including health and education. There is the fact that state Labor governments are completely and utterly financially destitute, and soon there will be no capacity for a federal government to bail them out. So the delivery of basic services such as in health and education are all compromised because of the excessive debt that this places on the nation. There is the fact that it will drive up interest rates—for every per cent it goes up that is $10,000 per million for every Australian with that facility; for every house facility there is $500,000 and that is $5,000 per house facility per per cent. This is the cost of a Labor government.

It is amazing to note the acceleration of the trajectory to oblivion that the Labor Party are taking us on—from being $21 billion in credit to now, with the passing of a facility, allowing them to put $200 billion on the nation’s credit card. Everybody can see exactly where we are going. There is the fact that they have told us they do not know how to repay the money, so we are going to be capitalising the interest and it will be heading—this is after your stimulus package, which is coming up—towards, I imagine, around $10 billion per year. This is where our nation is going. We are going there in a handbasket, thanks to Labor Party management.

We will hold you sitting opposite to account over the next couple of years. We will come back into this chamber again and again and again and ask, ‘What happened to that stimulus package?’ This stimulus package will be like the first stimulus package, which we stated right from the start would be a flop. It was a flop; there were no jobs. And from this one there is no efficacy, no outcome, but what we have is a path to perdition, a path to oblivion, delivered to us by the Labor Party.

**Senator FIELDING** (Victoria—Leader of the Family First Party) (12.07 pm)—I would like to say that Senator Joyce may be a good accountant but he is lousy at any compassion. He has forgotten to count those Australians who are going to be unemployed. Maybe he should apply some of his accountancy practice to adding up what the coalition were going to do. Bringing their tax cuts forward was going to make low-income people worse off than the $42 billion package.

**Senator CHRIS EVANS** (Western Australia—Leader of the Government in the Senate) (12.07 pm)—This has obviously been a very important debate, and on behalf of the Labor Party I would like to thank Senator Sherry for his contribution and the excellent way he has dealt with this legislation in the chamber. We all appreciate his efforts.

I think many people listening to the debate today would wonder where the parliament is at. There is a broad national consensus that this economic stimulus package is necessary and urgent. If you look at the commentary, be it from economists, from governments or from community organisations, you will see that there is broad support for the direction and the size of the package. The Liberal Party are isolated on this because they get no support for their position from any of the
people who have knowledge or expertise in this area.

We have again seen bluster and rhetoric today from the opposition. It is a sign of their self-imposed impotence. They are angry and hurt. But one thing we do know is that they are relieved. The whole chamber is relieved that this bill will pass: the government because we think it is urgent and important and delivers on our commitment to the Australian people; the minor parties because they have sought to negotiate on their agendas to make the package, in their minds, better, and I think we have a very good compromise in that regard; and the Liberal-National Party because they will not have to be held responsible for the defeat of the package. I know there is a real sense of relief on that side. I accept they have preserved their political position, but they have failed the nation in putting their politics before the national interest.

We have debated these issues at great length. What I want to do today is acknowledge the contributions of those who have made a positive contribution to the debate. Senator Brown and the Greens have been abused for being responsible by the opposition. It is a new form of abuse for the Greens, I am sure they are not very comfortable with that, but we do acknowledge the contribution the Greens have made—not only to amending the package, but also in trying to make sure that we get a result, that we do get a stimulus package that supports Australian jobs. They have obviously had some wins in the environmental outcomes that they sought, but they have also been prepared to be reasonable and negotiate the appropriate balance.

Senator Fielding has also been very positive in this debate. His passion for the unemployed has come through, and I acknowledge that. It is one thing that we share. He knows that the government is working on more initiatives in that area, and he understands that that is why there is not quite as much in the employment program area in this package. The Deputy Prime Minister will have more to say about that, but I acknowledge Senator Fielding’s contribution.

I also acknowledge that Senator Xenophon has entered into this debate in a positive and constructive way. His focus has been on the Murray-Darling and that focus is shared by this government. We have already invested huge amounts into the project of supporting the Murray-Darling Basin. Senator Wong has made that a priority in her role as the minister for climate change. Today we have been able to reflect the government’s broad agenda and respond to Senator Xenophon’s priority to bring forward as much money as we could to have as immediate an impact as is possible.

The opposition and some of the commentariat get very excited about the process in the Senate. Perhaps I have been here too long, but this strikes me as normal Senate process, except when we have had a party that has had the majority. Perhaps the opposition are looking back longingly at those days before the last election. Of course the irony is it was the seed of their downfall, that it was their majority and their abuse of that which confined them to the opposition benches. Those of us who have been around a while know that this is how the Senate works. People make a judgment about whether that is how it works best, but that is how the Senate works when there is a balance of power situation. We have to balance the interests of those Independent and minor party senators who are trying to deliver on the issues that are their priorities, and the government have to deliver what they see as important to the national interest.
That process is always fraught. The minor parties always find there is a lot of pressure applied to them. Senator Fielding has been through it before; Senator Xenophon went through it on this occasion. I think that is just the way it works. But the most important thing is that, if these bills are carried, we have a great outcome in the national interest. I urge the Senate to carry this legislation and allow the government to implement the package that is designed to assist Australian families and protect jobs, to protect us from the worst impacts of the global financial crisis. So thank you to those who have indicated their support and we urge the Senate to carry these bills.

Bills agreed to.

Bills reported without amendments or requests; report adopted.

**Third Reading**

**Senator SHERRY** (Tasmania—Minister for Superannuation and Corporate Law) (12.15 pm)—I move:

That these bills be now read a third time.

Question put.

The Senate divided. [12.19 pm]

(The President—Senator the Hon. JJ Hogg)

Ayes ........... 30
Noes ........... 28
Majority ........ 2

**AYES**

Arbib, M.V.  Bilyk, C.L.
Brown, B.J.  Brown, C.L.
Cameron, D.N.  Crossin, P.M.
Evans, C.V.  Farrell, D.E.
Faulkner, J.P.  Feeney, D.
Fielding, S.  Forshaw, M.G.
Furner, M.L.  Hanson-Young, S.C.
Hogg, J.J.  Hurley, A.
Hutchins, S.P.  Ludlam, S.
Landy, K.A.  Marshall, G.
McEwen, A.  Milne, C.
Moore, C.  O’Brien, K.W.K. *
Pratt, L.C.  Sherry, N.J.
Siewert, R.  Wong, P.
Wortley, D.  Xenophon, N.

**NOES**

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

**PAIRS**

Bishop, T.M.  Cormann, M.H.P.
Carr, K.J.  Kroger, H.
Collins, J.  Bernardi, C.
Conroy, S.M.  Troeth, J.M.
Ludwig, J.W.  Ronaldson, M.
McLucas, J.E.  Adams, J.
Polley, H.  Johnston, D.
Stephens, U.  McGauran, J.J.J.

* denotes teller

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

Question agreed to.

Bills read a third time.

**Senate adjourned at 12.22 pm (Friday)**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

[*Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number*]
AusLink (National Land Transport) Act—
National Land Transport Network Determination (No. 1) 2005 Variation 3 [F2009L00298]*.

2009/01—Young Endeavour Youth Program Operating Fund Account Variation and Abolition 2009 [F2009L00431]*.
2009/02—Young Endeavour Youth Program Special Account Establishment 2009 [F2009L00430]*.

Migration Act—Select Legislative Instrument 2009 No. 7—Migration Amendment Regulations 2009 (No. 1) [F2009L00267]*.

National Health Act—Instruments Nos PB—
16 of 2009—Special Arrangements for the Multiple Hospitals Paperless Claiming Trail [F2009L00305]*.
17 of 2009—Special Arrangements: Epworth Eastern Private Hospital Paperless Prescribing and Claiming Trial [F2009L00303]*.

Radiocommunications Act—
Radiocommunications Advisory Guidelines (Managing Interference from Transmitters — 2.3 GHz Band) 2009 [F2009L00275]*.
Radiocommunications Advisory Guidelines (Managing Interference to Receivers — 2.3 GHz Band) 2009 [F2009L00277]*.
Radiocommunications (Cellular Mobile Telecommunications Devices) Class Licence Variation 2009 (No. 1) [F2009L00270]*.
Radiocommunications Spectrum Marketing Plan (2.3 GHz Band) 2009 [F2009L00271]*.
Radiocommunications (Unacceptable Levels of Interference — 2.3 GHz Band) Determination 2009 [F2009L00273]*.

Social Security Act—
Social Security (Australian Government Disaster Recovery Payment) Amendment Determination 2009 (No. 1) [F2009L00416]*.
Social Security (Australian Government Disaster Recovery Payment) Determination 2009 (No. 1) [F2009L00415]*.
Social Security (Australian Government Disaster Recovery Payment) Determination 2009 (No. 2) [F2009L00417]*.

Taxation Administration Act—PAYG withholding—Special tax table – Joint Petroleum Development Area Withholding Schedule [F2009L00304]*.

Governor-General’s Proclamation—Commencement of provisions of an Act
Migration Legislation Amendment Act (No. 1) 2008—Items 1 to 3, 12 to 15 and 18 to 20 of Schedule 2—15 February 2009 [F2009L00268]*.

Explanatory statement tabled with legislative instrument.

Departmental and Agency Grants
The following document was tabled pursuant to the order of the Senate of 24 June 2008:
Departmental and agency grants—Supplementary budget estimates—Letter of advice—Education, Employment and Workplace Relations portfolio agencies.
The following answers to questions were circulated:

**Beijing Olympic Games**

(Question No. 670)

Senator Minchin asked the Minister for Human Services, 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 Ludwig—The answer to the honourable senator’s question is as follows:

1. No.
2. (a)-(c) Not Applicable.
3. No.
4. (a)-(c) Not Applicable.

**Economy**

(Question No. 744)

Senator Bob Brown asked the Minister representing the Treasurer, upon notice, on 25 September 2008:

1. What is the Government’s action plan to help or protect Australian home owners from economic circumstances, similar to those in the United States of America, arising.
2. Does the Government foresee the collapse of any Australian investment company in 2008?

Senator Conroy—The Treasurer has provided the following answer to the honourable senator’s question:

1. In the United States of America, a much larger sub-prime lending sector, sharply deteriorating lending standards and now surging unemployment have combined to produce high levels of mortgage stress and foreclosures, exacerbating falls in house prices. The situation can be characterised as one of an oversupply of housing in the face of weak demand.

By contrast, in Australia, underlying demand for housing has been outstripping supply for some time, implying greater support for house prices. With interest rates and house prices progressively rising until recently, housing affordability has declined to very low levels. While mortgage arrears rates have increased in Australia, particularly in some areas such as Western Sydney, they still remain low by historical and international standards.

The Government is committed to improving housing affordability through policies to assist first home buyers and renters and to increase housing supply.

The Government has established the First Home Saver Account scheme to help first home buyers save a larger deposit; the National Rental Affordability Scheme to assist in the construction of up to
100,000 new affordable rental properties; the $500 million Housing Affordability Fund to reduce planning delays and the costs of providing housing related infrastructure; and the First Home Owners Boost to improve affordability for first home buyers and provide them with a better chance to enter the housing market.

Recent cuts in interest rates and modest falls in house prices in most capital cities will also contribute to improved housing affordability in Australia.

While Australia is not immune from international developments, macroeconomic policy settings, including the Government’s Economic Security Strategy, should translate into stronger growth and employment outcomes than those expected in the United States of America. A stronger economy and lower unemployment should mean that Australian households are not exposed to the same levels of mortgage stress as the United States of America.

(2) The Government is not in a position to predict what will happen to individual commercial entities. The Government’s priority is to maintain a robust regulatory regime that protects the interests of investors and ensures that investor complaints and disputes are handled quickly and efficiently. The law accordingly imposes onerous obligations on managed investment scheme operators to act at all times in the best interests of scheme members. Compliance with these obligations is monitored through a number of prescribed mechanisms such as independent compliance committees and auditing requirements. The law also requires scheme operators to establish a dispute resolution mechanism that is fast, efficient and free of charge to investors, allowing scheme members to bring forward their complaints or disputes and have them heard independently and fairly.

Green Car Innovation Fund
(Question No. 1224)

Senator Abetz asked the Minister for Innovation, Industry, Science and Research, upon notice, on 16 January 2009:

Further to the answer to question SI-24 taken on notice during the 2008-09 supplementary Budget estimates hearings of the Economics Committee: Can the Minister guarantee that no more money will be distributed from the Green Car Innovation Fund before the guidelines are formalised.

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

No money has been distributed from the Green Car Innovation Fund. No money will be distributed from the Green Car Innovation Fund before the guidelines are announced.