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RADIO BROADCASTS
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FORTY-SECOND PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

Senate Officeholders

President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Hon. Alan Baird Ferguson
Temporary Chairs of Committees—Senators Guy Barnett, Cory Bernardi,
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, Julian John James McGauran,
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 Stephen Shane Parry

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) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Christopher Martin Ellison, resigned.
(4) 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]
MINISTRY—continued

Minister for Home Affairs
Hon. Bob Debus MP

Assistant Treasurer and Minister for Competition
Hon. Chris Bowen MP

Policy and Consumer Affairs

Minister for Veterans’ Affairs
Hon. Alan Griffin MP

Minister for Housing and Minister for the Status of Women
Hon. Tanya Plibersek MP

Minister for Employment Participation
Hon. Brendan O’Connor MP

Minister for Defence Science and Personnel
Hon. Warren Snowdon MP

Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation
Hon. Dr Craig Emerson MP

Minister for Superannuation and Corporate Law
Senator Hon. Nick Sherry

Minister for Ageing
Hon. Justine Elliot MP

Minister for Youth and Minister for Sport
Hon. Kate Ellis MP

Parliamentary Secretary for Early Childhood Education and Childcare
Hon. Maxine McKew MP

Parliamentary Secretary for Climate Change
Hon. Greg Combet AM, MP

Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water
Hon. Dr Mike Kelly AM, MP

Parliamentary Secretary for Regional Development and Northern Australia
Hon. Gary Gray AO, MP

Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction
Hon. Bill Shorten MP

Parliamentary Secretary for International Development Assistance
Hon. Bob McMullan MP

Parliamentary Secretary for Pacific Island Affairs
Hon. Duncan Kerr MP

Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade
Hon. Anthony Byrne MP

Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector
Senator Hon. Ursula Stephens

Parliamentary Secretary to the Minister for Health and Ageing
Senator Hon. Jan McLucas

Parliamentary Secretary for Multicultural Affairs and Settlement Services
Hon. Laurie Ferguson MP

Parliamentary Secretary for Government Service Delivery
Senator Hon. Mark Arbib
SHADOW MINISTRY

Leader of the Opposition  The Hon Malcolm Turnbull MP
Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition  The Hon Julie Bishop MP
Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals  The Hon Warren Truss MP
Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate  Senator the Hon Nick Minchin
Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate  Senator the Hon Eric Abetz
Shadow Treasurer  The Hon Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House  The Hon Christopher Pyne MP
Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design  The Hon Andrew Robb AO, MP
Shadow Minister for Finance, Competition Policy and Deregulation  Senator the Hon Helen Coonan
Shadow Minister for Human Services and Deputy Leader of The Nationals  Senator the Hon Nigel Scullion
Shadow Minister for Energy and Resources  The Hon Ian Macfarlane MP
Shadow Minister for Families, Housing, Community Services and Indigenous Affairs  The Hon Tony Abbott MP
Shadow Special Minister of State and Shadow Cabinet Secretary  Senator the Hon Michael Ronaldson
Shadow Minister for Climate Change, Environment and Water  The Hon Greg Hunt MP
Shadow Minister for Health and Ageing  The Hon Peter Dutton MP
Shadow Minister for Defence  Senator the Hon David Johnston
Shadow Attorney-General  Senator the Hon George Brandis SC
Shadow Minister for Agriculture, Fisheries and Forestry  The Hon John Cobb MP
Shadow Minister for Employment and Workplace Relations  Mr Michael Keenan MP
Shadow Minister for Immigration and Citizenship  The Hon Dr Sharman Stone
Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts  Mr Steven Ciobo

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

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

Shadow Assistant Treasurer
The Hon Tony Smith MP

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

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

Shadow Minister for Housing and Local Government
Mr Scott Morrison

Shadow Minister for Ageing
Mrs Margaret May MP

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

Shadow Minister for Veterans’ Affairs
Mrs Louise Markus MP

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

Shadow Minister for Justice and Customs
The Hon Sussan Ley MP

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

Shadow Parliamentary Secretary for Northern Australia
Senator the Hon Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

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

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector
Senator Mitch Fifield

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

REPRESENTATION OF WESTERN AUSTRALIA

The PRESIDENT (9.31 am)—I have received, through the Governor-General, from the Governor of Western Australia, a copy of the certificate of the choice by the Houses of Parliament of Western Australia of Christopher John Back to fill the vacancy caused by the resignation of Senator Chris Ellison. I table the document.

SENATORS SWORN

Senator Christopher John Back made and subscribed the oath of allegiance.

MR TREVOR FOWLER

The PRESIDENT (9.35 am)—This week sees the retirement of a highly valued and very well respected member of Hansard, Mr Trevor Fowler, and Trevor has joined us in the chamber today. Over an uninterrupted and distinguished career spanning more than 30 years, Mr Fowler has provided non-partisan and impartial advice and service to both houses of parliament and to parliamentary committees.

Trevor moved to Canberra from Melbourne in February 1979 to become a Hansard reporter in Old Parliament House. He was one of the parliament’s first stenographic machine shorthand writers. Since then, with the exception of the day his son was born, Trevor has been in attendance for every scheduled sitting day.

Trevor progressed through the ranks to become a Senior Editor, Principal Editor and ultimately Director of Hansard Operations.

He has been instrumental over the years in training many shorthand writers and editors and has been a regular lecturer for foreign and local parliamentary study groups and delegations. Trevor has been an admirable representative of the Department of Parliamentary Services and Hansard—always going out of his way to ensure visitors have a positive experience and leave with a good understanding of Hansard operations in the Commonwealth jurisdiction.

In his long and successful career, Trevor has seen many changes in the way the Hansard is produced, but, no matter how the service has been delivered to the parliament, Trevor has always been highly professional and courteous.

I am sure all senators would join me in wishing Trevor Fowler all the best for his well-deserved retirement.

Honourable senators—Hear, hear!

NOTICES

Presentation

Senator Bob Brown to move two sitting days after today:

That the Senate calls on the Minister for the Environment, Heritage and the Arts (Mr Garrett) to prevent any deliberate action which would increase the prospect of Australia’s swift parrot going to extinction.

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

(a) notes the vital role played by the Australian Broadcasting Corporation (ABC) in promoting high quality, innovative local content in broadcast media to the broad spectrum of Australians throughout the nation;

(b) recognises the achievements of the ABC in developing new digital media services to better meet the needs of the Australian audience; and

(c) calls on the Government to increase funding to the ABC in the next funding arrangement to ensure that the ABC contin-
ues to develop new and innovative products in a range of areas including local drama and innovative arts and youth content.

Senator Bob Brown to move on the next day of sitting:
That the following matters be referred to the Economics Committee for inquiry and report by 17 June 2009:
To review the wherewithal of the Foreign Investment Review Board and the Government to act in the national interest with respect to foreign investment in Australia, including investment controlled or directed by foreign governments and any related matters.

Senator Ian Macdonald to move on the next day of sitting:
That an additional term of reference be added to an inquiry currently before the Parliamentary Joint Committee on Corporations and Financial Services.

BUSINESS
Rearrangement
Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.40 am)—I move:
That the order of general business for consideration today be as follows:
(a) general business order of the day no. 67 (Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008); and
(b) orders of the day relating to government documents.
Question agreed to.

Rearrangement
Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.41 am)—by leave—I will make a short statement prior to seeking to amend government business notice of motion No. 1. There are two matters. Firstly, there has been a request, from Senator Fielding, for an amendment to allow a one-hour dinner adjournment. The government does not object to that. It appears that the minor parties and the Independents might require that hour. I do not think it will significantly affect the time on Monday and Tuesday. I have only just found out about that now, so I have not had an opportunity to refer that to the opposition. If I take their nodding as I speak as being an indication that they are in agreement with that I will move the amended motion.

Secondly, in relation to the hours motion, that hours motion will then reflect both Monday and Tuesday night late, if I could use that shorthand expression. As I understand it, there was a miscommunication about that. I am happy to move the motion as stated—that is, for both Monday and Tuesday—if the opposition are satisfied with that. I offer the additional rider that of course between now and Monday if there is a view that we might want to change or swap the hours around for the Tuesday then the government will not stand in the way of negotiation to be able to accommodate the opposition, the Greens and two Independents. It is about trying to achieve the legislative timetable for the second week, and the government understand that we will only achieve that through the cooperation of all parties in the Senate. So I add that and I suspect people will hold me to it. I seek leave to amend government business notice of motion No. 1 before seeking to have the motion taken as a formal motion.

Leave granted.

Senator PARRY (Tasmania—Manager of Opposition Business in the Senate) (9.43 am)—by leave—We agree with the government in relation to the dinner hour and understand the feelings of Senator Fielding and others. In relation to the hours, we agree to the motion as it stands now proceeding.
certainly take the word of the Manager of Government Business in the Senate that, if we wish to review that, we will come back into the chamber on Monday and do so. We will be vigilantly watching the legislation and the details that will be involved. I indicate that we are very light on today. It was sought that there be an extension of hours even today, and I am pleased we did not agree to that because it would have been an absolute waste of today. Again we put the government on notice that if the chamber and the business of the chamber are not managed correctly we will certainly not agree to an extension of hours. But we will let the motion stand at this stage.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.44 am)—by leave—As the chamber is aware, the Greens have promoted the idea of the Senate sitting an extra week rather than seriatim readjusting and lengthening its hours. But it is at the expense of private member’s time that we are acceding to this arrangement. I might also flag with the chamber generally that hopefully I have asked for the private member’s legislation relating to the banning of junk food advertisements in children’s TV viewing, which is coming on this afternoon, to go through to the second reading debate procedure so it may be brought to a vote.

Senator FIELDING (Victoria—Leader of the Family First Party) (9.45 am)—by leave—In relation to the hour for a dinner break, I have raised this a number of times. I do not mind sitting long hours but it is just that you need a break, so I appreciate the government and the opposition agreeing to that. I think that we should be working longer hours rather than have taxpayers pay for another sitting week. If we can get through it there is a preference to sit longer hours rather than get everybody back here at taxpayers’ expense for another week. I think sitting longer hours does make sense.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.46 am)—I move the motion as amended:

That—

1) On Monday, 16 March 2009:
   (a) the hours of meeting shall be noon to 6.30 pm and 7.30 pm to 11.30 pm;
   (b) the routine of business from 7.30 pm shall be government business only; and
   (c) the question for the adjournment of the Senate shall be proposed at 10.50 pm.

2) On Tuesday, 17 March 2009:
   (a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7 pm to 11.40 pm;
   (b) the routine of business from 7 pm shall be government business only; and
   (c) the question for the adjournment of the Senate shall be proposed at 11 pm.

Question agreed to.

COMMITTEES

Community Affairs Committee

Extension of Time

Senator O’BRIEN (Tasmania) (9.46 am)—I move:

That the time for the presentation of the report of the Community Affairs Committee on the provisions of the Excise Tariff Amendment (2009 Measures No. 1) Bill 2009 and a related bill be extended to 16 March 2009.

Question agreed to.

Economics Committee

Meeting

Senator O’BRIEN (Tasmania) (9.46 am)—I move:

That the Economics Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 12 March 2009, from 6.30 pm, to take evidence for the committee’s inquiry into bank mergers.

Question agreed to.
Finance and Public Administration Committee
Extension of Time
Senator O’BRIEN (Tasmania) (9.46 am)—I move:

That the time for the presentation of the report of the Finance and Public Administration Committee on annual reports tabled by 31 October 2008 be extended to 19 March 2009.

Question agreed to.

Legal and Constitutional Affairs Committee
Extension of Time
Senator O’BRIEN (Tasmania) (9.46 am)—I move:

That the time for the presentation of the report of the Legal and Constitutional Affairs Committee on annual reports tabled by 31 October 2008 be extended to 17 March 2009.

Question agreed to.

Rural and Regional Affairs and Transport Committee
Extension of Time
Senator O’BRIEN (Tasmania) (9.46 am)—I move:

That the time for the presentation of reports of the Rural and Regional Affairs and Transport Committee be extended as follows:

(a) natural resource management and conservation challenges—to 12 May 2009;
(b) management of the Murray-Darling Basin system—to 12 May 2009; and
(c) 2008-09 additional estimates—to 31 March 2009.

Question agreed to.

Meeting
Senator O’BRIEN (Tasmania) (9.46 am)—I move:

That the Rural and Regional Affairs and Transport Committee be authorised to hold a public meeting during the sitting of the Senate on Monday, 16 March 2009, from 4.45 pm, to take evidence for the committee’s inquiry into the management of the Murray-Darling Basin system.

Question agreed to.

National Broadband Network Select Committee
Extension of Time
Senator O’BRIEN (Tasmania) (9.46 am)—I move:

That the time for the presentation of the report of the Select Committee on the National Broadband Network be extended to 22 June 2009.

Question agreed to.

50TH ANNIVERSARY OF THE TIBETAN UPRISING AND TIBET’S FUTURE
Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.47 am)—I move:

That the Senate—

(a) notes:

(i) the 50th anniversary of the Tibetan uprising of 10 March 1959 and the Dalai Lama’s exile to India, and

(ii) the continuing human rights concerns in Tibet;

(b) acknowledges the Tibetans’ half century of peaceful resistance to policies undermining their religion, culture and livelihoods and expresses solidarity with the Tibetan people;

(c) notes with concern the Chinese Government’s outright rejection of the Tibetans’ Memorandum on Genuine Autonomy for the Tibetan People, a detailed proposal for resolving the Tibet issue through proper implementation of existing provisions for regional ethnic autonomy contained in the constitution of the People’s Republic of China; and

(d) acknowledges that recent unilateral efforts by concerned governments, including Australia, have failed to secure meaningful negotiations on Tibet’s future.
Senator LUDWIG (Queensland—Minister for Human Services) (9.47 am)—by leave—The government cannot support the proposed motion in its current form. We have previously placed on the record our objection to dealing with complex international issues by means of formal motions. Along with other governments, Australia recognises China’s sovereignty over Tibet. The Australian government has serious concerns about the human rights situation in Tibet and other areas of China inhabited by Tibetan communities. The Australian government is particularly concerned by reports of a lockdown of those areas and travel restrictions imposed on Tibetan communities around the 50th anniversary of the uprising in Tibet.

Australia has consistently conveyed its concern over a number of years about the human rights situation to the Chinese government. The Prime Minister raised human rights, including regarding Tibet, in his meeting with Chinese leaders in Beijing in April and August 2008. Mr Smith raised human rights concerns regarding Tibetans with Chinese Foreign Minister Yang in February and July 2008 and with visiting Chinese senior leaders in November 2008. Officials raised our concerns about human rights issues in China, including Tibet, in hearings of the Human Rights Council Universal Periodic Review, which took place in Geneva on 9 February. Most recently Mr Smith expressed our concerns about Tibet in his meeting with the Chinese Assistant Foreign Minister, who led the Chinese delegation to the 12th bilateral human rights dialogue held in Canberra in February. Officials reinforced the foreign minister’s message in the dialogue itself.

We continue to raise our concerns through high-level meetings at appropriate international forums and through diplomatic channels in Canberra and Beijing. The Australian government considers that a viable solution to the Tibetan issue is through peaceful negotiation between the Chinese authorities and representatives of the Dalai Lama. We were disappointed that the most recent round of talks broke down last year but see no other option than dialogue to reaching a solution. We urge both sides to resume substantive talks in good faith as soon as possible with the aim of achieving a durable and comprehensive agreement which covers questions of autonomy, religion and cultural freedom.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.50 am)—by leave—The motion simply acknowledges the recent unilateral efforts by concerned governments, including Australia, and the failure to secure meaningful negotiations on Tibet’s future. We have just heard a list of references that the Australian government has made to the Chinese bosses in Beijing and not one word of result—nothing. It has been an absolute failure to get any progress whatever for the seven million beleaguered Tibetans who are under the jackboot of the Chinese-Beijing authoritarian regime. And it is not good enough.

This government is now following the failure to take action by the Howard government and several governments before that. It is an appalling failure not to use the diplomatic muscle that Australia no doubt has to at least get these talks back on the rails. His Holiness the Dalai Lama has spoken about hell on earth being experienced in Tibet, and the world is turning its back on it. That includes this government. I am ashamed, as a legislator in this place, that we have another government that simply does not have the ticker to stand up against this appalling abuse of human religious civil rights in Tibet. We should get better out of the Rudd government than that.

Question put:

That the motion (Senator Bob Brown’s) be agreed to.
The Senate divided. [9.56 am]
(The President—Senator the Hon. JJ Hogg)

Ayes........... 5
Noes........... 46
Majority........ 41

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

NOES
Abetz, E. Back, C.J.
Barnett, G. Bernardi, C.
Bilyk, C.L. Bishop, T.M.
Boswell, R.L.D. Boyce, S.
Brown, C.L. Bushby, D.C.
Cameron, D.N. Cash, M.C.
Collins, J. Coonan, H.L.
Cormann, M.H.P. Crossin, P.M.
Eggleston, A. Farrell, D.E.
Feeney, D. Fielding, S.
Fierravanti-Wells, C. Fisher, M.J.
Furner, M.L. Hogg, J.J.
Hutchins, S.P. Kroger, H.
Ludwig, J.W. Lundy, K.A.
Marshall, G. Mason, B.J.
McEwen, A. Moore, C.
Nash, F. O’Brien, K.W.K. *
Parry, S. Payne, M.A.
Polley, H. Pratt, L.C.
Ronaldson, M. Ryan, S.M.
Stephens, U. Sterle, G.
Troeth, J.M. Trood, R.B.
Williams, J.R. Wortley, D.

* denotes teller

Question negatived.

RIO TINTO: CHINALCO PURCHASE

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.59 am)—I move:

That the Senate—

(a) notes that, according to the Aluminum Corporation of China (Chinalco), the Chinese Government has potential control over Chinalco through the power of appointment and removal of the president and members of the executive committee of Chinalco exercisable by the State Council and the State Assets Supervision and Administration Committee; and

(b) calls on the Treasurer (Mr Swan) not to approve Chinalco’s proposed deal with the Rio Tinto group unless he can be assured that a foreign government does not have the capacity to appoint or remove any of Chinalco’s staff.

Question put.

The Senate divided. [10.00 am]
(The President—Senator the Hon. JJ Hogg)

Ayes........... 5
Noes........... 42
Majority........ 37

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

NOES
Abetz, E. Back, C.J.
Barnett, G. Bernardi, C.
Bilyk, C.L. Bishop, T.M.
Boswell, R.L.D. Boyce, S.
Brown, C.L. Bushby, D.C.
Cameron, D.N. Cash, M.C.
Coonan, H.L. Cormann, M.H.P.
Crossin, P.M. Eggleston, A.
Farrell, D.E. Feeney, D.
Fielding, S. Fierravanti-Wells, C.
Fisher, M.J. Furner, M.L.
Hogg, J.J. Hutchins, S.P.
Ludwig, J.W. Lundy, K.A.
Marshall, G. Mason, B.J.
Moore, C. Nash, F.
O’Brien, K.W.K. Parry, S. *
Payne, M.A. Polley, H.
Ronaldson, M. Ryan, S.M.
Stephens, U. Sterle, G.
Troeth, J.M. Trood, R.B.
Williams, J.R. Wortley, D.

* denotes teller

Question negatived.
EXECUTIVE REMUNERATION

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.04 am)—I move:

That the Senate—

(a) supports the measures to address the excesses of executives in the United States of America proposed by President Obama which include:

(i) a $500,000 salary cap for executives of companies which have received financial support from the government,

(ii) a limit on executive compensation packages to be in restricted stock that will not vest until taxpayers are reimbursed,

(iii) tougher restrictions on ‘golden parachute’ severance payments, particularly on banks, and

(iv) new transparency rules on corporate jets, office renovations and entertainment which require companies to publicise large expenditures; and

(b) calls on the Government to introduce similar measures in Australia.

Question put.

The Senate divided. [10.05 am]

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

Ayes............ 6
Noes............ 36
Majority........ 30

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

NOES
Abetz, E. Back, C.J.
Barnett, G. Bilyk, C.L.
Bishop, T.M. Boswell, R.L.D.
Boyce, S. Brown, C.L.
Cameron, D.N. Cash, M.C.
Cormann, M.H.P. Crossin, P.M.
Eggleston, A. Farrell, D.E.

Feeney, D. Fierravanti-Wells, C.
Furner, M.L. Hogg, J.J.
Hutchins, S.P. Ludwig, J.W.
Lundy, K.A. Marshall, G.
Moore, C. Nash, F.
O’Brien, K.W.K. * Parry, S.
Payne, M.A. Polley, H.
Ronaldson, M. Ryan, S.M.
Stephens, U. Sterle, G.
Troeth, J.M. Trood, R.B.
Williams, J.R. Wortley, D.

* denotes teller

Question negatived.

BURMA

Senator LUDLAM (Western Australia) (10.08 am)—I seek leave to amend general business notice of motion No. 385 standing in my name.

Leave granted.

Senator LUDLAM—I thank the Senate. I amend the motion in the terms circulated in the chamber and I move:

That the Senate—

(a) notes the presence in the chamber during question time on Thursday, 12 March 2009, of three members of the Parliament of Burma, democratically-elected in the 1990 election but denied the right to exercise their mandate; and

(b) expresses its support for the democratic aspirations of the people of Burma.

Question agreed to.

BURMA

Senator LUDLAM (Western Australia) (10.09 am)—I move:

That the Senate—

(a) notes that:

(i) 13 March is recognised as Burma Human Rights Day,

(ii) the global campaign ‘Free Burma’s Political Prisoners Now!’ will commence on 13 March 2009,
(iii) the democratically-elected parliament was not convened in Burma after the 1990 election, and
(iv) the referendum on the current constitution held immediately following Cyclone Nargis was a sham and the result cannot be considered credible;

(b) calls on the Australian Government to:
(i) use all diplomatic means to encourage the Burmese regime to make meaningful progress towards democracy and to immediately and unconditionally release all political prisoners, including Daw Aung San Suu Kyi,
(ii) refuse to endorse the outcomes of the election in 2010 unless the political climate improves in Burma,
(iii) press the Burmese regime to engage in genuine multi-party talks leading to an inclusive, open and transparent political process, including constitutional reform, and
(iv) engage other nations through the United Nations and other multilateral fora to press for multiparty talks and an inclusive, open and transparent political process; and
(c) expresses its support for the democratic aspirations of the people of Burma.

Question agreed to.

BUDGET
Consideration by Estimates Committees
Additional Information

Senator O’BRIEN (Tasmania) (10.09 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 supplementary hearings on the 2008-09 budget estimates.

FEDERAL FINANCIAL RELATIONS BILL 2009
FEDERAL FINANCIAL RELATIONS (CONSEQUENTIAL AMENDMENTS AND TRANSITIONAL PROVISIONS) BILL 2009

First Reading

Bills received from the House of Representatives.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (10.10 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.

Second Reading

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (10.10 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—

FEDERAL FINANCIAL RELATIONS BILL 2009

The Federal Financial Relations Bill 2009 appropriates funds to provide financial assistance to the States and Territories and implements this Government’s reforms to modernise federal financial relations in accordance with the new financial framework agreed by COAG in the Intergovernmental Agreement on Federal Financial Relations.

COAG has agreed to a new architecture of cooperative funding arrangements that will replace the inefficient, complex and dysfunctional system of grants that has plagued areas of joint Commonwealth and State involvement in the delivery of services for decades. The old ways of the past are
behind us—we are now heading in a new direction with modern federalism.

In agreeing the new framework for federal financial relations, the Commonwealth committed to the provision of on-going financial support for the States’ service delivery efforts through:

- general revenue assistance, including the on-going provision of GST payments, to be used by the States for any purpose;
- National Specific Purpose Payments (National SPPs) to be spent in the key service delivery sectors; and
- National Partnership payments to support the delivery of specified outputs or projects, to facilitate reforms or to reward those jurisdictions that deliver on nationally significant reforms.

**GST payments**

The bill provides an appropriation for the Commonwealth to make GST payments to the States equivalent to the revenue received from the GST in respect of financial years starting from 1 July 2009, and for these payments to be distributed in accordance with the principle of horizontal fiscal equalization.

These provisions are equivalent to the current GST payment provisions.

Each State will continue to receive its adjusted population share of the GST revenue. The adjusted population of each State will be calculated by multiplying the State’s population, determined by the Australian Statistician, by a GST revenue sharing relativity, determined by the Treasurer.

**Other general revenue assistance**

The Government has a range of revenue sharing and other general purpose payments in place with the States, other than the GST arrangements. Payments under these arrangements will be provided for in this bill in order to bring all payments to the States under one piece of legislation. Monthly payments of general revenue assistance will be determined by the Treasurer and paid through the COAG Reform Fund. These payment arrangements will be set out in the Intergovernmental Agreement.

**National SPPs**

The bill provides appropriations for the Commonwealth to make an on-going financial contribution from 1 July 2009 to support State and Territory service delivery in the form of five National SPPs covering the key human service sectors of:

- healthcare;
- schools;
- skills and workforce development;
- disability services; and
- affordable housing.

The bill also provides a facility for me, as Treasurer, to determine the appropriate amount of National SPPs for this financial year. This transitional arrangement for 2008-09 is necessary to allow the Government to reconcile the total amount to be paid for the year, with the amount already paid under existing arrangements, in order to determine the correct payment for the remainder of the year.

The States are required to spend each National SPP in the sector for which it is provided. This is the only condition imposed on the States in respect of the National SPPs. This will give the States the budget flexibility they need to allocate resources where they will produce the best results for the community.

In the past, onerous Commonwealth conditions on funding arrangements have tended to stifle innovation and flexibility, resulting in duplication, overlap, cost-shifting and unnecessary administration costs.

In establishing these new National SPPs, the Commonwealth will provide the States with more funding certainty. The bill specifies the amount of funding for each National SPP for 2009-10 and for the base funding to be indexed annually by a growth factor. There will be no more five year agreements with take it or leave it offers, as occurred under the previous arrangements. These National SPPs are on-going payments, with regular funding adequacy reviews.

The Treasurer of the day will determine the annual growth factor and each State’s or Territory’s share of the National SPPs in a financial year. These determinations will be in accordance with the principles provided in the Intergovernmental
Agreement and detailed in a methodology paper to be agreed in March by the Ministerial Council on Federal Financial Relations.

These five National SPPs are associated with six National Agreements, which are schedules to the new Intergovernmental Agreement. While the States now have greatly improved budget flexibility in respect of these payments, they are also now subject to substantially improved public performance reporting against clearly specified performance indicators and benchmarks. Roles and responsibilities have also been clarified, and the performance of each jurisdiction—against mutually-agreed objectives and outcomes set out in the National Agreements—will be independently assessed by the COAG Reform Council.

**National Partnership payments**

The Commonwealth will also enter into new incentive arrangements with the States—through National Partnership payments—to drive key economic and social reforms. It has already started this process, with around twenty National Partnerships agreed by COAG.

Continuing payments which conform to the new arrangements will be deemed to be National Partnerships.

The bill provides for the Treasurer to credit amounts to the COAG Reform Fund for the purpose of providing financial assistance to the States in the form of National Partnership payments.

These payments will reward those States which best deliver the services and outcomes to their citizens, and not reward those that don’t. In so doing, they will drive a new microeconomic reform agenda in this country. Most importantly, they will improve the quality of services available to the Australian community—in particular, for hospitals and schools.

National Partnership payments through the COAG Reform Fund may be made to the States as:

- project payments—where they support the delivery of new projects of national importance, including funding new infrastructure projects;
- facilitation payments—where they may assist a State to lift its standards of service delivery or give recognition to a State which agrees to implement reforms; or
- reward payments—where States are rewarded for their progress in a way that encourages the achievement of ambitious performance benchmarks.

**Parliamentary scrutiny**

For the first time in a very long time, the complexity of all the Commonwealth’s financial relations with the States and Territories will come under the umbrella of just one piece of legislation. That will be a significant achievement for the Government, but it will also greatly improve the public transparency of these payments and the ability of the Parliament to scrutinize the payment arrangements.

I would like to spend a few moments outlining the ways in which these bills improve Parliamentary scrutiny of payments to the States, while at the same time providing more flexible payment arrangements.

**National Partnerships and general purpose financial assistance**

The payment arrangements for the new National Partnership payments are unashamedly performance oriented. That requires some flexibility, which is provided for by the Treasurer of the day determining the monthly amount to be paid, based on advice from the COAG Reform Council or the relevant Minister. Similar provisions apply to the payment of general purpose financial assistance.

The determination of those amounts, within a global limit provided for by the Parliament, will be tabled in Parliament each month. Consequently, Parliament will receive a detailed, consolidated, monthly running tally of payments to the States, including information about which States are performing in respect of particular performance benchmarks.

Parliamentary approval will be required to set the maximum amount that may be credited by the Treasurer to the COAG Reform Fund for the purpose of providing financial assistance to the States in the form of National Partnerships or general purpose financial assistance in a particular financial year. That global limit is provided for.
in the bill in respect of 2008-09, and must be specified in an annual Appropriation Act for subsequent financial years. The 2009-10 global limits will be specified in the forthcoming 2009-10 Budget night appropriation bills.

That means that the Parliament will have the opportunity to consider the global limit on these payments, in much the same way that it does at present where these payments are appropriated through the annual Appropriation Acts. If no global limit is legislated by Parliament, then the Commonwealth will not be able to make any National Partnership payments or grants of general purpose financial assistance to the States.

**National SPPs**

Parliamentary approval will also be required to increase the amount of National SPPs payable each financial year. Determinations by the Treasurer of the growth factors and distribution of the National SPPs will be legislative instruments and thereby disallowable.

**Conclusion**

Full details of these measures are contained in the explanatory memorandum. This bill provides for a very substantial improvement in the framework for federal financial relations.

I commend the bill to the Senate.

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Health Care (Appropriation) Act 1998, with effect from 1 July 2009. The payments to the States appropriated through this Act will be rationalised into the new National Healthcare SPP from 1 July 2009.

**National Partnership payments and general purpose financial assistance**

The bill provides for the Offshore Petroleum and Greenhouse Gas Act 2006 to be amended to remove the appropriation for royalty payments to Western Australia. The royalty payments will be made using provisions in the Federal Financial Relations Act.

The bill also provides for the Interstate Road Transport Act 1985 to be amended to allow payments from the Interstate Road Transport Account to be made through the COAG Reform Fund, as these payments are National Partnership payments under the new federal financial framework.

**Conclusion**

Full details of these measures are contained in the explanatory memorandum.

Together with the Federal Financial Relations Bill 2009, the measures in this bill provide for a very substantial improvement in the framework for federal financial relations.

I commend the bill to the Senate.

Debate (on motion by Senator Ludwig) adjourned.

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

**COMMITTEES**

**Standing Committees**

**Reports**

Senator O’BRIEN (Tasmania) (10.11 am)—Pursuant to order and at the request of the chairs of the respective committees, I present reports on the examination of annual reports tabled by 31 October 2008.

Ordered that the reports be printed.
TAX LAWS AMENDMENT (2008 MEASURES No. 6) BILL 2009

Second Reading

Debate resumed from 10 March, on motion by Senator Ludwig:

That this bill be now read a second time.

Senator COONAN (New South Wales) (10.11 am)—I rise to speak on the Tax Laws Amendment (2008 Measures No. 6) Bill 2009, which contains five schedules. Schedule 1 to this bill amends the Income Tax Assessment Act 1997 for the purpose of preventing a market value cost base being used when interests in an entity are acquired by another entity through a scrip-for-scrip capital gains tax rollover—that is, a restructure. Schedule 2 to this bill amends the Tax Administration Act 1953 for the purpose of correcting the legal and administrative barriers relating to debts that are removed from the foreign claims register. This schedule also provides for certain types of payments to be made by the Commissioner of Taxation to foreign countries.

Schedule 3 to this bill amends the Superannuation Guarantee (Administration) Act 1922. The purpose of this schedule is to expand the time period in which an employer can make a late superannuation contribution and still elect to use the late payment offset to reduce their superannuation guarantee charge obligation. Schedule 4 to this bill amends existing taxation laws to ensure the proper operation of the tax system by removing errors and anomalies within existing legislation. Schedule 5, which became part of this bill after a recent amendment in the other place, amends income tax and fringe benefits tax legislation for the purposes of ensuring that charities undertaking infrastructure reconstruction in areas affected by the Victorian bushfires will not lose their tax concessional status.

Schedule 1 implements the policy announcement made by the previous coalition government as a tax integrity measure to prevent capital gains tax avoidance. The former coalition government recognised that certain entities were undertaking a scrip-for-scrip CGT rollover and obtaining a market value cost base for shares in the acquired entity. The entities would then use the consolidation tax cost-setting rules to push the market value cost base into the underlying assets of the acquired entity. This device allows entities to reduce the capital gains when the assets are sold and increases the capital allowance deductions. In October 2007, the previous coalition government announced that it would introduce measures to prevent the intentional tax mischief relating to the resetting of tax values relating to scrip-for-scrip CGT rollovers.

The former coalition government also announced a commitment to undertake consultation with the business community to ensure that the operation of the legislation would be implemented correctly. The announcement reflects the coalition’s longstanding commitment to ensuring the integrity and correct operation of Australia’s taxation system. I therefore welcome the government’s decision to introduce these measures to prevent further abuse of Australia’s tax system.

Schedule 1 prevents entities from exploiting the rollover provisions, as I mentioned, and where a scrip-for-scrip CGT rollover is taken to be a restructure, entities will not be able to apply a market value cost base. The schedule will stop entities undertaking scrip-for-scrip CGT rollover restructures with the intent of reducing their capital gains tax liability from the disposal of the acquired entity’s assets. This is consistent with the intent of capital gains tax to apply to increases in value of capital assets.
Schedule 2 addresses the legal and administrative issues arising from deeming debts being removed from the foreign claims register. It also expands the types of payments the Commissioner of Taxation can make to other countries. It expands the types of payments from principal and general interest charge to allow the Commissioner of Taxation to pay other amounts that may need to be paid.

Schedule 3 amends the time within which an employer can make a contribution to an employee’s superannuation fund and be able to use that payment to offset the superannuation guarantee charge liability. This is important. It will encourage employers to be timely in making superannuation contribution payments.

Schedule 4 will make minor changes and alterations to the existing tax laws to promote their intended operation. As my colleague in the other place the member for Casey states: this is effectively a non-controversial, housekeeping amendment, and it is obviously supported.

As I said earlier, schedule 5 will ensure that charities can assist in rebuilding infrastructure damaged by the Victorian bushfires, without losing their status as charities. This is obviously very important in view of the recent tragic bushfires. It is a very welcome move, which was the result of a recent bipartisan amendment in the other place, as a means to assist those afflicted by the terrible fires in Victoria.

During the last parliament, the previous coalition government announced the substantive provisions that form part of this bill. The coalition’s support for this bill represents our commitment to protecting the integrity of Australia’s tax system. It has our support in this place, and I commend the bill.

Senator CAMERON (New South Wales) (10.17 am)—I rise to support the Tax Laws Amendment (2008 Measures No. 6) Bill 2009. I am pleased to speak in support of the bill and the five measures contained within it. Schedule 1 of the bill deals with capital gains tax rollovers for corporate restructures and the emergence of so-called ‘top hat’ schemes. Schedule 2 deals with amendments to the assistance-in-collection provisions in division 263 of schedule 1 to the Taxation Administration Act 1953. Schedule 3 deals with late payment offset for superannuation guarantee contributions. Schedule 4 deals with minor amendments and technical corrections. Schedule 5 is about facilitating assistance to individuals and communities affected by the Victorian bushfires and the north Queensland floods.

Schedule 1, the capital gains tax rollovers for corporate restructures, is an important integrity measure. As has been indicated, the former government announced its intention to deal with this issue in October 2007. Those proposals have been refined by this government through extensive consultation. The amendments will apply to arrangements entered into after 7.30 pm on 13 May 2008 and will prevent companies from gaining significant and unintended tax benefits by restructuring.

The bill modifies the capital gains tax provisions in the Income Tax Assessment Act to prevent a market value cost base from arising when an entity is acquired by another entity following scrip-for-scrip rollover under an arrangement that is taken to be a restructure. Scrip-for-scrip rollover is designed for corporate takeovers and the exchange of share rollover is designed for corporate restructures. The exchange of shares rollover provides a tax neutral outcome for corporate restructures where there is no substantive change in the underlying asset ownership of the original entity. If this rollover applies, the cost base of the shares that an acquiring entity receives in the original entity reflects the
cost base of the underlying net assets of the original entity.

The scrip-for-scrip rollover can apply to an arrangement only if the exchange of shares rollover does not apply. In scrip-for-scrip rollovers the cost base of the shares that the acquiring entity receives in the original entity reflects the market value of the underlying net assets of the original entity. Scrip-for-scrip rollovers contain integrity rules that apply if the owners of the replacement entity and the original entity are substantially the same. Integrity rules mean that the cost base of the shares that the acquiring entity receives in the original entity reflects the cost basis of the original shares held in the original entity, not the market value of the original entity.

Some entities insert new holding companies on top of the original entity. This has been described as a top hat scheme. This is designed to attract scrip-for-scrip rollover. The holding company obtains market value cost base for the shares acquired even though no significant change in the underlying ownership of the assets takes place. Where the original entity subsequently joins the holding company consolidated group, the consolidation tax cost setting rules apply to push this market value cost base into the underlying assets of the original entity. This effectively allows the tax costs of the original entity’s assets to be set aside which, in turn, can lead to an increase in capital allowance deductions and reduction in capital gains that arise on the disposal of those assets.

The government is determined to address this loophole in the tax laws that allows corporate restructuring for the purpose of accessing a tax advantage designed for legitimate takeover activity. I am very surprised that we still have corporate entities in this country who are trying to undermine the tax base of the country, trying to set up these false structures to avoid paying the proper tax to the community and to the government.

Schedule 2 makes amendments to assistance-in-collection provisions. Schedule 2 to the bill amends the assistance-in-collection provisions found in division 263 of schedule 1 of the Taxation Administration Act 1953. The amendments will overcome legal and administrative problems associated with deeming debts never to have been payable in the event that claims are removed from the foreign claims register or otherwise reduced. The amendments also expand the types of payments that the Commissioner of Taxation can make to a foreign country to include certain funds that the commissioner recovers in the course of legal proceedings, such as interest attributable to the debt and funds paid for in advance to the foreign country.

The amendments also clarify that the role of the register is to transform foreign tax debts into Australian tax debts, rather than acting as a day-to-day record of the debtor’s liability. The current assistance-in-collection provisions were enacted by the International Tax Agreements Act 1953 to enable the commissioner to meet Australia’s existing and future treaty obligations for mutual assistance in collection of tax debts. Specifically, these provisions enable the commissioner to take action to collect or to conserve debts owed in another country where the debtor is a resident in Australia or has assets in Australia.

Two issues have been identified which may impact on the commissioner’s ability to effectively meet Australia’s obligations under relevant international agreements. The first arises because of the consequence of deeming a foreign tax debt as never to have been payable where the debt is reduced under subsection 263-35(6). Debts can be reduced in circumstances such as where a debtor has made a part payment in the foreign country.
or where the debt is reduced in the foreign country as a result of an amendment to the debtor’s liability. Deeming such debts as never to have been payable in this way can significantly frustrate any proceedings that the commissioner has commenced or finalised to collect the debt.

The second problem arises in relation to the types of payments that the commissioner is able to make to the foreign country. Under current law, section 263-40 permits only the principal amount and any general interest charge referable to that amount that has been collected by the commissioner to be paid to the foreign country. However, there may be circumstances where other amounts will need to be paid. These amendments also provide an opportunity to clarify the role of the register.

Schedule 3 of this bill amends the Superannuation Guarantee (Administration) Act 1992 to vary the period within which an employer can make a contribution to an employee’s superannuation fund after the due date for a quarter and still be able to use the late payment offset. The calculation of the general interest charge on an unpaid amount of the superannuation guarantee charge where the offset is used is also amended.

An employer is eligible to use the offset to reduce the superannuation guarantee charge liability in the following circumstances: where the employer has made a contribution for a quarter into an employee’s fund after the due date for the quarter; where the contribution in respect of the employee is made before the employer’s original assessment of the superannuation guarantee charge for the quarter; where the employer has given an election, in the approved form, to the commissioner to use the offset in respect of the employee to reduce their superannuation guarantee charge liability for the quarter; and where the election is made within four years after the original superannuation guarantee assessment date for the quarter.

Schedule 3 also amends the act in relation to the calculation of the general interest charge on an unpaid amount of the superannuation guarantee charge where an employer elects to use the offset. The offset takes effect from the original superannuation guarantee assessment date. From the original superannuation guarantee assessment the general interest charge accrues on the remaining shortfall component of the unpaid superannuation guarantee charge amount after the offset has been applied. Where an employer is eligible to use the offset for a quarter for an employee and does elect to use the offset, the offset takes effect on the employer’s original superannuation guarantee assessment date for the quarter.

Schedule 4 of this bill makes various minor amendments to the taxation laws. The amendments deal with issues such as incorrect terminology, grammatical punctuation errors, missing asterisks from defined terms, inoperative material, ambiguities in the law and the realignment of policy with the original policy intent. More significant amendments to this schedule include extending capital allowance rollover relief for depreciating assets to the case where a fixed trust is converted to a company, allowing funds that make payments to dependants of deceased estates to still be approved worker entitlement funds and so retain the fringe benefit tax exemption for payments to them, and giving trustees and beneficiaries of employee share trusts a choice to backdate recently inserted capital gains tax provisions that prevent taxing both trustees and beneficiaries when the employee becomes absolutely entitled to shares held in a trust after exercising a right under an employee share scheme. These amendments will apply from the date of royal assent unless otherwise stated.
Schedule 5 is designed to ensure that assistance can be provided to individuals and communities affected by the Victorian bushfires and North Queensland floods. The government has moved decisively to assist the Victorian and North Queensland communities in their time of need. The fires in Victoria are estimated to have cost in excess of $1 billion. It would be appropriate to once again acknowledge the courage, commitment and resolve of the firefighters who risked their lives in the face of horrendous firestorms. It is almost impossible to appreciate the horrific task undertaken by our bushfire volunteers and our police force when they had to attend after the fires. I also express my condolences to the family, friends and firefighting colleagues of David Balfour, who tragically lost his life while selflessly serving the Victorian community in the time of need. David Balfour was a local Canberra resident and I am sure he is remembered with great respect. The dignity with which he carried out his task will be remembered for a long, long time in the Canberra community.

So many other citizens, community groups and charities mobilised to provide emotional and physical support to the survivors of the Victorian bushfire and to North Queenslanders, who faced devastation and disruption through flooding. I would like to place on record my appreciation for the terrific efforts of everyone involved in this bushfire fight and in the relief after the bushfires and the North Queensland floods. Many Commonwealth and state public servants worked around the clock to assist in the national mobilisation, with the resources of many departments, both state and federal, stretched to the limit to deal with the unprecedented demands arising from the two major disasters. I also congratulate the member for Maribyrnong, the Hon. Bill Shorten, in being appointed Parliamentary Secretary for Victorian Bushfire Reconstruction.

Knowing Bill, I am sure he will bring a huge amount of energy, commitment and intellect to the task before him, and I am sure we all wish him well in the task of reconstruction in Victoria.

Part 1 of schedule 5 to this bill amends the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 to make the income recovery subsidy exempt from income tax and to ensure the subsidy is not included in separate net income for the purposes of calculating an entitlement to certain tax offsets.

Part 2 of schedule 5 to this bill amends the Income Tax Assessment Act 1997 to provide that the Treasurer may declare an event a disaster for the purposes of establishing Australian disaster relief funds. The declaration of a disaster by the Treasurer will allow Australian disaster relief funds to receive tax deductible donations and provide money for the relief of people in Australia in distress as a result of the disaster. Public benevolent institutions, which must normally operate for direct relief effort, will also be able to establish Australian disaster relief funds for long-term recovery and community reconstruction efforts.

Part 2 of schedule 5 also specifically lists the 2009 Victorian Bushfire Appeal Trust Account as a deduction gift recipient in division 30 of the Income Tax Assessment Act 1997. This will ensure that the fund can use tax deductible donations for a wide range of activities, including recovery and community reconstruction efforts in communities affected by the 2009 Victorian bushfires as well as the provision of direct benevolent relief to affected communities. The Prime Minister announced the income recovery subsidy to parliament on 10 February 2009. The income recovery subsidy is administered by Centrelink and is equivalent to the maximum rate of the Newstart allowance. A pay-
ment received by a taxpayer as replacement for salary, wages or income is generally taxable. A legislative amendment is required to make the payment exempt from income tax. Such payments would also normally be included in the calculation of separate net income. The calculation of separate net income can affect a taxpayer’s eligibility to certain tax offsets. Exempting these payments from income tax and separate net income will lessen the financial hardship experienced by those individuals and communities affected by the 2009 Victorian bushfires or North Queensland floods.

It is quite clear to everyone in parliament that these steps being taken by the government are absolutely essential in providing the appropriate support to Australians who are suffering great hardship as a result of the Victorian bushfires or the North Queensland floods. I like to think that the response has been absolutely professional on the part of government departments and the response has been absolutely courageous on the part of the volunteers who have gone into those bushfire areas, at risk to their own lives, to help other Australians.

Not a lot has been said about the North Queensland floods, but the North Queensland floods have been a real problem in terms of individual families in North Queensland dealing with their day-to-day activities and being able to operate normally. It is clear that the North Queenslanders were very supportive of the Victorian bushfire victims. It was amazing to see people in North Queensland, who were isolated and not able to go about their normal business, providing funds to the Victorian bushfire appeal. These amendments are about making sure that the funds are tax-effective. (Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.37 am)—I am pleased to be following Senator Cameron and to endorse his remarks, adding the support of the Greens for this legislation. The Tax Laws Amendment (2008 Measures No. 6) Bill 2009 is quite complex. If I can just refer to one component of the Bills Digest from the library, its summary on the tax minimisation schemes that the amendments seek to prevent says:

…underlying the tax minimisation schemes using the scrip for scrip roll-over measures is the fact that these measures and the consolidation measures result in giving a market value cost base for the underlying assets of the original entity when that entity joins the acquiring company’s consolidated group.

If we did not know what it was about before, we all do now! The effect is to avoid tax avoidance, and that is a good thing. It means that where scrip-for-scrip measures are used instead of the sale and purchase of shares, which would be taxable, under this legislation taxation will be applicable to those measures, and we support that.

I take this opportunity to flag the need for legislation here equivalent to that in the United States to also end the business of corporate tax avoidance through overseas tax havens. I refer to an article in the Guardian of 4 March which underscores action being taken in America which we need to emulate, and I ask the Rudd government to seriously consider it. The article says:

The world’s most secretive tax havens are to be prised open after Barack Obama’s new administration endorsed far-reaching legislation to crack down on them.

The decision to force “secrecy jurisdictions” to reveal the identities of the super-rich and major corporations who use them came from the US treasury secretary, Timothy Geithner, at a congressional hearing and will be seen as a blow to places such as Jersey, the Cayman Islands and Switzerland.

“We fully support the legislation… on offshore tax centres, and we look forward to working with you as part of the broader effort to ad-
dress international tax evasion and close the tax gap,” Geithner told the House ways and means committee late on Tuesday.

His commitment was followed by supportive comments from Gordon Brown during his speech to Congress yesterday. But the prime minister will come under intense pressure to resist the move from the City and the tax havens that are UK dependencies or overseas territories.

Britain has recently faced international criticism for blocking European measures to reveal details of those who deposit huge wealth in tax havens …

With an estimated $13tn— that is A$23.4 trillion— … of untaxed wealth held in offshore centres, taxing them would add $255bn of revenue to governments – more than double the global aid budget to poor countries.

What an appalling situation it is where tax avoidance by big companies amounts to that. Who of us can forget Kerry Packer, for one, boasting about tax avoidance in Australia? I remember the assessment was that his companies were paying four per cent tax, effectively, in Australia because of their ability to hide their financial matters in overseas tax havens. This is something that the Greens will be raising repeatedly in this chamber and in the public arena. In fact, I have written the following to the Prime Minister:

Dear Prime Minister,

I am writing to ask you to join US President Obama and UK Prime Minister Brown to legislatively or otherwise move to abolish or, at least, open up tax havens such as Jersey, the Cayman Islands and Switzerland.

It is estimated that such havens allow individuals and corporations to avoid more in tax than the global aid budget to the world’s poorest countries. The G20 meeting in London on April 2, 2009 will provide an ideal opportunity to further the cause. I recommend Australia also promote the prospect of a Tobin tax to fund a global Marshall Plan.

A Tobin tax is a tax on international money movements and profiteering on money movements. It is very minimal tax, a fraction of one per cent, but it would raise billions of dollars which could then go to helping the poorer people of the world, hence the reference to a global Marshall Plan.

These are very serious matters, but it is a tribute to the lobbying power of the corporate sector that they are not tackled. However, we now have a Labor government in place that can tackle them, and my plea to Treasurer Swan and to the Prime Minister, Kevin Rudd, is to tackle them. I have not had a response to the letter—it was only sent on Saturday—but we are appealing to Prime Minister Rudd to make it clear before he goes to the G20 meeting on 2 April that he will be supporting moves to close down or at least open up to the spotlight of transparency these tax havens. Now, they include Switzerland’s banks, which since 1934, under legislation in Switzerland, have guaranteed secrecy to depositors. We all know some of the more gross abuses of the system, including the Nazis’ use of those secrecy provisions to hide financial dealings of the worst kind. However, it is worth noting in this chamber that President Obama has moved for and already succeeded in cracking open and shining the light on at least some of the big corporate deposits held in the biggest of the Swiss banks by threatening retaliatory action in the United States if they did not.

I want to hear from the Rudd government what support it is giving to the Obama presidency and administration on these very, very worthwhile moves to crack open the ability for corporations, including major Australian corporations and investors, to avoid taxes in this country. It is an impost on the rest of the community. It defrauds our ability to fund hospitals, schools and other entities and it is time it ended. It is a very serious matter. Now that the opportunity is there, we want to
hear from Prime Minister Rudd. He is going to G20 to help the United States President and the British Prime Minister in this very worthwhile endeavour.

I might add that Switzerland has its nose out of joint because it has not been asked to go to G20. It has been excluded, even though it has the seventh biggest banking wherewithal in the world. And nor should it go until it cleans up this act of hiding tax avoiders in Switzerland. We all know that Australians have been attracted to using that device to avoid scrutiny of their financial dealings and therefore avoid taxes. It is time it stopped. So there is a golden opportunity at G20 for our government to join the most powerful governments in the world to bring an end to this defrauding of the Australian public by tax avoiders. They might be few in number but the amounts involved are very big indeed. I am looking forward to legislation coming into this place in the wake of this worthwhile tax laws amendment to parallel at least the legislation that has been brought forward in congress in the United States.

Senator HURLEY (South Australia) (10.46 am)—I do not think it can be denied that the Labor Party have always been very strong on the pursuance of tax avoidance, but I think it is also important to make a distinction between tax avoidance or evasion and tax minimisation. I do not think Kerry Packer, for example, would have said that he minimised his tax by avoiding tax. I think he would have argued that he used legitimate minimisation methods. Certainly tax avoidance and evasion have always been strongly pursued by the Labor Party, using all of the regulatory bodies, the Australian Taxation Office and the tax laws. I think it is Project Wickenby, which the Australian tax office has involvement in, that is chasing several prominent Australian figures through the courts over a range of matters, including overseas holdings in, for example, Swiss banks.

I think that offshore tax havens do indeed deserve to be looked at very carefully by regulatory authorities and governments around the world. I do have to say, though, that, perhaps as a result of that kind of pressure, Swiss banks have opened up and provided information where it has been proved that their activities are illegal or part of tax evasion measures. I would like to see that happen further. I would like to see those tax havens be much more open where the host country does suspect some form of tax avoidance or evasion.

I go back to the subject of tax minimisation. This is an ongoing issue and governments continue to make tax laws and deal with the changing corporate and taxation environment. There are companies that continue to look at the tax arrangements and try to legitimately minimise the amount of tax they pay. That is a reasonable proposition. Sometimes companies go a bit further and devise quite tricky schemes to minimise that tax. That is exactly one of the measures that we are looking at today in the Tax Laws Amendment (2008 Measures No. 6) Bill 2009, specifically in schedule 1.

Schedule 1 modifies the capital gains tax provisions of the Income Tax Assessment Act 1997 for corporate restructure. The current provisions allow that, where there is a corporate takeover and there is a scrip-for-scrip arrangement as part of that process, there is a capital gains tax rollover. This means that shareholders are not unduly penalised if a scrip exchange is part of the takeover arrangement. It is entirely appropriate to allow for normal competitive takeovers and restructuring in the market and not have shareholders unduly penalised by that arrangement where it is simply a transfer of
that shareholding. As the ATO describe in their tax sheet:

Some takeover or merger arrangements involve an exchange of shares. In these cases, when you calculate your capital gain or capital loss, your capital proceeds will be the market value of the shares received in the takeover or merged company at the time of disposal of your original shares.

If you receive a combination of money and shares in the takeover or merged company, your capital proceeds are the total of the money and the market value of the shares you received at the time of disposal of the shares.

The cost of acquiring the shares in the takeover or merged company is the market value of your original shares at the time you acquire the other shares, reduced by any cash proceeds.

That simply meant, for example, that, where a taxpayer held shares in one corporate entity that were replaced by shares in another entity, as in a company takeover, that taxpayer was allowed to disregard the capital gains on the original shares. The replacement shares were then taken to have been acquired for the cost base of the original interest in shares. That arrangement was put in place by the former government in 1999.

However, there were some unintended consequences arising, including the tax minimisation practices. As has been described before, some companies sought to gain significant tax benefits by restructuring in such a way that the company in which shares were held joined a new holding company but ownership was essentially unchanged. No capital gains tax was payable and the intent of the legislation was therefore subverted. One such arrangement was described in the explanatory memorandum:

1.7 For example, some entities have entered into schemes that involve the insertion of a new holding company above the original entity (known as ‘top hat’ schemes). The schemes are designed to attract a scrip for scrip rollover. As a result, the holding company obtains a market value cost base for the shares it acquires in the original entity under the scheme even though there is no significant change in the underlying ownership of the assets.

1.8 Where the original entity subsequently joins the holding company’s consolidated group, the consolidation tax cost setting rules apply to push this market value cost base into the underlying assets of the original entity. This effectively allows the tax costs of the original entity’s assets to be reset which, in turn, can lead to an increase in capital allowance deductions and a reduction in capital gains that arise on the disposal of those assets.

It is this market value cost base which is the fundamental basis of what is happening here. The measures in schedule 1 of this bill deal with it. Companies will be prevented from obtaining a market value cost base for shares and certain other interests acquired in another entity following their scrip-for-scrip capital gains tax rollover under an arrangement that is taken to be a restructure. This is the crux of the change here. We are not dealing with straight takeovers or substantial restructures where one larger company takes over a smaller company. Generally and loosely speaking, an arrangement will be taken to be a restructure if the resulting entity has more than 80 per cent of the market value of the previous arrangement.

This measure will not only address this problem of this type of tax minimisation but also provide more certainty for markets when dealing with takeovers and restructuring. The feedback from the market is that a lot of scrip-for-scrip deals that may have been put in place have in fact been halted in the business markets because there is some uncertainty about what is being allowed by the legislation and what is not. Therefore, there is some hold-up of a lot of these scrip-for-scrip offers. That is particularly important in the current global financial market because it is, of course, harder and harder for
straight debt capital raising. It becomes more and more important that the opportunities for dealing with scrip and shareholdings are available so that, where there is a restructuring of the entire market and one company merges with or takes over another company, there is this possibility of scrip for scrip rather than borrowing the money and paying out the shareholders of another company. Although I do not believe that that was the impetus for this bill, it certainly provides even more impetus at this time. This was borne out in comments from Ernst and Young and PricewaterhouseCoopers on these proposed changes, as quoted in the Financial Review in December 2008:

“Scrip takeovers are likely to re-emerge, particularly in the current environment; where obtaining debt finance for acquisitions can be very difficult,” Ernst & Young partner Don Green said.

“Existing companies, seeing an attractive target company, will be able to undertake scrip takeovers and will know the tax implications with certainty, rather than relying on government announcements without legislation.”

PricewaterhouseCoopers tax partner Mike Davidson said: “They have gone back to the underlying theme of only trying to target a certain type of transaction which is really just an internal restructure, which is quite good.”

So the markets generally are quite supportive of the change mooted in schedule 1 of this bill. It will certainly address those issues of tricky rearrangements of companies in order to minimise tax through the use of that capital gains tax exemption.

Another measure in this bill of some note is in regard to the superannuation guarantee payments. Superannuation payments are payable each quarter. From 1 July 2008 the minimum will be nine per cent, which is the standard superannuation guarantee payment. If these payments are not made by the employer at the end of each quarter a charge applies. If the superannuation guarantee payment is not returned to the tax office within 28 days of the end of each quarter, a superannuation guarantee charge is applied. This can be offset against ongoing payments under certain conditions. These conditions allow an employer who makes a contribution into an employee’s fund after the due date for a quarter to elect to use the contribution to offset part of their superannuation guarantee charge liability with respect to the employee for the quarter.

Prior to these amendments, the employer could make the contribution at any time after the due date and still be eligible for the offset. There was no required time limit for that offsetting of the superannuation guarantee charge. The changes foreshadowed in this bill limit the time during which an employer may defer payment of the superannuation guarantee charge obligation and, consequently, limit the potential interest charges that are part of that superannuation guarantee charge. This is a sensible and practical measure that is part of the ongoing review of superannuation and has been supported by the opposition as well. The Australian tax office expects that the measure will save around $25 million, and that was foreshadowed in the budget papers last year.

The other significant schedule that it deals with is foreign tax debt. It enables the collection or conservation of tax debts owed in another country where the debtor is resident in Australia or has assets in Australia. Again, this is tidying up another part of the system. This refers to the International Tax Agreements Amendment Act (No. 1) 2006, which enables the tax commissioner to meet Australia’s existing and future treaty obligations for mutual assistance in the collection of tax debts. We are in a global market where money moves around quite freely. Unfortunately it has not been moving upwards in the last six months or so, but hopefully we will
get back to a time when we will again see growth in our financial markets and the money that is moving around will not be to cover outstanding obligations but to produce growth around the world. I guess this harks back to what Senator Bob Brown was saying: now that money is moving freely around the world and we have these tax treaties in place, we do have treaty obligations to better monitor what is happening with money moving around the world—often quite large amounts of money. It is quite difficult to monitor what is happening with all of the different types of financial instruments that are available, so it is very important that Australia clarifies and meets its obligations and also that it collects the money that is due to be collected from those people who are resident in Australia and have overseas interests or have substantial assets in Australia and tax obligations that need to be met.

There are a number of other measures in this bill. It is quite generally supported. The addition of schedule 5, which provides assistance in emergency situations, has been dealt with extensively by Senator Cameron. I will not go into that except to say that clearly this is a very important measure and one which will provide support to those people affected by emergencies like bushfires and floods. It will make life a little bit easier for those people who are undergoing such difficult times at the moment. I support the bill as a whole.

Through these amendments, a new schedule has been added to ensure that charities collecting donations for bushfire victims are tax deductible. That is one measure. The other major measures in the amendments include changes to the capital gains tax, to restrict capital gains tax scrip-for-scrip rollover, to the Superannuation Guarantee (Administration) Act 1992 with regard to late payment offsets and to the provisions of the Taxation Administration Act 1953 with regard to assistance-in-collection provisions, as well as minor amendments to other tax legislation. I believe tax law, although complicated at times, is imperative to Australian businesses, employees, regulators, individuals and government. Here we are today trying to make these laws better for all those groups of people. The Rudd Labor government has made a commitment, and will continue with its commitment, to care for and maintain our tax system. Each amendment to this legislation is indicative of this commitment.

In the Tax Laws Amendment (2008 Measures No. 6) Bill 2009, schedule 1 deals with capital gains tax rollovers for corporate restructures under the Income Tax Assessment Act 1997. It will modify scrip-for-scrip capital gains tax rollover provisions so that during corporate restructures the purchaser’s cost base of shares reflects the tax cost of the target entity’s net assets. Under the current provisions, companies can obtain unintended tax benefits through consolidation. This can cause significant disruption to the operation of capital gains. The amendments seek to prevent this type of exploitation of the scrip-for-scrip rollover. The Australian Taxation Office describes its experiences in the explanatory memorandum of the bill as follows:

…Companies are able to gain significant tax benefits by restructuring in a way that attracts the scrip for scrip roll-over rather than the exchange
of shares roll-over. These tax benefits are compounded if the entity taken over becomes a member of the acquiring entity’s consolidated group.

… For example, some entities have entered into schemes that involve the insertion of a new holding company above the original entity (known as ‘top hat’ schemes). The schemes are designed to attract a scrip for scrip roll-over. As a result, the holding company obtains a market value cost base for the shares it acquires in the original entity under the scheme even though there is no significant change in the underlying ownership of the assets.

… Where the original entity subsequently joins the holding company’s consolidated group, the consolidation tax cost setting rules apply to push this market value cost base into the underlying assets of the original entity. This effectively allows the tax costs of the original entity’s assets to be reset which, in turn, can lead to an increase in capital allowance deductions and a reduction in capital gains that arise on the disposal of those assets.

The amendments look to the market value cost base when shares are acquired through scrip-for-scrip rollover, which will help prevent exploitation or unintended tax benefits.

Schedule 2 deals with assistance in the collection provisions of the Taxation Administration Act 1953. The amendments look to provide consistency among partner countries and the Australian Taxation Office. Collection provisions currently enable the Commissioner of Taxation to take action on tax debts owed to another country where the debtor is an Australian resident or has assets in Australia. The amendments seek to overcome technical issues arising through current legislation. They provide new mechanisms such as reducing the liability of a debtor in certain circumstances, expanding the type of payments the commission can make to foreign entities and clarifying the foreign claims register.

Schedule 3 relates to late payment offsets for superannuation guarantee contributions. The superannuation guarantee scheme relates to the prescribed minimum superannuation contribution—currently nine per cent—payable on an employee’s ordinary time earnings. This is administered by the Australian Taxation Office. When an employer neglects to pay this it is known as an SG shortfall. The amendments deal with an SG shortfall in regard to late payment offsets. Currently, if an employer does not pay the SG within the 28-day period they must lodge an SG statement on or before the 28th day of the second month after the end of the quarter. The total payments owed are known as the SG charge and are made up of the SG shortfall plus interest and administration costs. This is distributed by the Australian Taxation Office on behalf of the employees. Currently, employers who make contributions to a superannuation fund after the due date can offset the late payment against the SG charge liability. As these payments are not tax deductible and there is no time limit to making late payment, there is little incentive for an employer to make payments promptly. The amendments seek to limit the time during which an employer may defer payment of the SG and limit the amount of the interest component of the SG charge if the legislation is complied with. These particular amendments are more employer friendly and thus will have a flow-on effect to employees by ensuring prompt payment of superannuation.

Schedule 4 deals with minor amendments to a variety of legislation, updating outdated terminology and grammatical errors. This again reflects the Labor government’s commitment to care for and maintain our complex tax system. Schedule 5 introduces measures to alleviate financial hardship felt during traumatic events such as the 2009 Victorian bushfires and the North Queensland floods. As it follows, subsequent to the disastrous Victorian bushfires on Black Saturday all Australians dug deep to assist in
donations towards support for those fellow Australians who needed help the most. Equally, Australians dug deep for the victims of the floods in my home state of Queensland. The amended schedule 5 will allow for a new schedule to the bill to ensure that charities collecting donations for bushfire victims are tax deductible. What we are doing in this regard is specifically listing the Red Cross’s and the Victorian government’s 2009 Victorian bushfire appeal as a deductible gift recipient for a five-year period, and that will allow tax-deductible donations for that purpose. We are also doing more than that: we are allowing further concessions to be made and are amending the disaster relief category to allow a Treasury minister to declare a disaster for tax purposes—and it goes on. So there are some important amendments in this regard which will help to allow donations and assistance which have been given in circumstances of fire, flood and other disasters to be used for the benefit of people such as those in Victoria and North Queensland.

The Red Cross and the Victorian government have established the joint 2009 Victorian Bushfire Appeal Fund. As the Red Cross is a public benevolent institution, or PBI, any tax deductible funds being donated through the appeal fund can be used for direct relief only and not for recovery or reconstruction efforts. Donations being collected by the appeal fund are currently being transferred to a Victorian government special-purpose trust fund. The trust fund comprises both donations from the general public, through the Red Cross, and moneys being contributed by the Australian and state and territory governments and international governments.

The specific listing of the trust fund will ensure it can receive tax deductible donations for recovery and reconstruction as to communities affected by the 2009 Victorian bushfires. Currently, the requirements of the Australian disaster relief fund general DGR category require that a state of emergency be declared by a relevant state minister before the provision can be enacted. Once enacted, the Taxation Office can endorse as DGRs those public funds which are established to provide for relief, recovery and reconstruction following a disaster in Australia. Amending the tax law to allow a Treasury minister to declare a disaster situation for tax purposes will allow for situations where there is national support for victims of a disaster and where a state of emergency is not declared by the relevant state, as has occurred for the 2009 Victorian bushfires. Once these amendments have received royal assent, a Treasury minister can declare the 2009 Victorian bushfires as a disaster situation.

A remaining question is whether providing funds to the trust fund for recovery and reconstruction would jeopardise the Red Cross’s tax concessional status as it would be providing for non-PBI activities. Amending the existing Australian disaster relief fund general DGR category in order to expand the scope of PBI activities when a disaster has been declared would allow PBIs and other organisations to establish a public fund for the relief, recovery and reconstruction of communities. The PBI could then either provide funds to organisations providing the assistance or undertake the assistance directly. The amendment would also ensure that PBIs seeking donations would not jeopardise their PBI status should they wish to contribute to recovery and reconstruction efforts. PBIs such as the St Vincent de Paul Society, Anglicare Victoria and the Salvation Army are accepting donations to provide emergency relief for those affected by the bushfires.

The income recovery subsidy is a Newstart-like payment which will provide financial assistance to employees, small business
owners and farmers who can demonstrate a loss of income as a result of the Victorian bushfires or North Queensland floods. The payment is set at the maximum Newstart rate. Normally a payment received for lost salary, wages or income would be taxable and would be included in an income test for determining eligibility for certain tax offsets. Exempting these payments ensures that no tax will be paid on them and that they will not be included in calculating eligibility for tax offsets through the separate net income test.

These amendments put beyond doubt that tax deductions to the Victorian Bushfire Appeal fund are tax deductible. The amendments also improve the tax law by easing the requirements for deductible gift recipient status, which can be granted to organisations assisting in the event of disasters and by ensuring that public benevolent institutions such as Red Cross, Anglicare and St Vincent de Paul retain their PBI status when assisting in reconstruction efforts.

I wish to briefly comment that the Red Cross are to be commended for the work they have done in Victoria and in Queensland. I have heard about that work. The Red Cross are a magnificent organisation, deserving of the kind of support the Australian people have given them. The legislative change that the minister has circulated will help the Red Cross in their operations. Anything we can do in terms of amendments to our tax laws to help the Red Cross is of great advantage. I want to praise and thank them for the wonderful work they have done in Victoria and particularly in North Queensland, with our sisters and brothers and fellow Queenslanders who have suffered so much recently.

I was up in North Queensland recently when Cyclone Hamish was bearing down on the coast from Cairns through to Mackay. I could only think at the time that another disaster could follow the terrible flooding in North Queensland. Sure enough, by virtue of Mother Nature, the cyclone diverted itself away and dissipated into a storm. When people are digging deep into their pockets, these laws will assist in those recovery efforts to make sure that the money is going through without additional burden and taxation. I commend the bill to the chamber.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (11.19 am)—I would like to thank those senators who contributed to the debate on the Tax Laws Amendment (2008 Measures No. 6) Bill 2009. Schedule 1 modifies the capital gains tax provisions of the Income Tax Assessment Act 1997 for corporate restructures. Companies will be prevented from obtaining a market value for cost base for shares and certain other interests acquired in other entities following a scrip-for-scrip capital gains tax rollover under an arrangement that is taken to be a restructure.

This is an important integrity measure which the former government announced its intention to deal with in October 2007. However, the former government’s proposal was poorly targeted and effectively stopped scrip-for-scrip arrangements, causing disruptions in the market. The government’s measure has been refined through extensive consultation and will effectively target the mischief. The amendments to the assistance in collection provisions will ensure that they operate as intended and provide the Commissioner of Taxation with an effective mechanism to take action to collect or to conserve tax debts in another country where Australia has committed to such a reciprocal arrangement under an international agreement.

Schedule 3 of this bill amends the Superannuation Guarantee (Administration) Act
1992 with regard to the late payment offset. The offset allows an employer who makes a late superannuation guarantee contribution for the employee to use that contribution to offset against part of their superannuation guarantee charge liability. These amendments specify that an employer will be able to use the offset if they make the contribution before they are assessed with the superannuation guarantee charge liability. This will encourage employers to make the contributions in a more timely manner whilst still having the benefit of using the offset to reduce their superannuation guarantee charge liability. Schedule 3 also amends the calculation of the general interest charge on an unpaid superannuation guarantee charge liability where the offset is used. The calculation of the general interest charge will be amended so that it accrues with the remaining amount of the unpaid liability after the offset has been applied. This reduces the amount of the general interest charge and acknowledges the fact that the employer has made a contribution for their employee.

Schedule 4 implements various minor amendments to the law and also some general improvements of a minor nature. These amendments reflect the government’s commitment to care and maintenance of the tax system.

Schedule 5 introduces taxation measures to alleviate the financial hardship being felt in communities affected by the 2009 Victorian bushfires and North Queensland floods. Part 1 of schedule 5 exempts the income recovery subsidy from income tax and ensures that the subsidy is not included in separate net income for the purposes of calculating an entitlement to certain tax offsets. Part 2 of schedule 5 allows the Treasurer to declare an event a disaster for the purpose of establishing Australian disaster relief funds. The declaration of a disaster by the Treasurer will allow Australian disaster relief funds to receive tax deductible donations and provide money for the relief of people in distress as a result of the disaster. Part 2 also lists by name the 2009 Victorian Bushfire Appeal trust account as a deductible gift recipient. I commend the bill to the Senate.

Question agreed to.

Third Reading

Bill read a second time.

TAX AGENT SERVICES BILL 2008

Second Reading

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

That this bill be now read a second time.

Senator COONAN (New South Wales) (11.23 am)—I rise to support the Tax Agent Services Bill 2008. The bill introduces a national regulation regime for all tax practitioners and ensures that for the first time there is a single regime governing the registration and regulation of tax practitioners in Australia. The new regulatory system will replace the existing system in part 7A of the Income Tax Assessment Act 1936.

The history of this bill is that the bill itself and the reform in this area were developed by the former, coalition, government with work commenced in part in the late 1990s, where we had extensive consultation with the Australian Taxation Office and with both tax practitioners and other relevant professional associations. In 1998 the then Assistant Treasurer, Senator Rod Kemp, announced that we had approved a new legislative framework for taxation services to come into effect in 1999 or 2000. That statement was a bit optimistic. At the time, the former government was embarking on the largest tax reform in Australia’s history, with the introduction of the new tax system and the introduction of a goods and services tax within
that system. At that time the tax profession itself requested that the new regime for tax agents be delayed to allow practitioners to contend with the implementation of the new tax reforms, due to the comprehensive nature of the reforms themselves and the fact that they wished for a period of bedding down, as it was called.

Shortly after the reforms had been implemented, the former government reconvened a working group of tax associations to consider the new regulatory regime. In 2005, Treasury was requested to undertake some confidential consultations on a detailed discussion paper, which was then released as a draft bill including regulations and explanatory materials for public consultation and comment in May 2007.

The bill before us now is the result of that extensive—even, I dare say, exhaustive—consultation was undertaken over some years and spanned successive ministers and successive governments. It was important to ensure that this new policy to regulate the provision of tax agent services was the correct policy, furthered the industry affected—that is, tax practitioners themselves—and was approved by their clients. So this is a truly comprehensive policy in line with the former government’s strong desire to implement effective tax reform.

The bill itself will provide not only a new regime to regulate the provision of tax agent services but protection for those who use tax agent services. Further, it will establish a national practitioners board to replace the existing state based tax agent boards. It will be a statutory authority within the ATO, but its functions and powers are to be vested independently of the commissioner. This single national board will provide a consistent, nationwide system of tax agent regulation which will ensure consistency in both the registration and the regulation of tax practitioners. In addition, the bill requires that all entities that provide taxation services or BAS, business activity statement, services for a fee and registered with the board, and the board will now set important educational qualification requirements for registration. This will allow a more flexible approach to regulating tax practitioners through a wide range of disciplinary sanctions, including the replacement of criminal penalties with civil penalties for certain misconduct by agents and unregistered entities. The bill will also create a code of practice and provide a safe harbour from tax shortfall penalties for false and misleading statements for taxpayers where they engage a registered tax agent to prepare their return and take reasonable care to provide that person with all the information necessary to complete and lodge their return correctly.

The Senate Standing Committee on Economics tabled its report on its review of this legislation. During proceedings the committee received more than 30 submissions from interested parties. There were some concerns raised during that process which we will obviously be monitoring to ensure that the government and the Treasury stand by their commitments given in evidence to have a further round of consultation on how these arrangements are being implemented, as some areas of concern are not covered and transitional provisions and regulations are not yet available. Frankly, it would have been preferable if some of the transitional arrangements and the regulations had been available for concurrent debate with this bill. I just place on record that we will keep track of Treasury’s promise that they will have a further round of consultation. I think that is very important because, as regulations are provided and people undergo transitional arrangements, some unintended consequences can arise that need to be addressed.
Despite that, we will of course be supporting this bill, as the consultative process, as I have indicated, has been long and intensive and does reflect broad support for the bill right throughout the tax agent community in Australia. It has our support on the basis also that in many respects it will improve services for the customers of tax agents. I commend the bill.

Senator PRATT (Western Australia) (11.29 am)—I rise to speak on the Tax Agent Services Bill 2008. I was pleased to be a member of the Senate Standing Committee on Economics, which conducted an inquiry into this legislation. It was a terrific experience to hear from the many organisations eager to share their views on how best to give greater integrity to our tax system. Ironically, this bill had its genesis under the previous Labor government way back in 1992. At that time a working party was put together to review professional standards and regulatory arrangements for tax agents. The Standing Committee on Economics was informed by Treasury that, since 1943, tax agents have been subject to regulation under the Income Tax Assessment Act 1936. So, to say that a review and revamp of this legislation is a long time coming is something of an understatement.

I do not think the Howard government showed much interest in making the tax system fairer. Indeed, the previous government sat on their hands for a long time in getting this new framework together. Discussions were, in the words of the National Institute of Accountants, ‘protracted’. Fairness is the centre of this Rudd government bill. We have sought to get it before parliament in as timely a manner as possible. This government is active in making sure that everyone knows what is expected of them and committed to maximising transparency and accountability in the tax system, securing the quality of the service people receive.

As we all know from experience, tax time can be quite stressful and tax agents are critical to the effective operation of the tax system. We want to be confident in the work undertaken on our behalf. Therefore, the reworking of the legislation governing tax agent services aims to improve and modernise the framework that regulates the work of these critical participants in the administration of our tax system. Tax agents work very hard under outmoded regulations. So, not surprisingly, there is a significant level of eagerness on the part of the tax agents to see this bill become law. As Ms Vicky Stylianou of the National Institute of Accountants told the Standing Committee on Economics inquiry into this bill:

Our intention is to see the new regime instituted and established as soon as possible.

The Taxation Institute of Australia wrote of the importance of clear parameters for professionals and protection for consumers. They too want this bill now. The Institute of Chartered Accountants, representing nearly 48,000 individuals, also called for the implementation of this legislation. The institute remains:

…strongly committed to the earliest possible introduction of a national regime for the regulation of tax agents and BAS agents.

But this bill is also part of a broader reform project. It is yet another example of the Rudd government’s commitment to improving the integrity of our tax system. It modernises the way in which tax agents are regulated to ensure that this fits with a modern and coherent tax environment. In keeping with current community expectations, this bill will provide robust protection to consumers. The government recognises that reasonable safeguards for consumers are also in the interests of tax agents. Tax agents too will benefit from the greater clarity this bill will provide about their role and responsibility—so that they can have confidence that
they are providing services in a manner which conforms with the regulatory environment for their industry. It was with some concern that I listened to the evidence where witnesses spoke with some honesty about work being undertaken by some unregistered agents, where people should not have an expectation or confidence that their returns have been calculated correctly. There is really no recourse for people in the current environment, other than their individual responsibility. As the Institute of Chartered Accountants put it:

We are keen to ensure that a robust regulatory regime is established and implemented efficiently so as to place the tax profession in a healthy and strong position for generations to come.

I want to turn briefly to some of the specific reforms in this bill which will help to modernise our tax system and return integrity and fairness to it. Firstly, the bill establishes a national tax practitioners board, which will make sure that we have a national and consistent approach to regulation and will replace the confusing and inconsistent system of state based boards. As the Commonwealth Ombudsman, responsible for taxation complaints, Professor John McMillan, pointed out in a submission to the inquiry, the various state based tax agents boards:

… adopt different administrative practices, potentially resulting in inconsistency at a national level—

hardly a fair thing for people around the country who are putting in their tax returns—

This can harbour a perception of inequality, inconsistency and arbitrariness within taxpaying and professional communities. That perception can undermine community confidence in the tax system and its administration and regulation.

On this basis, it is expected that the implementation of a national Board will provide for more consistent decision-making, more co-ordinated practices and more effective remedial action where necessary or appropriate.

Indeed, that is the very basis of the Rudd government’s efforts to provide integrity for our tax system. It is about providing confidence for all in our tax system. The state based Tax Agents’ Boards recognised the need for a national approach. In their submission to the economics committee inquiry they said they were:

… firmly of the view that the establishment of the new national Tax Practitioners Board as soon as possible will be of benefit to the tax system and its stakeholders.

The Boards’ support is based upon an informed awareness of the limitations of the current legislation and its impact upon the taxpayer public and the integrity of the tax system as a whole.

The Boards are reassured by the proposed post-implementation review of the legislation after three years of operation as set out in paragraphs 5.33 and 6.71 of the Explanatory Memorandum and regard this as essential. It will provide the opportunity to remedy any deficiencies which have become apparent with the benefit of having had the new system in operation for that period.

It is great to see that the new legislation has this kind of flexibility. The submission went on:

As the Boards see it, the principal benefits of the legislation can be summarised as follows:

i. The new Board will be national.

ii. The new Board will have greater disciplinary powers.

iii. The new Board will regulate BAS preparers for the first time.

iv. The New Board will have jurisdiction over unregistered preparers.

v. The new Board will have the opportunity to grant conditional registration.

vi. The new Board will be independent of the ATO.

The new Tax Agents Board will conduct a registration system for tax agents and agents administering business activity statements. It
will have a role in disciplining tax agents and business activity statement agents who do the wrong thing. As the board pointed out, it will also have an important role in dealing with unregistered entities that are holding themselves out as registered. These are important things that are inadequately provided for within our current system. This is something that consumers who put in their tax returns and use these agents really need. Registration is an important feature, because we have witnessed significant growth in the use of BAS related services since the GST was introduced by the previous government in 2000. There has been an explosion of BAS related accounting services. Indeed, there has not been a great deal of regulation, attention or professional development for people who are putting in statements. In the view of the Commonwealth Ombudsman:

The inclusion of BAS service providers … addresses a major short-fall in the current system. The preparation of BASs is an important aspect of the current taxation system and BAS service providers play a key role. In the last year, around 9% of the complaints we received about the lodgement and processing of tax forms were about BASs. The inclusion of BAS service providers in the new regulatory scheme ensures relevant regulation of their conduct and should facilitate improvements in their work standards.

This system of registration will also be most helpful for the users of agent services. They are going to be able to easily determine who is and who is not registered as a professional in relation to the provision of tax agent services. Currently consumers do not have enough clarity about this. The professional registration role of the Tax Agents Board will provide the industry with a streamlined and, for the first time, consistent approach. One difficulty with having a number of different state based boards is a measure of inefficiency in the registration process. An example of this previous inefficiency was cited in the Commonwealth Ombudsman’s submission to the economics committee inquiry. This is Mr K’s story, as told by the Ombudsman:

Mr K complained to us about what he considered was an unacceptable delay by a state Tax Agents’ Board (the Board). Mr K lodged his application for registration with the Board in September 2007 and he was advised that a decision would be made by the Board at its November meeting. By December 2007 his application was still not decided and he was advised by the Board that a decision would not be made until February 2008, a delay of six months.

When we investigated Mr K’s complaint we found that due to an administrative error, Mr K’s application was not considered at the Board’s November or December meetings and, because the Board did not meet in January, he had to wait until the next meeting of the Board in February 2008. His application for registration as tax agent was approved in February 2008.

The new system will clean up the administration and inefficiencies like that. Importantly for the industry, the Administrative Appeals Tribunal will be able to review most of the board’s decisions. That is a very important development. It is really important that they have an appeals mechanism open to them, which is only right when the administration of law affects people’s working lives and livelihoods. If you are knocked back by the board, you need a transparent place to go to appeal such a decision.

As senators will be aware, systems of registration already work well for a range of other professions, and a system of registration will work equally well for tax agents. This system of registration will be complemented by a code of professional conduct. The new and legislated code of professional conduct will provide a professional and regulatory framework for tax and BAS agents. Currently, only some tax agents are required to comply with a code of conduct by virtue of their membership of a tax or accounting professional association. This code will make
explicit the standards expected of tax agents and BAS agents and will clearly define their roles and responsibilities. The code of professional conduct will make it clear for agents what their areas of professional responsibilities are. It will also provide clarity and certainty for them, particularly in relation to the way in which they conduct their operations and the manner in which they provide professional services. The code of professional conduct will be of great assistance to tax agents to maintain the integrity of the services that they provide and will, in turn, return integrity to Australia’s taxation system. Importantly, as identified by the Commonwealth Ombudsman, the code should lead to a reduction in complaints about tax practitioners. Once again, we know that codes of conduct have worked well for other professions, and it will work well for tax and BAS agents.

Like other professions, there are, on occasions, some in the industry who might do the wrong thing. This happens, and we need to be realistic about that. We also have to make sure that everyone understands their rights and responsibilities. This bill will make it clear what is expected of taxation practitioners. In this context, one of the issues highlighted before the economics committee was the need for better education of tax agent professionals. The majority of people get their work done by a wide variety of practitioners. There is a great deal of inconsistency in the education standards and the certificate level qualifications of practitioners in this area. The lack of transparency in the act for regulating people who do this kind of work has flowed right through to the education system. A stronger framework and code of conduct of professional standards can now begin to be reflected in the education standards. That point was made very strongly by a number of submitters before the economics committee.

For those people who do the wrong thing there will be penalties, as there should be. The new Tax Practitioners Board will have a wider range of disciplinary sanctions, and it will put these to use in the regulation of tax agent services. I am sure that this will be of comfort to consumers because it is the kind of thing that will raise the standard. People who are putting in these kinds of returns will know that if they do not do it properly then there will be a penalty. Many of the industry associations predicted that there would be a number of people who would drop out of the industry because they are very self-aware of the fact that they do not meet those standards. New injunctions and civil penalties will replace some criminal penalties. They will provide relevant and appropriate penalties for those people who do the wrong thing. They will also provide active disincentives for those who might consider doing the wrong thing.

Overall, the bill provides for a coherent and comprehensive regulation of tax agent services. This will help support fairness and integrity within the taxation system for taxation professionals and taxpayers alike. I commend the bill to the Senate.

Senator McEWEN (South Australia) (11.49 am)—It gives me great pleasure to speak to the Tax Agent Services Bill 2008. This is an industry that I have taken a keen interest in. In fact, my first job on leaving school was working as a junior clerk in a firm of accountants. I had numerous duties, not the least of which was to make the tea for the partners—always an interesting exercise.

When I left the firm of accountants’ office I commenced work at the taxation department, and there I saw life from the other side, if you like, for quite a number of years. As well as that, my father was an accountant for all of his life. He did not give up his practice until he was in his 70s. From time to time, I worked in his business, assisting small
business people in particular but also individuals to prepare their taxation returns.

Over a considerable period of time, I have noticed developments in both the taxation system and the taxation agent services industry. As we all know—and this has been said by previous speakers—the taxation system has become much more complex, and it is very important that the federal government has intact legislation that has the ability not only to keep tabs on the system but also to provide consumers of the services provided by the tax agent services industry with confidence that their affairs will be handled professionally, that the information provided to the Australian Taxation Office is correct and that the operators from the tax agent services industry are regulated and monitored by the government.

The key objectives of this bill are to improve consistency in the registration of tax agents and other intermediaries and to regulate the provision of tax agent services in an appropriate but flexible way. In the main, we are dealing with small businesses in the tax agent services industry and, while regulation can be a curse, it is also important. As the objectives state, we must do that in a flexible way. Another objective is 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 system, as well as strengthening the integrity of the tax system and the tax industry.

The key elements of this bill include the establishment of the national Tax Practitioners Board. Members of the board will be appointed by a Treasury portfolio minister and the board will replace the existing state based tax agents boards. This is a very welcome development in the industry and reflective of the fact that the taxation system has become much more complex and needs to be addressed at a national level. The board’s key functions will be the registering and disciplining of tax agents and BAS agents. However, it will also have powers to ensure that unregistered entities are not holding themselves out as being registered. It is very important with sensitive matters of organizational tax and individual tax that the people who are dealing with those matters are registered so that we can monitor how they are performing in that important role.

The board will be able to investigate matters and impose sanctions where appropriate, and hopefully that will not happen very often, but it is important that we have that regulatory mechanism in place. The board’s decisions will be appealable to the Administrative Appeals Tribunal in the usual fashion. In addition, the board will be required to report annually to the parliament, and that will give those of us in this chamber and in the other place an opportunity to see how the new system is progressing and whether it is delivering to the Australian people what the government intends it to. The Australian Taxation Office will continue to provide the secretarial services for the board under this bill.

Importantly, the bill deals with registration requirements for tax agents and BAS service providers—those people who provide those services for a fee, who advertise the provision of such services and who hold themselves out as being registered. They will all have to register with the board, and the registration requirements for agents will relate to character as well as minimum educational qualifications and relevant work experience. Senator Pratt shared with us her thoughts about how important it is that people working in this industry do have relevant educational qualifications. As I said earlier, this is a very complex area of the law and not something that can be entered into by people who do not have the appropriate educational
qualifications. The government is keen to ensure through this legislation that those educational qualifications are there and are kept up to date with developments in the taxation industry.

Other aspects of the bill include a code of professional conduct. All registered tax agents and BAS agents will be governed by a legislated code of professional conduct, and that will define the professional and ethical standards required of them. Having a code of conduct also, of course, gives consumers of the services provided by this industry a reference point so that they can understand what is expected of the people to whom they are paying money to conduct their taxation affairs. Currently only some tax agents are required to comply with a code of conduct by virtue of their membership of a tax or accounting professional association, but the new code will make it explicit that the standards are expected of all tax agents and BAS agents and will clearly define their roles and responsibilities.

As I mentioned, the bill also includes a capacity for administrative sanctions, civil penalties and injunctions, and they will replace the existing criminal penalties. The flexible range of administrative sanctions that will be available to the board under this new legislation will enable enforcement of compliance with the code. In cases of non-compliance, the board will be able to impose a sanction that is commensurate with the severity of the misconduct, ranging from a written caution or an order to undergo training or to work under supervision through to termination of registration. That is a very important aspect of the bill, because it gives the board the flexibility to administer a sanction appropriate to the offence that has occurred. As I said before, many tax agents are small business operators and it is not beyond the realms of possibility that they could fall foul of the law, perhaps inadvertently in some cases, and under this legislation the board will have the opportunity to impose a sanction on them that takes account of the circumstances that led to that breach of the code of conduct. I imagine that is one of the reasons that the industry has been appreciative of this change in the legislation and is supportive of it. They can see that this will work well, as opposed to a very heavy handed measure of immediate penalties that may be unwarranted, depending on the circumstances of the case.

Overall, I would like to conclude by saying that the bill demonstrates the government’s ongoing commitment to strengthening the integrity of the tax system and to providing greater protection to consumers and greater certainty to tax agents. It is another example of the modernisation of the legislative system that applies in this country, in particular in regard to tax. It is always a good thing to be able to stand here and endorse the government’s ongoing modernisation of very important legislation that affects so many Australian taxpayers and their families and, in particular, the businesses that operate in the tax agent services industry.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (11.59 am)—Firstly, I would like to thank all senators who have contributed to this debate, particularly Senator McEwen for her contribution. The Tax Agent Services Bill 2008 aims to improve the regulatory environment for the provision of tax agent services of the current regime, which was introduced in 1943. Think about that: we have a regime here dating from 1943—it is a little out of step with the contemporary tax and commercial environment! The bill will ensure that tax agents’ services are provided in accordance with appropriate professional and ethical standards.
The bill will improve the regulatory environment through the establishment of a national Tax Practitioners Board, which will provide consistency in the registration and regulation of tax agents and other intermediaries in the tax field. You just have to look at the papers to see the sort of tax practices being recommended by many so-called high-profile tax agents—the Bermuda trusts that they encourage people towards. We are having to have an entire enforcement regime dealing with the activities of schemes promoted by some tax agents, so this is a particularly relevant bill at the moment.

The bill requires that entities providing business activity statement services for a fee must register. It ensures a level playing field and realigns the scope of regulation with the expansion of the tax base and other changes to the tax system over recent decades.

The legislative code of professional conduct established under the bill provides certainty to both agents and taxpayers. Agents will be given clarity about the standard of conduct expected of them and taxpayers will have a benchmark against which they can evaluate the services that they receive. It is very important that, when you are looking to employ a tax agent, you know that they are registered and you know that they understand their professional and ethical standards. We do not want to see the proliferation that we have in recent times, where some fly-by-nights spend their time trying to actively promote illegal evasion. That is not to deny the right of people to access the deductions that they are entitled to. What we are talking about here is people who go out of their way to set up scams and false activities that evade tax. That is why this is such an important bill.

The introduction of a range of constructive and educative administrative sanctions allows the new board flexibility to respond appropriately to breaches of the code. The application of civil penalties instead of the existing criminal penalties for certain specified misconduct by registered agents and unregistered entities will provide an effective deterrent against engaging in prohibited conduct. That is one of the really important steps forward that we are seeing through this legislation. The criminal penalties have not necessarily been able to be enforced as well as I am sure the original legislators had hoped. The capacity to impose civil penalties for misconduct by registered agents and, importantly, unregistered entities should begin to assist, promote and protect the integrity of the tax base. The vast majority of taxpayers are interested in protecting the integrity of the tax base.

The Tax Agent Services Bill 2008 is the culmination of an extensive consultation process that commenced in 1992. I see Senator Coonan here in the chamber. It has been a long time since 1992, Senator Coonan.

Senator Coonan—And feeling every minute of it, Senator Conroy!

Senator CONROY—I am sure you were also working on this bill! A working party was first established back in 1992 to review the regulatory arrangements and professional standards for tax agents. Since that time a broad range of stakeholders have been involved in developing the new regulatory regime in the bill—in fact, I am sure that there is almost nobody who was not consulted, given the bill has been discussed since 1992. This consultation has included practitioners, professional associations, the state tax agent boards and taxpayers. The extent of the engagement of the industry and the broader community is evidenced by the interest generated in the latest consultation—that is, the Senate Standing Committee on Economics inquiry into the bill. Clearly, stakeholder groups are very keen for the bill to be passed
and for it to commence as soon as possible. I am sure that is recognition of what I was saying before—that both agents and taxpayers have an incentive to protect the integrity of the tax base, because when some people behave badly and evade their tax, what that ultimately does is increase the pressure on those taxpayers who have behaved ethically and honestly. The ongoing interest in this bill, as demonstrated by the submissions and by some of the passions that have been stirred up, allows us to see that the overwhelming majority of Australians and practitioners want an ethical and professional approach to taxation issues.

The recommendation of the Senate Standing Committee on Economics was that the Senate pass the bill. The committee noted that many of the matters of detail raised in submissions during the inquiry can and ought to be addressed through guidelines, which may be issued by the new board under the bill. The opposition has also separately made known its support for the bill. I would also like to note that the government continues to recognise the value of the views expressed by the members of the industry and the broader community, through consultation, to this new regulatory regime. Indeed, consistent with the government’s approach to consultation, the government last month released the associated transitional provisions and consequential amendments bill for six weeks of public consultation.

As you can see from that six-week consultation period, this is a government that is committed to consulting the sector. It is committed to getting the best possible advice, the best possible evidence, to ensure that it gets this right. This is not a government that is interested in trying to ram bills through. It is a government that has consulted through, firstly, the Senate inquiry, and now a public consultation process. I am sure senators in the chamber today would welcome the fact that on this sensitive but important matter the government is willing to sit down and continue what has been quite lengthy process. As I said, the process has been going since 1992—but we are now right at the final stage.

I look forward to examining the guidelines which the new board will issue. They are going to be a critical step towards ensuring that the shonky practices of some agents that have gone on are stamped out. So I welcome the support of industry for this bill and I welcome the support for the consultation and for the guidelines that are going to be issued—and I am sure that there will be healthy debate, robust debate, on what these guidelines are. To take on board the desire to publish guidelines which will set out the professional standards for tax agents is going to be a challenge, but I am sure the stakeholders involved in this will take up the opportunity to identify what are breaches of the code. They are going to be specifying misconduct. This is not a challenge that should be underestimated. Professional associations take their jobs very seriously and they are going to take this process very seriously. It is important that the parliament have confidence that the professional associations take ethical misconduct seriously, and that is why we will be watching the debate and watching when these guidelines are issued. We want to give support to the new board so that they know that the weight of parliament is behind them, that we are in a situation where they can act with the support of, as it appears, the whole parliament and that all of the differing groups—the government, the opposition and the minor parties—are committed to getting the outcome that this bill deserves.

So the Tax Agent Services Bill 2008 provides significant improvements to the existing regulatory regime. For the agents it provides appropriate, flexible regulation of the provision of taxation services and will im-
prove consistency and registration. For taxpayers, the consumers of tax agent services, it will enhance the protection of those taxpayers, thereby reducing their uncertainty and the risk they face. For the broader system, the bill will strengthen the integrity of the tax system and the tax industry. With the economic pressure that we are currently facing, we need to be able to have confidence that no-one is paying more tax than they need to, and we can ensure that by putting pressure on and driving out of the industry the fly-by-nighters—those who have perhaps less than ethical standards and who promote schemes which are clearly about tax evasion. As I said earlier, everyone else pays when a few smart alecs get to rort the system. So having an industry sector that is committed to driving the shonks out of that system is very, very welcome.

We want to be able to say that these guidelines—this new regulation, this new flexibility—will protect not just the integrity of the tax base but also taxpayers and reputable, ethical agents. That is what is at the heart of this legislation. Senator Coonan has worked on it, many predecessors appear to have worked on it, and it is timely that in a time of economic difficulties we are striving to ensure that the tax burden continues to be reduced where appropriate. That is why it is important that the Henry review continue its work—so that we are in a position where, when we make changes to the tax system, we do not have tax agents out there with the sole intention of creating evasion, because that would undermine the integrity of the tax system. So already we are going through the process of the Henry tax review, which is designed to protect and enhance the integrity of the tax system, and at the same time we have this complementary reform, which has the entire support of the industry and is designed to ensure that the good work being done by the Henry tax review is not undermined from within. That is an important thing, and the industry deserves congratulations on it.

So, Madam Acting Deputy President Trott—I know you will be barracking for Collingwood on Friday night because you are that sort of fair-minded person and you can share around the premiership cups!—the government is committed to implementing these regulatory reforms to the provision of tax agent services, and I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

FEDERAL FINANCIAL RELATIONS BILL 2009

FEDERAL FINANCIAL RELATIONS (CONSEQUENTIAL AMENDMENTS AND TRANSITIONAL PROVISIONS) BILL 2009

Second Reading

Debate resumed.

Senator COONAN (New South Wales) (12.13 pm)—I must say, with respect to the previous bill, which we supported and were very pleased to support, that it had a gestation going back to 1992. The mischievous side of me was inclined to vote against it just to liven it up a bit! However, I restrained myself.

With great pleasure, I now address the Federal Financial Relations Bill 2009 and the Federal Financial Relations (Consequential Amendments and Transitional Provisions) Bill 2009. We will be supporting these bills. The Federal Financial Relations Bill 2009 appropriates funds to provide financial assistance to the states by implementing COAG’s Intergovernmental Agreement on Federal

The stated objectives of the bills are simplicity, accountability, certainty and improved service provision. The Treasurer has proclaimed the bills as ‘a new direction’ for federalism, but the changes are less radical than claimed. The coalition, for example, can point to the introduction of the GST as a far more significant event in securing a funding base for the states.

The Commonwealth committed to provide financial support to the states through having GST payments distributed in accordance with the principle of horizontal fiscal equalisation, which always sounds painful to those who might not otherwise understand its meaning; through other general revenue assistance, to be paid monthly; through national specific purpose payments to service delivery in health care, schools, skills and workplace development, disability and affordable housing; and through national partnership payments to reward those states which best deliver services and outcomes. These four means of funding are provided for in the bills. Their financial impact is $6.3 billion over the five years from 2008-09 to 2012-13.

In relation to the national partnership payments, this is a departure from the needs based principle of horizontal fiscal equalisation, which is, however, retained for GST payments. The bills promise greater simplicity by collapsing more than 90 existing specific purpose payments into five national specific purpose payments. These payments will also be subject to reporting against performance indicators. The national partnership payments, which will include project, facilitation and reward payments, may well become quite complicated and offset the simplicity arising from reducing the number of specific purpose payments.

The states have agreed to the proposed arrangements, and the new arrangements are to commence on 1 April 2009. Whilst the coalition will support these two bills and we do understand the policy intent behind them, we do want to place on record and make it very clear that we will be watching and monitoring the implementation and effectiveness of the new system to ensure it actually works as the government claims it will and as it is intended to. I do not propose to go into a long speech about it. I think we will just have to see how it goes. We will be supporting the legislation on the basis that we will be monitoring its effectiveness. I commend the bills to the Senate.

Senator FEENEY (Victoria) (12.18 pm)—It is also my pleasure to rise this afternoon in support of the Federal Financial Relations Bill 2009 and the Federal Financial Relations (Consequential Amendments and Transitional Provisions) Bill 2009. The Federal Financial Relations Bill 2009 is not one of those bills which is likely to gain enormous press coverage or indeed the forensic and excited analysis of our newspapers. But, notwithstanding that dreadful oversight, this is in fact a very important piece of legislation indeed. The Federal Financial Relations Bill 2009 is a bill that essentially keeps faith with Labor’s commitment to work hand in hand with our states and territories to end the blame game and to give legislative reality to the new architecture of the relationship between the Commonwealth government and the state and territory governments.
The bill appropriates funds to provide financial assistance to the states and implements this government’s reforms to modernise federal financial relations in accordance with the new financial framework agreed at the COAG in the Intergovernmental Agreement on Federal Financial Relations. On 29 November 2008 the Council of Australian Governments agreed to this new framework for federal financial relations. I might say that it is matter of great pride to this government as well as those governments at COAG who welcomed and agreed to this important reform. It is a reform which provides a robust foundation for collaboration on policy development and service delivery—those two crucial ingredients—and facilitates the implementation of economic and social reforms in areas of national importance.

In agreeing to the new framework for federal financial relations, the Commonwealth committed to the provision of ongoing financial support for the states’ service delivery efforts and to do that in three particular ways. The first of those is general revenue assistance—that is, the ongoing provision of GST payments to be used by the states for any purpose. The second is the national specific purpose payments, the SPPs as they are known, which are to be spent in the key service delivery sectors. The third is the national partnership payments to support the delivery of specified outputs or projects to facilitate particular reforms or to reward those jurisdictions that have delivered on nationally significant reforms. The new federal financial framework commenced on 1 January 2009, with transitional arrangements for the period to 30 June 2009.

I want to say some brief words about each of the three particular parts of the framework, beginning with GST payments. The bills provide an appropriation for the Commonwealth to make GST payments to the states equivalent to the revenue received from the GST in respect of financial years starting from 1 July 2009 and for these payments to be distributed in accordance with the principle of horizontal fiscal equalisation. That is a phrase which, as the previous speaker warned all of us, is an intimidating one, but it is nonetheless a critical principle for how the GST is distributed between the Commonwealth and state and territory governments.

Each state will receive its adjusted population share of the GST revenue. The adjusted population for each state will be calculated by multiplying the state’s population as determined by the Australian Statistician by a GST revenue-sharing relativity as determined by the minister. That, of course, is a formula which, from time to time, becomes very prominent in Australian politics as a source of disputation and rhetoric between the states and the Commonwealth but in fact, of course, is something that has had a long-standing importance in Commonwealth-state relations.

These provisions are equivalent to the current GST payment provisions in the A New Tax System (Commonwealth-State Financial Arrangements) Act 1999. So it is important to note that there has been no disadvantage bestowed on any of the jurisdictions through these arrangements. The bills provide for the repeal of parts of A New Tax System (Commonwealth-State Financial Arrangements) Act 1999 with effect from 1 July 2009 and for the act to be renamed A New Tax System (Managing the GST Rate and Base) Act 1999. This, of course, is housekeeping but it makes sure that those pieces of legislation are clearer to legislators and citizens alike in terms of their function.

Going to the second mechanism for payments here—the national specific purpose payments—the bills provide for an appro
appropriation by the Commonwealth to make an ongoing financial contribution from 1 January 2009 to support state service delivery in the critical areas of health care, with those payments commencing with effect from 1 July 2009; schools; skills and workforce development; disability services; and, lastly, affordable housing.

Turning to the national partnership payments and general purpose financial assistance, the bills provide for the minister to credit amounts to the COAG Reform Fund for the purpose of providing financial assistance to the states in the form of a national partnership payment and general purpose financial assistance. While the annual appropriation acts will not appropriate amounts to be paid as national partnership payments and general purpose financial assistance, the maximum amount that the minister may credit to the COAG Reform Fund in a particular financial year will be specified in an annual appropriation act related to that particular year. The COAG Reform Fund will be used to disburse national partnership payments and general purpose financial assistance to the states, and it will do that under the new federal financial framework.

I think it is important to relate to the Senate that these bills, needless to say, have a very significant financial impact. Senator Coonan has outlined that financial impact in her remarks. Very briefly, we are talking here about a funding package agreed by COAG with additional appropriations totalling some $6.3 billion over five years—those five years, of course, being 2008-09 through to 2012-13. What these bills in fact do is provide reality to the government’s commitment—the commitment made in 2007—that we would give new form to our federal-state relations, and that new form would keep faith with our commitment that our relationship with the states would not be a relationship marked by conflict or overbearing conduct between one set of lawmakers and another but rather would be marked by cooperation and a search for common solutions to common problems.

During the 2007 election campaign Kevin Rudd committed a Labor government to a new approach to federal-state relations—what he termed ‘ending the blame game’. Of course, he was referring to the way federal-state relations were conducted under the Howard government—a government made up of parties that were all historically committed to the concept of states’ rights. It is somewhat ironic when one considers the record of the Howard government. The Liberals came to power committed to something called ‘new federalism’ but instead what Australians received over 11 years was a new centralism. John Howard embraced centralism with an enthusiasm that put all of his forebears to shame. Under Mr Howard, everything was to be decided in Canberra—in fact, everything was to be decided by him. I recall in that marvellous ABC series The Howard Years the then Treasurer, Peter Costello, regaling the audience with tales of how in fact he himself was not aware the Prime Minister was about to announce the GST. So centralism had reached the point under John Howard where not only all decisions were being made in Canberra but indeed all decisions were being made by him without regard to cabinet. Schools, universities, health funding, transport, wages and conditions, the environment, Indigenous affairs—John Howard knew best about everything and the states could take what was offered to them or they would go without.

As the states, one by one, elected Labor governments over the course of those 11 years, you will recall, Acting Deputy President Troeth, that the Prime Minister increasingly treated these states of the Australian Commonwealth as enemies and as political punching bags at election time. Mr Howard
took the credit for everything good that happened but of course blamed the states for everything bad that happened. This reached the heights of absurdity during the election campaign in 2007, by which time Australia had six state Labor governments and two Labor territory governments. Mr Howard campaigned as if those the states were hostile foreign powers. Despite the fact that Mr Howard had been Prime Minister for 11 years and despite the fact that he had centralised virtually all important decisions into his own office, suddenly he was now not responsible for anything. No, it was all the fault of the states. If the states borrowed for vital infrastructure projects, as the states have always done, they were reckless spenders and responsible for our national debt. Yet if they did not borrow moneys for vital infrastructure projects, they were responsible for whatever went wrong with every road, bridge, port, airport, pipe and hole in the ground. What Saddam Hussein and the hapless refugees on the Tampa did for John Howard in earlier elections, he hoped the states might do for him in 2007. Of course, that is all a matter of history now, and we all know how that story ended. All that blaming and shifting of responsibility between the Commonwealth and the states was in vain. When Victorians were asked to choose between the record of the Bracks-Brumby state Labor governments and the record of John Howard, I am delighted to report that they chose to reject Mr Howard. Of course, that story was repeated outside Victoria and throughout Australia.

Mr Howard’s blame the states campaign fell as flat as his scare campaign about union bosses. Faced with the choice between Mr Howard’s scaremongering and blame shifting and Kevin Rudd’s positive, constructive, concrete proposals for fixing our federal system and getting federal-state relations back on a constructive and cooperative footing—the kind of footing that those relations enjoyed under the Hawke and Keating governments—the voters rejected Mr Howard and supported Kevin Rudd. This bill is the realisation of Kevin Rudd’s campaign promise to end the blame game and to fix the problem, whereas Mr Howard had core and non-core promises—those promises he intended to honour and those promises he did not intend to honour, that he intended to discard. Kevin Rudd has come to office as a Prime Minister determined to keep all of his commitments that he made to the Australian people. This bill is another example of that determination.

That is why, as I said at the outset, this is not a bill that we will see splashed across the pages of the Herald Sun tomorrow, it is not a bill that will attract great public controversy, but it is a bill of very enormous importance. It is a bill that gives flesh to the very important agreement reached at COAG, the very important changed arrangements between the Commonwealth government and COAG, and I guess one might say a new approach whereby the Prime Minister and the Treasurer will not have annual slugfests with state governments about how moneys are to be disbursed; rather, there will be the capacity for long-term planning against real and rational targets.

The Treasurer in his second reading speech in the House of Representatives made the point:

In the past, onerous Commonwealth conditions on funding arrangements have tended to stifle innovation and flexibility, resulting in duplication, overlap, cost shifting and unnecessary administration costs.

We not only have the issue of relations between state and federal governments being previously marked by the bitter politics and blame shifting that occurred but also have some important principles of public policy that we must keep in mind here too. Those
important matters of public policy are about how those previous arrangements operated to stifle the kind of innovation and evolution in public policy that was so very necessary.

Having made the claim that this is a very important piece of legislation and having made the claim that this is a bill that gives truth and reality to Labor’s commitment to end the blame game and work cooperatively between the different tiers of government, you might very well ask the questions, ‘How is the opposition considering these important matters? How has this bill figured in the thinking of those on the other side?’ We had the example of that yesterday in the House of Representatives. This matter came before the House yesterday afternoon—to be forensic, at 12.46 pm—and I can assure you that on that occasion the Treasurer and the Labor government were listening with bated breath for how the opposition was going to consider the important questions here. The answer, I am afraid to report, is that the opposition in the House proved itself, yet again, to be incapable of coming to grips with significant questions of public policy. We discovered yesterday in the House that Joe Hockey, the shadow Treasurer, was unable to be found. Mr Abbott manfully stepped into the breach and for three minutes did his level best to try to articulate an opposition position on this very important bill. Over those three manful minutes, Mr Abbott did his very best to try to present the opposition as a force in Australian politics—not an easy task. Over those three minutes he said a few words, and some of them have caught my eye. He said:

That is why a significant number of frontbenchers from the opposition will be forensically analysing the legislation in the course of this debate. I have had great pleasure in trying to at least contextualise the position of the opposition in the debate that we now intend to proceed with.

A fine and upstanding set of words. I guess none of us are going to pontificate about oc-
site approach every single issue of substance in this parliament. It does not matter whether it is the global stimulus package, it does not matter if it is increases for pensioners, it does not matter if it is the IR debate and it does not matter if it is this—that is to say, if it is a bill that is bringing new shape and new substance to Commonwealth-state relations. It does not matter what the public policy challenge is as the methodology of the Leader of the Opposition remains unchanged. In fact, the only consistent thing about an inconsistent opposition is the Leader of the Opposition’s three-step. On day 1, under phase 1, we had the opposition announce itself as offering bipartisan support for Labor initiatives and there was a brief flash of statesmanlike conduct on the other side, which from time to time does have members of the media enraptured. But, unfortunately, phase 2 of the Leader of the Opposition’s three-step is doubt; it is about casting doubt. I guess, when we see Senator Coonan saying things like ‘let’s see how it all goes’ and ‘we’ll be watching and monitoring’ in respect of bills of this substance, we do see those opposite establishing yet again the out-clause so that they can address themselves to issues of importance later, because they have been unable to do it today.

Finally, phase 3 of the Leader of the Opposition’s three-step is of course— (Time expired)

Senator SHERRY (Tasmania—Minister for Superannuation and Corporate Law) (12.38 pm)—I would like to thank my colleague Senator Feeney, for a very fine contribution and a very incisive analysis of the issues that arise from the bills before us, and thank Senator Coonan. I think Senator Coonan was just about to touch on the third phase. I suspect the third phase would relate to that attempted secret dinner that Mr Hockey and Mr Costello were caught at in Kingston, and probably on this occasion Mr Hockey’s absence is explained by a further secret lunch to discuss the future of the interim leadership of the Leader of the Opposition, Mr Turnbull.

I would like to thank members for their contribution to the debate on the Federal Financial Relations Bill 2009 and the Federal Financial Relations (Consequential Amendments and Transitional Provisions) Bill 2009. These are important bills to reform financial relations with the states and territories, although, as was noted by my colleague, they are hardly going to draw great media interest or commentary. The Federal Financial Relations Bill appropriates funds to provide financial assistance to the states and territories and implements this government’s reforms to modernise federal financial relations in accordance with the new financial framework agreed by the Council of Australian Governments in the Intergovernmental Agreement on Federal Financial Relations. We are bringing this aspect, as indeed we are bringing many other aspects of public policy, into the 21st century. The Federal Financial Relations (Consequential Amendments and Transitional Arrangements) Bill provides for the relevant consequential amendments arising from the measures in the Federal Financial Relations Bill, including the repeal or amendment of inconsistent legislation.

As I said in my second reading speech, COAG has agreed to a new architecture of cooperative funding arrangements that will replace the inefficient, complex and frankly dysfunctional system of grants that has plagued areas of joint Commonwealth and state involvement in the delivery of services for decades. With these bills the ineffective methods of the past will be behind us and we will be heading in a new direction and will be in a new era of modern federalism. Following COAG’s agreement to the new federal framework in November last year, I have been pleased to note the comments of the
Business Council of Australia. The Business Council has consistently argued for reform of federal financial relations and for governments to focus on outcomes in health and education. The Business Council congratulated COAG for ‘reshaping federal-state finances in ways that can improve the accountability and efficiency of government services and make it easier for businesses to invest and grow’. This is a strong endorsement of this government’s reforms to Australia’s federal financial relations—reforms that are long overdue. The comments highlight the fundamental objectives of these reforms of improving the public accountability of both levels of government and of improving public sector efficiency. A more productive public sector means that better services can be delivered with the same level of resources.

In agreeing to the new framework for financial relations, the Commonwealth committed to the provision of ongoing financial support for the states’ service delivery efforts through general revenue assistance, including the ongoing provision of GST payments, to be used by the states for any purpose; through national specific purpose payments, known as national SPPs, to be spent in the key service delivery sectors; and through national partnership payments to support the delivery of specified outputs or projects, to facilitate reforms or to reward those jurisdictions that deliver on nationally significant reforms.

In terms of GST payments, the bill provides an appropriation for the Commonwealth to make GST payments to the states equivalent to the revenue received from the GST in respect of financial years starting from 1 July 2009 and for these payments to be distributed in accordance with the principle of horizontal fiscal equalization. These provisions are equivalent to the current GST payment provisions. Each state will continue to receive its adjusted population share of the GST revenue. The adjusted population of each state will be calculated by multiplying the state’s population, determined by the Australian Statistician, by a GST revenue-sharing relativity, determined by the Treasurer.

The Federal Financial Relations (Consequential Amendments and Transitional Arrangements) Bill provides for the repeal of parts of the A New Tax System (Commonwealth State Financial Relations) Act, with effect from 1 July 2009. Once amended, the ongoing provisions of the current act will be limited to the procedures for managing the rate and base of the GST.

I turn to other general revenue assistance. The government has a range of revenue-sharing and other general-purpose payments in place with the states other than the GST arrangements. Payments under these arrangements will be provided for in the Federal Financial Relations Bill in order to bring all payments to the states under one piece of legislation. Monthly payments of general revenue assistance will be determined by the Treasurer and paid through the COAG Reform Fund. These payment arrangements will be set out in the Intergovernmental Agreement.

The bill provides appropriations for the Commonwealth to make an ongoing financial contribution from 1 July 2009 to support state and territory service delivery in the form of five national SPPs covering the key human service sectors of health care, schools, skills and workforce development, disability services and affordable housing.

The bill also provides a facility for the Treasurer to determine the appropriate amount of national SPPs for this financial year. The transitional arrangement for 2008-09 is necessary to allow the government to reconcile the total amount to be paid for the
year with the amount already paid under ex-
isting arrangements in order to determine the
correct payment for the remainder of the
year.

In the past, onerous Commonwealth con-
tions on funding arrangements have tended
to stifle innovation and flexibility, resulting
in duplication, overlap, cost shifting and un-
necessary administration costs. In establish-
ing these new national SPPs the Common-
wealth will provide the states with more
funding certainty. The bill specifies the
amount of funding for each national SPP for
2009-10 and for the base funding to be in-
dexed annually by a growth factor.

There will be no more five-year agree-
ments with take-it-or-leave-it offers as oc-
curred under the previous arrangements.
These national SPPs are ongoing payments
with regular funding adequacy reviews. The
Treasurer of the day will determine the an-
nual growth factor and each state or terri-
tory’s share of the national SPPs in a finan-
cial year. These determinations will be in
accordance with the principles provided in
the intergovernmental agreement. There is
provision for national partnership payments,
new incentive arrangements with the states,
to drive key economic and social reforms.
The government has already started this
process with around 20 national partnerships
agreed by COAG.

The bill provides for the Treasurer to
credit amounts to the COAG reform fund.
For the first time in a very long time the
complexity of the Commonwealth’s financial
relations with states and territories will come
under the umbrella of just one piece of legis-
lation. That will be a significant achievement
for the government and it will also greatly
improve public transparency of these pay-
ments and the ability of the parliament to
scrutinise the payment arrangements. It im-
proves parliamentary scrutiny for payments
to the states while at the same time providing
more flexible payment arrangements.

That is a summary of the legislation. I
have not wanted to overly outline, in this
conclusion to the debate, the obviously im-
pressive detail of this new set of very impor-
tant arrangements. I would like to conclude
by thanking Senator Coonan and Senator
Feeney for their contributions and commend
the bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading

Bills passed through their remaining
stages without amendment or debate.

Sitting suspended from 12.48 pm to
2.00 pm

QUESTIONS WITHOUT NOTICE

Employment

Senator BRANDIS (2.00 pm)—My ques-
tion is directed to the Leader of the Govern-
ment in the Senate, Senator Evans. I refer to
today’s Australian Bureau of Statics figures
which show that a further 53,800 Australians
lost their jobs last month. Don’t these figures
prove beyond question that the government’s
December cash splash failed to create the
75,000 jobs that the Prime Minister promised
it would?

Senator CHRIS EVANS—I thank Sena-
tor Brandis for the question. I am a bit disap-
pointed he seeks to politicise the very serious
unemployment figures that were released
today. Through you, Mr President: they are
of great concern, Senator Brandis. It is
highly unfortunate that the employment sta-
tistics show a worsening unemployment rate.
That is, of course, in line with projections
and, in that way, it is not unexpected.

Senator Cormann interjecting—

Senator CHRIS EVANS—Senator Cor-
mann interrupts, ‘It’s all your fault.’ Well,
Senator, what is clear—and you may not understand on that side—is that we are in the middle of a global financial crisis. All the economies in the world are suffering. I am not sure if you are aware, but the unemployment rate in the US rose to 8.1 per cent last month—more than 500,000 people, half a million people, in the US are losing their jobs every month. These are global problems and we are not immune, and they are problems that this government is tackling, front and centre.

Opposition senators interjecting—

The PRESIDENT—Order! When we have quiet, we will resume question time.

Senator CHRIS EVANS—We have been upfront with the Australian people that there are going to be enormous impacts from this global financial crisis and that we are not immune. That is why we have acted early and strongly to try and protect the Australian economy as much as we can. That is why we implemented the measures that we did late last year and why the payments that we introduced are being paid this week. This is to try and protect the economy and to try and protect Australian jobs. We are trying to do all that we can to protect us from the worst impacts of this financial crisis. Senator, we appreciate the support you gave for those measures in December. This is an international crisis. We are acting decisively and strongly to protect as many Australian jobs as we can but—(Time expired)

Senator BRANDIS—Senator Evans, given that unemployment has risen from a record low of 3.9 per cent under the previous coalition government to 5.2 per cent now under the Rudd Labor government in little over a year, will the government now release its modelling, if it exists, on the effect of the new IR framework on employment? Can the minister guarantee that these IR changes won’t further add to the number of unemployed Australian workers?

Senator CHRIS EVANS—It is interesting that, when interest rates dropped to record lows, the Liberal Party said that that was nothing to do with the government, but when unemployment moves up it is all the government’s fault. This is why they have no credibility with the Australian public. They are playing politics with the serious impacts of the global financial crisis on Australians.

What we are doing is taking every measure we can to try and protect Australian families and Australian jobs. I know, as you on that side know, that Work Choices is one of the things that make Australian families feel insecure. They know that it made their jobs less secure. They know that they had no rights at work. They had no redundancy payments under many of the agreements put in under Work Choices. We are going to abolish Work Choices. We make no apologies for that, and it will be interesting to see whether or not those opposite support us. Australian families want to see the end of Work Choices, and we are going to deliver.

Senator BRANDIS—Mr President, I ask a further supplementary question. Given the increasing pace of job losses as revealed today, will the government now abandon its plan to rush its bureaucratic and job-destroying emissions trading system into place by 2010? Minister, when will you stop hiding behind the global financial crisis and accept that the loss of Australian jobs is the responsibility of the Australian government?

Senator CHRIS EVANS—The opposition has lost any claim whatsoever to economic credibility. When BHP sheds 6,000 or 7,000 jobs around the world and half of them are shed in Australia, that is our fault; that has nothing to do with their international trading position—nothing to do with any of the economic factors! What nonsense. What
economic illiteracy. For some sort of cheap political point, you make those sorts of claims. You know it is a nonsense. You know that we are in the middle of a global financial crisis. You know that we have made every effort to try and get in front of the curve.

Opposition senators interjecting—

The PRESIDENT—Order! Senator Evans, you should address your comments through the chair. Those on my left should be quiet such that I can hear the answer of Senator Evans.

Senator CHRIS EVANS—This government are absolutely committed to doing everything we can to protect Australian jobs. That is why we have taken all the measures that we have to try and build confidence—

Senator Coonan—Yes, but they haven’t worked.

Senator CHRIS EVANS—Senator Coonan, it may not have worked in your view, but what would have been the result if we hadn’t acted? What if we hadn’t acted, Senator? There would have been the loss of more jobs. You just do not get it. (Time expired)

Honourable senators interjecting—

The PRESIDENT—Order! We will not proceed with question time until there is order. On my left, on my right, order!

Employment

Senator BILYK (2.07 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister inform the Senate what the government is doing to support jobs through the global economic crisis?

Senator CARR—I thank Senator Bilyk for that question. Protecting and supporting Australian jobs is the government’s No. 1 priority, and that is why we have moved quickly to boost activity through the $10.4 billion Economic Security Strategy and the $42 billion Nation Building and Jobs Plan. By stimulating aggregate demand, we are supporting jobs in all Australian industries, whether we grow things, whether we make things, whether we manage things or whether we sell things. The government is focused on getting Australians through these difficult times and preparing them for a better future.

Today’s unemployment figures highlight the scale of the challenge we face. The unemployment rate rose from 4.8 per cent to 5.2 per cent in February. This compares with the unemployment rates of 6.3 per cent in the United Kingdom, 8.1 per cent in the United States and 8.2 per cent in the Eurozone. Employment also increased in February, just as it did in December, just as it did in January, defying market expectations. However, the decline in full-time employment is a matter of serious concern to the government. Every job lost is a tragedy, and that is why this government have intervened aggressively to defend Australian workers. There is no question that our actions have buoyed consumption and morale. Westpac described the positive results in the consumer sentiment survey it released this week as:

… a strong vote of confidence that current policies are providing a strong foundation in the longer term.

(Time expired)

Senator BILYK—Mr President, I ask a supplementary question. Can the minister
explain to the Senate what the government’s strategy means for the manufacturing sector?

Senator CARR—The manufacturing sector is critical to the Australian economy and central to our plans for the future. It is great to see management and unions cooperating to avoid job losses by reducing working hours and bringing forward leave. It is great to see enlightened executives reducing their salaries. The government’s $3.8 billion business tax break helps manufacturers directly and gives all Australian firms an incentive to invest in products of manufacturing, including plant and equipment and car fleets. Our first home owners boost is driving demand not just, of course, for building supplies but for all the things people need to fit out a new home. Our historic commitment to build 20,000 new dwellings for social housing is doing the same. Our energy-efficient homes initiative is expanding the market for insulation. Our massive investments in road, in rail, in schools and in university infrastructure will boost demand—(Time expired)

Senator BILYK—Mr President, I ask a further supplementary question. Can the minister update the Senate on what new measures the government has introduced to help retrenched workers?

Senator CARR—We are dramatically increasing support for workers who lose their jobs through no fault of their own. The $75 million targeted Productivity Places Program will make 10,000 training places available to help retrenched workers update and upgrade their skills. This is in addition to the 10,000 structural adjustment places which were announced last October. The $950 learning and training bonus will also ease the cost of study for people on social security undertaking approved courses. There is the $145 million Securing Apprenticeships program, which will give employers incentives to take on apprentices who have been retrenched before completing their training. We are spending $298 million over the next two years to give retrenched workers immediate, intensive and personalised help to find new jobs. It is a pity the opposition was not prepared to stand behind such measures. (Time expired)

Economy

Senator SCULLION (2.12 pm)—My question is to the Leader of the Government in the Senate, Senator Evans. I refer to the $75 million given to non-Australian residents living overseas as part of Rudd Labor’s failed December cash splash. How does that help stimulate the Australian economy?

Senator CHRIS EVANS—The Economic Security Strategy payments to pensioners were, as the Senate will understand, a down payment on long-term pension reform. I appreciate the support we received from the opposition in passing that—something that seems to have been forgotten in recent times. In that package, we made it very clear that this was a down payment on the more fundamental reform that was necessary for the payment of pensions and the level of pensions. As a down payment on that pension reform, the ESS payment was made to some pensioners resident overseas who are part of longstanding international social security arrangements. They are entitled because of this international regime. If pensions increase in Australia, these longstanding arrangements suggest that those increases should flow to all those receiving the Australian pension, including those overseas.

Australia currently has 22 international social security arrangements. They were, up until now, bipartisan policy. It seems that is no longer the case. For the record, at least 388,000 overseas pensions are paid in Australia, with an annual value of $1.6 billion. Australia currently pays an estimated $517 million in pensions to people overseas. So, in
net terms, because of those international social security arrangements, more than $1 billion comes into Australia each year. In other words, we have a net win, if you like, out of those arrangements. These payments will be paid to all those in the receipt of a pension because it is part of a down payment on the pension rate—which, as I say, is being considered by the Harmer report and which the government will respond to in the next budget. It is on that basis that they have been paid. (Time expired)

Senator SCULLION—Mr President, I ask a supplementary question. Will an eligible Australian taxpayer who paid tax and lodged a tax return in the 2007-08 financial year, but who has departed Australia permanently, receive a payment from the government’s most recent $42 billion cash splash? If that is the case, how does giving Australian taxpayers’ money to overseas residents help stimulate the Australian economy?

Senator CHRIS EVANS—I do not think that is necessarily a supplementary question. It is the same political theme, but it is not a supplementary question. It is not on the question of the pension bonus; it is about another entitlement.

Senator Abetz—Of course it is—it’s about stimulus packages, you goose!

Senator CHRIS EVANS—Senator Abetz, calling me a goose does not change the facts. The fact is that the question went to a separate issue. I am happy to take the supplementary question on notice, because I am not sure I caught the whole detail in the question. But in basic terms, as I made clear to you, because we considered the payments to pensioners a down payment on an increased pension rate, we decided that they would be paid to all those in receipt of the pension. That is the government’s policy. That was explicit in the measure you voted for at the time. (Time expired)

Senator SCULLION—Mr President, I ask a further supplementary question. Will the minister confirm that the estates of now deceased taxpayers who lodged tax returns for 2007-08 may be eligible for payment as part of the $42 billion cash splash—that is, the most recent one? How does giving money to the deceased help stimulate the Australian economy?

Senator CHRIS EVANS—It was not clear in the question, but I assume it referred to the tax bonus payments.

Senator Scullion—The $42 billion; that’s correct.

Senator CHRIS EVANS—No, the $42 billion was made in a number of payments. As I understand the question—it was not clear—you are asking about the tax bonus paid to those who paid tax in the 2007-08 year. I will take that on notice and make sure that I get the answer to the senator’s question because, given the amount of detail in that question, I want to make sure we get it right. I do not have that immediately to hand but I will get that as soon as I can for the senator.

Burma

Senator LUDLAM (2.18 pm)—My question is to the Minister representing the Minister for Foreign Affairs. In his statement of 22 October 2008 the foreign minister announced that the Australian government would ‘continue to press Burma’s regime for meaningful progress towards democracy’. Can the minister outline exactly what the government has done since this announcement?

Senator FAULKNER—I thank Senator Ludlam for his question. I can indicate, as the senator would probably be aware, that in his statement of 22 October last year the Minister for Foreign Affairs announced that the Australian government would continue to press the Burmese regime for meaningful progress towards democracy. The government of course remains gravely concerned
by the Burmese regime’s systematic repression of Burmese citizens for their political views. In November last year the regime sentenced over 200 individuals to harsh prison sentences for political crimes. That brings the population of political prisoners to somewhere over 2,000 people.

Since that time Australia’s ambassador has conveyed our strong concern at the political situation to a number of Burmese ministers and senior officials, and we have repeated our call for the immediate and unconditional release of all political prisoners. Australia welcomes the regime’s release of 29 political prisoners in February, although this falls short of what the international community is looking for. And of course the government looks to Burma for further releases of political prisoners. The government continues to support the efforts of the UN Secretary-General, Ban Ki-Moon, who, with his special envoy Ibrahim Gambari, is pushing for a genuine dialogue between the regime and the opposition.

Senator LUDLAM—I thank the minister for his answer. Mr President, I ask a supplementary question. Given the recent actions taken by the prosecutor of the International Criminal Court on Sudan, and given statements made by the Prime Minister and the Attorney-General—when they were in opposition—on the appropriateness of ICC action on Burma, is the government evaluating the possible impact of the Burmese regime being prosecuted in the ICC?

Senator FAULKNER—I thank Senator Ludlam for his supplementary question. It is an important issue. Can I indicate to Senator Ludlam and the Senate that Burma is not a party to the International Criminal Court statute. A prosecution against any of Burma’s leaders for crimes under the jurisdiction of the International Criminal Court would require a referral by the UN Security Council or the consent of Burma. Neither of these situations is currently likely, as I am sure the senator appreciates. I can say that the government keeps under review the prospects of UN Security Council action referring the situation in Burma to the ICC. It would be possible for a future Burmese government to make a declaration to the ICC asking it to investigate the actions of the current Burmese military regime.

Senator LUDLAM—Thank you, Minister. Mr President, I ask a further supplementary question. The National League for Democracy won 82 per cent of the seats in the 1990 election for a parliament that was never convened—and I would like to acknowledge the presence of three of those MPs in the gallery this afternoon. An election is planned for 2010, based on a constitution that the foreign minister has rightly called a sham. How is our government pressing the regime for reform of this constitution? Are any relatives of Burmese regime officials currently in Australia; and, if so, why?

Senator FAULKNER—I say to Senator Ludlam—again through you, Mr President—that of course real political change will require a genuine political process in Burma, with all the political players, including opposition groups, and Burma’s ethnic minorities properly represented. Any genuine process, of course, would ultimately discuss constitutional arrangements. The government will continue to support the United Nations in its efforts to start such a process and, again, the government will maintain bilateral pressure on the Burmese regime to the end. I do not have enough time to address the final issue you raised, Senator, in relation to families; I will take that on notice and respond to you as soon as I can.

Queensland State Election

Senator MASON (2.23 pm)—My question is to Senator Carr, the Minister repre-
senting the Minister for Education. Can the minister inform the Senate how much federal money is included in Anna Bligh’s $72 million promise to belatedly address Queensland’s poor literacy and numeracy standards, standards that she should have fixed in her time as minister for education?

Senator CARR—I would indicate to Senator Mason that the Queensland state government’s election promises are matters for the state government. They are of course matters that have been canvassed within the state of Queensland; they are not necessarily canvassed with the Commonwealth government. We have announced a series of policies to support the improvements in education attainment levels for all Australians, whether they are in Queensland or any other state. We have indicated our commitment to an education revolution and, as a consequence, there have been billions of dollars committed to a transformation of the Australian education system, be it in terms of infrastructure, teacher education or access to university places. So I can say this to you, Senator Mason: I am not familiar with the precise details of the Queensland government’s election commitments, but the Australian government’s commitment is to every child and every parent throughout the Commonwealth. It is not confined to any one state or to any one group of students or parents, whether they be in the public system or the private system. We have indicated that our commitment is to an education revolution, beginning in early childhood and going right through to research and development. We are about ensuring the full and capable development of our projects. Already, in terms of universities, for instance, the Commonwealth has committed $141 million more on capital universities than the previous government did throughout their whole term in office. We have a commitment to schools, we have a commitment to vocational education and we have a commitment to universities. (Time expired)

Senator MASON—Mr President, I ask a further supplementary question. Can the minister confirm then that Ms Bligh’s election promise is simply a re-announcement of money already allocated under COAG agreements?

Senator CARR—The Commonwealth has committed $14.7 billion to boost jobs and investments through the building and upgrading of buildings throughout the Commonwealth. We have committed $12.4 billion to build and upgrade large infrastructure, including libraries and multipurpose school facilities, whether they be in primary schools, whether they be in special schools, whether they be in K to 12 schools. Major infrastructure investment is a major commitment from this government and a major achievement of this government already,
which of course stands in sharp contrast to the neglect that the conservative government showed throughout its term. We have also committed to science and language centres: over $1 billion of investment has been put towards 500 new science laboratories and language-learning centres in secondary schools. We have a commitment, it is solid—

(Time expired)

Telecommunications

Senator CROSSIN (2.29 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Can the minister outline what the government is doing to improve telecommunications services in rural and regional Australia?

Senator CONROY—I thank Senator Crossin for that question. The Rudd government is committed to ensuring that regional, rural and remote areas of Australia are prosperous and sustainable. In the last budget the government announced it would commit up to $400 million to respond to the regional telecommunications review chaired by Dr Bill Glasson. The Glasson review, tabled in parliament last year, catalogued the failures of the previous government to deal with deficient regional telecommunications.

Last Friday, the government tabled its response and made a down payment of $60 million, in line with the regional review’s recommendations. Of that, $46 million will be directed to a Digital Regions Initiative that will boost innovation in health care, increase the use of digital technology to improve emergency responses and extend digital education services. The government also committed $11.4 million in new funds to increase and extend the Satellite Phone Subsidy Scheme. The subsidy has been increased to 85 per cent of the handset cost, from the 60 per cent set by the former government, and includes the replacement of handsets purchased over three years ago.

Finally, the government has committed an additional $3.7 million to a $30 million refocused Indigenous Communications Program. The Rudd government understands that regional communications has a critically important role in supporting regional Australia’s economic development and continued prosperity.

Senator Minchin—No, you don’t. You cancelled OPEL. You don’t understand it at all.

Senator CONROY—I am glad that those opposite keep raising OPEL, because I am sure that there is much more that can be put on the record about OPEL. (Time expired)

Senator CROSSIN—Mr President, I ask a supplementary question. I thank the minister for his answer and for raising the issue of OPEL. I further ask: is the minister aware of claims that the former government’s failed broadband plan, OPEL ‘would have delivered high-speed broadband to 90 per cent of Australia by the end of 2009’? What is the minister’s response to this?

Senator CONROY—I have seen those claims by Senator Minchin. They are incorrect and grossly irresponsible. The conditions precedent of the funding agreement signed by the former government, signed by Senator Helen Coonan, required OPEL to provide coverage reasonably equivalent to 90 per cent of 527,747 underserved premises. In other words, OPEL was required to cover approximately five per cent of Australian premises identified as underserved. OPEL’s coverage would have been far less than the 99 per cent figure claimed by Senator Minchin. In any event, the assessment showed that OPEL failed to demonstrate that it was able to meet its required coverage. By calling for OPEL— (Time expired)
Mr President, I ask a further supplementary question. In contrast, then, how will the National Broadband Network impact on rural and regional Australia?

Senator CONROY—The National Broadband Network will deliver high-speed broadband services to 98 per cent of Australia's homes and businesses—a significant number of them in regional Australia. The Rudd government understands that access to broadband services is essential for the long-term prosperity of our regions. It will enable new services and drive productivity. I note the comments made by Senator Barnaby Joyce today relating to Telstra's HFC upgrade. He stated:

You can bet in regional areas they'll leave us alone and let us wither on the vine.

That is precisely why the NBN is so important and the government remains committed to building it. Telstra's announcement is purely about serving metropolitan Australia. That is exactly why the former government failed so miserably in communications and broadband policy—because they were not interested in all of Australia. (Time expired)

Queensland: Bureau of Meteorology

Senator IAN MACDONALD (2.34 pm)—My question is to the Minister Representing the Minister for the Environment, Heritage and the Arts. I ask this in a week when a category 5 cyclone has travelled down the entire coast of Queensland. Minister, is it true that the Bureau of Meteorology in Townsville will be losing 50 per cent of its forecasters and 25 per cent of its observers? Is it true that the Townsville office will now not be able to maintain a 24-hour service? Is it also true that staff in the Cairns meteorology office in Far North Queensland are being cut from 12 to 10? Is it also true that the Mount Isa office will now become a one-person office? Is it true that the Mackay office is being cut from three staff to one staff?

Is it true that the Rockhampton office is being cut from six to five?

Senator WONG—I thank the senator for his question. These were issues he canvassed at some length in the Senate estimates hearing. My recollection was that the Bureau of Meteorology made very clear that they were ensuring that services would be continued and that there would be a continuation of all bureau offices in regional areas. We on this side are committed to ensuring that the bureau will continue to deliver a high standard of climate monitoring, as well as good value for money on behalf of the community. As the Prime Minister has indicated, the bureau will also continue to provide the meteorological services that it has in the past, including the continuation of all offices in regional areas.

I am advised that the bureau's operational plan will allow it to meet these objectives, to respond to the specific requirements and priorities of major user groups and to build on the capabilities of new technology, including the automation of some tasks. These issues, as I said, were canvassed quite extensively in the Senate estimates hearings. I refer Senator Macdonald to the very detailed answers which were provided by bureau staff on that occasion.

Senator IAN MACDONALD—Mr President, I ask a supplementary question. Minister, how can the Bureau of Meteorology possibly maintain the services in this cyclone-prone area of Queensland when staff numbers are being cut by 50 per cent and when the Townsville office will no longer be a 24-hour operation? I also ask the minister to explain how, when staff in the Mackay office are being cut from three to one, it can possibly provide the same services as cyclones pass by or through that community. How can Rockhampton, where the Prime Minister promised there would be
no reduction in services, maintain services with such a savage reduction in staff numbers?

Senator WONG—Again, there are a range of propositions in those questions from the senator which really echo the same political points he was seeking to make in the estimates hearings. I again refer him to the evidence that was given by the bureau and to the fact, as I have said again on this occasion, that the Prime Minister has indicated that the bureau will continue to provide the meteorological services that it has in the past and this includes the continuation of all bureau offices in regional areas. The operational plan of the Bureau of Meteorology is consistent with those commitments.

Senator IAN MACDONALD—Mr President, I ask a further supplementary question. Minister, do you think that all of us who live in North Queensland and are worried about this are simply making political points? What representations has the minister received from the Queensland Labor government about these savage job losses in meteorology and the loss of services in areas of Queensland which as recently as this week have experienced cyclones, floods and other weather conditions which even the minister herself has said will become more volatile with climate change? Can the minister point to anything the Bligh government in Queensland has done to ensure that meteorological jobs in North and Central Queensland are maintained? If she can point to anything, why then hasn’t the federal government acted upon those representations?

Senator WONG—I think the only person I suggested was making political points was the good senator. I note that he seems very keen to be running the Liberal National Party campaign for the Queensland election here in this chamber. In terms of the actual issues in question, I have provided an answer on them. As I said, we extensively canvassed these issues in estimates. I repeat for the senator’s benefit that the bureau will continue to provide the services that it has in the past and this includes a continuation of all bureau offices in regional areas.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw to the attention of honourable senators the presence in the President’s gallery of Senator Obert Gutu, Chief Whip in the Zimbabwe Senate. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Executive Salaries

Senator FIELDING (2.41 pm)—My question is to the Minister representing the Prime Minister, Senator Chris Evans. Given that Australians are appalled at the outrageous salary packages which are being paid to senior executives, given that the Prime Minister agrees and says, ‘Game over; we’ve got to rein it in; people just have had a gutful of greed in terms of these obscene salary structures,’ and given that excessive parliamentary super is still in place for many members in this chamber and in the other place and they will greedily line their pockets on retirement with exorbitant super pay-outs, doesn’t it smack of hypocrisy for the Prime Minister to point the finger at fat cat executives when he and many of his MPs are on the same gravy train?

Senator CHRIS EVANS—I thank Senator Fielding for his question, although I think, quite frankly, it is a bit over the top. It is not a question of trying to square everybody up. I think executive pay levels and excessive remuneration are genuine issues which I think the community is concerned about. I am concerned about that, the Prime
Minister is concerned about that and I think generally people are concerned about that. They have been excessive and the Prime Minister has made it clear that he has serious concerns and has tried to initiate some action to address this. Part of that is to be clear with some of these company executives and their boards that the public thinks they have gone way too far and that remuneration ought to be much more closely related to their performance and much more in line with community standards. That is the point the Prime Minister has made and hopefully that will provide some incentive to boards of large companies and their executives as to the payments they are looking to pay themselves.

We ought to apply all the moral suasion and any other measures we can to try to rein in that excessive remuneration. The government, through APRA, is taking some measures in this regard by developing a framework of principles for executive remuneration structures to apply to APRA regulated institutions, like banks and insurance companies. I think that work will be helpful. Clearly we are not going to be able to regulate successfully in all cases. I think the moral suasion that comes from the Prime Minister’s comments and the views of all parliamentarians should be heeded by those executives about having much more reasonable remuneration than some that has been paid—(Time expired)

Senator FIELDING—Mr President, I ask a supplementary question. Given that over 120 MPs will still get a golden handshake in an excessive superannuation payout when they leave parliament, is the government willing to put an end to this abuse of taxpayers’ dollars and rein in the obscene parliamentary superannuation scheme to demonstrate that it is serious about stopping over-the-top executive salaries and that it is willing to lead by example on this issue? Yes or no: is it game over for these excessive parliamentary superannuation payouts?

Senator CHRIS EVANS—It is always hard to defend parliamentary entitlements and, quite frankly, when you go for the cheap line, you will probably get a good run out of that, but I do not think you are very serious. As you know, the previous government moved to close the old superannuation scheme—there was bipartisan support for that—and introduced a new superannuation arrangement which applies to new members. As in all other cases in Australia, when the scheme is ended, people on the old arrangements are allowed to remain on those arrangements. That is a principle that was applied throughout Australia on the closure of schemes. Senator Sherry is much more expert in this than me. Those same rules were applied when the decision was taken in relation to the old parliamentary superannuation scheme. All new members go on to the new arrangements. The senator would be aware of that and, as I said, I think the comments were a bit over the top.

Senator FIELDING—Mr President, I ask a further supplementary question. I will have a third go at it. Given the federal Treasurer, Wayne Swan, described as ‘sickening’ the payouts given to the privileged few when others are struggling and given the Rudd government talks about ending this rorting but fails to act, will it act if the Leader of the Opposition calls for an end to excessive parliamentary super for all of those members elected before 2004, just as Mr Howard jumped after Mr Latham called for an end to the rort for then-new MPs?

Senator CHRIS EVANS—Mr President, it is not often that I get close to the point of saying that a question does not deserve a serious answer, but Senator Fielding is getting very close. It is quite right to say that the issue of excessive remuneration ought to be
on the public agenda. This government has made it very clear that it thinks a lot of that remuneration has been excessive. We are also very proud of achievements in introducing compulsory superannuation to provide much better retirement income for all Australian workers and families under the previous Hawke and Keating governments. That is a vast improvement in public policy in this country. Senator Fielding can argue his point about parliamentary remuneration arrangements before the tribunal, can seek to use his position as a legislator to make changes, but, quite frankly, cheap shots do not deserve much more of a response than that.

Bushmaster Infantry Mobility Vehicle

Senator JOHNSTON (2.47 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Minister, in your role as minister for industry, can you explain why the government has agreed to contribute $40 million to United States companies so that they can develop their unproven Joint Light Tactical Vehicle program when an innovative Australian company already produces the world-class Bushmaster vehicle in your home state of Victoria?

Senator CARR—I thank the senator for his question. I recently visited the site in Bendigo, and I would agree with you the Bushmaster is a very fine vehicle. It is made by a group of people who are highly skilled. It is a highly innovative vehicle and it has saved many Australian lives. It is also being used in a number of military forces around the world—

Senator Ronaldson—So why aren’t you supporting it?

Senator CARR—It is a program that we do support. Recently we announced support with regard to innovation policies and, through the defence science department and the procurement office, support for additional measures to encourage the development of facilities and to improve still further its capacity to be used. We are also seeking to ensure that the procurement policies of other governments acknowledge the value of the Bushmaster. We are doing what can be done to ensure that additional contracts are secured internationally.

Senator JOHNSTON—Mr President, I ask a supplementary question. What representations has the minister, as the minister for Australian industry, made to the Minister for Defence in support of the Australian made vehicle as opposed to an unproven foreign alternative that is not even off the drawing board?

Senator CARR—The senator asks the question: what have I done about making representations on behalf of the company and on behalf of the project? I can also indicate in my answer what the member for Bendigo has done, which is a substantial amount. Both of us have taken up representations on behalf of the company, on behalf of the workers, on behalf of the project. The member for Bendigo has been a persistent and very thorough advocate on behalf of this project. He has led delegations to Canberra, and just recently there was a number of ministers gathered in Bendigo to discuss this specific project.

Senator JOHNSTON—Mr President, I ask a further supplementary question. It is obvious to all of us that the government is setting new records in paying money to people living overseas, but in this case why wouldn’t the government back an Australian made product that exports quality and proven vehicles all over the world? Will the minister personally intervene to have this decision overturned and ensure that the Australian government supports an Australia company and Australian jobs? Will you intervene?
Senator CARR—The Australian defence industry, as the senator would be only too well aware, is a very important part of our industrial capacity in this country. This government does support the Australian defence industries and has actively engaged those industries to ensure that they are able to secure much greater numbers of international contracts. As to the specifics with regard to this particular project, as the senator only too well knows, that is not a matter that is directly in my area of responsibility.

Opposition senators interjecting—

Senator CARR—Well, the light tactical vehicle is a project that the Minister for Defence has been engaged with. The decision has been made to ensure that the government has a full range of options before it. We are in the process of assessing the bids. We are in the process of ensuring value for money. And I can assure the senator that I personally am in the business of ensuring defence of Australian jobs.

Economy

Senator STERLE (2.52 pm)—My question is to the Minister for Human Services, Senator Ludwig. Can the minister inform the Senate of how the Rudd government’s household stimulus package will support Australian workers through the global recession?

Senator LUDWIG—I thank Senator Sterle for his question and note his interest in this matter. The Rudd government has taken early and decisive action to limit the impact of the global financial crisis on the Australian economy. While Australia is better placed than most economies, we have been absolutely clear about the fact that the global recession will impact upon jobs here. Yesterday Centrelink began delivering payments to Australians, as part of the Rudd government’s household stimulus package, providing an immediate stimulus to the economy and supporting Australian jobs. Almost 640,000 families, carers and young people with a disability have already received their payments and by the end of the week Centrelink will have delivered payments in the bank accounts of 1.25 million people. The key payments being made between 11 and 20 March are the $900 single-income family bonus and the $950 back-to-school bonus. The back-to-school bonus will provide carers and people with a disability under 19 years old with immediate financial relief for everyday living costs. These payments will support small business in every community around Australia.

There is no quick fix when you are facing a global recession but this government will do all it can to help support jobs and see Australians through the global financial crisis. Without these payments things would have even been tougher for small business. They would be under even more pressure to cut their staff hours or numbers. This is the only responsible way we can quickly boost consumption in order to immediately reduce this pressure to cut staff. These payments are of course not a substitute for other investments but they are the best way to support jobs. (Time expired)

Senator STERLE—Mr President, I ask a supplementary question. Can the minister inform the Senate of other measures that the Rudd government is taking to protect jobs and stimulate the economy in light of the worst economic crisis since World War II?

Senator LUDWIG—I thank Senator Sterle for his question. Our main priority remains direct investment, and that is why for every dollar in payments we are investing more than $2 in schools, roads and houses. Between 11 March and 6 April Centrelink will deliver payments to families, students and drought affected farmers and small businesses. The key payments being delivered in
the fortnight commencing 24 March are the $950 training and learning bonus, the temporary supplement to the education entry payment and the $950 farmers hardship payment. These payments are just one part of the Nation Building and Jobs Plan. We are also making a direct investment in housing and infrastructure projects to boost economic growth and support jobs. These key measures include free ceiling insulation for Australian homes, new or refurbished facilities in every Australian school and building more than 20,000 new social housing and defence houses. (Time expired)

Senator STERLE—Mr President, I ask a further supplementary question. Can Senator Ludwig inform the Senate how Centrelink is delivering these payments to Australians when it is already so busy with inquiries from victims of the Victorian fires and Queensland floods, inquiries from people who have been caught up in the global financial crisis and other important business?

Senator LUDWIG—I thank Senator Sterle for his further supplementary question. In a normal year Centrelink takes around 30 million phone calls so, to be frank with you, it is usually very busy in any event. But there are a number of reasons why Centrelink is especially busy at present. People are understandably interested in the Rudd government’s Nation Building and Jobs Plan and are calling in large numbers to find out how it will affect them. Yesterday alone the Centrelink call centre network received 142,000 or more calls. I know it is hard for some customers to get through to some of our lines at present but I thank them for their patience. I want to remind people that they do not need to contact Centrelink to receive payments being delivered under the government’s Nation Building and Jobs Plan. Eligibility will be automatically assessed by Centrelink and most payments will be made directly into bank accounts, usually as close to their usual payment day between 11 March and 6 April—(Time expired)

Trade: Bananas

Senator JOYCE (2.57 pm)—My question is to Senator Nick Sherry, the Minister representing the Minister for Agriculture, Fisheries and Forestry. Could the senator inform the house of the biosecurity risks from the importation of bananas from the Philippines?

Senator SHERRY—Thank you very much, Senator Joyce, for the question. I acknowledge that both you and, I think, Senator Boswell on previous occasions have raised the issue of biosecurity and quarantine assessment in respect of bananas. In fact, I can recall this matter going back at least to 1996 when we were in government and the issue was under consideration. Australia’s Director of Animal and Plant Quarantine has made a policy determination—and this is an update with new material since I responded to Senator Boswell, I think, about two months ago—establishing a stringent quarantine policy for the importation of bananas from the Philippines consistent with Australia’s conservative approach to quarantine. In line with the final import risk analysis report issued last November, the Philippines will be required to demonstrate to Australia’s satisfaction that risk management measures can be achieved under commercial conditions on an ongoing basis with the Australian Quarantine and Inspection Service involved in ensuring compliance on the ground.

The Philippine government has reacted to Australia’s banana quarantine policy, describing it as ‘very stringent, expensive and trade restrictive’, and claiming it will delay any exports. Philippine quarantine officials said that Biosecurity Australia’s clearance of their bananas was almost useless because of these stringent conditions. The Philippine
agricultural undersecretary is also apparently concerned. *(Time expired)*

**Senator JOYCE**—Mr President, I ask a supplementary question. I was hoping the minister might go into the effects of the importation of mealie bugs, black sigatoka, moko virus et cetera. Is the minister aware of the statement by Minister Burke on 4BC on 5 March:

Well the way the law works on this, once the process is started—and it started under Warren Truss eight years ago—then it gets handed through a scientific process and the opportunity for the Minister to intervene doesn’t come up until that process has ended.

Now the process has ended, is the minister going to intervene to stop the importation of Philippine bananas?

**Senator SHERRY**—I thank Senator Joyce for the question. I am glad you raised black sigatoka and moko. I am not sure you mentioned freckle, as we also have to take into account freckle and the insidious threat it could pose to bananas. The IRA found that the seven groups of pests and diseases of concern required quarantine measures to achieve Australia’s appropriate level of protection. Most notable of those are moko, black sigatoka and freckle, as well as other pests not present. I have every confidence that the Minister for Agriculture, Fisheries and Forestry, Mr Burke, has handled this matter appropriately.

**Senator JOYCE**—Mr President, I ask a further supplementary question. Does the minister acknowledge that with the importation of Philippine bananas comes the chance and, over time, the likelihood of the importation of these diseases and, in fact, the inevitability of these diseases coming into Australia and decimating the banana industry, which is an employer of up to 5,000 people in North Queensland, as well as decimating millions upon millions of dollars of industry in North Queensland?

**Senator Ian Macdonald**—You just don’t like North Queensland.

**Senator SHERRY**—I do not have anything against North Queensland, Senator Macdonald. In fact I might point out that there is an issue of apple imports relating to Tasmania. So whatever part of the country you live in—

*Honourable senators interjecting—*

**Senator SHERRY**—They are very fine bananas. I have a banana from Queensland every morning for breakfast and for lunch I have an apple from Tasmania.

**Senator Joyce**—I rise on a point of order, Mr President, in relation to relevance. He is talking about apples from Tasmania and we are talking about bananas from North Queensland, and he is completely and utterly ignoring the importance of this issue.

**Senator Abetz interjecting**—

**The PRESIDENT**—Senator Sherry, I draw to your attention the fact that you have 28 seconds to respond to the second supplementary question that has been asked by Senator Joyce.

**Senator SHERRY**—This is a serious issue. I was pointing out that wherever you live in Australia there are products produced that may or may not be scrutinised in respect of an IRA and their possible importation into Australia. Obviously the issue of bananas is of concern to you. I enjoy my Australian bananas. I know that Senator Abetz interjected and did not want to know the contents of my lunchbox, but I enjoy my Australian bananas for breakfast and I enjoy my Tasmanian apples for lunch.

**Senator Chris Evans**—Mr President, I ask that further questions be placed on the *Notice Paper*. 
QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Child Care

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.04 pm)—On 11 March, Senator Xenophon asked me a question about child care. I seek leave to incorporate a supplementary answer in Hansard.

Leave granted.

The answer read as follows—

Does the government provide capital grants funding for child care centres?

• The Australian Government provides capital grants to eligible Long Day Care centres through the Long Day Care Capital Funding Program, within the Child Care Services Support Program.

• The Australian Government’s 2007-08 Budget provided $3 million over three years for capital funding for Long Day Care services.

• The funding is targeted to help ensure children in rural and remote areas and other areas of need have access to high quality child care programs.

• Services who receive funding use this money to enhance existing facilities, including upgrades to indoor and outdoor areas. Services also use the funding for upgrades to provide additional child care places.

• The Government is currently negotiating funding offers with successful applicants under the 2008/09 round.

• As charities, not-for-profit child care centres can access a range of tax concessions including an income tax exemption, GST charity concessions and FBT concessions.

Australia Post

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.04 pm)—On 11 March, Senator Brown asked me a question about Australia Post. I seek leave to incorporate the answer in Hansard.

Leave granted.

The answer read as follows—

Question:

How many people are employed by Australia Post?

Answer:

As at 31st December 2008 Australia Post staff totalled 35,454. This constituted 25,394 full time employees and 10,060 part time employees.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator MASON (Queensland) (3.05 pm)—I move:

That the Senate take note of the answers given by ministers to questions without notice asked today.

I would like to commence with Senator Carr’s answer to my question relating to the Queensland state election and standards in Queensland schools. The sad fact is that the literacy and numeracy results of Queensland students are today the worst in this country, by far. The neglect of successive Labor education ministers has been a disaster for the children of Queensland. Ms Bligh herself was education minister for several years.

Just this week Anna Bligh announced $72 million to help tackle this crisis—a crisis, I might add, largely of her and the Labor Party’s making, a crisis she helped to create. Of the $72 million put forward by the government, in fact, only $5 million was from the Queensland state government. Most of the money had to come from the coffers of the federal government—about 90 per cent of it. This is the type of cynical treatment that the Bligh government has shown towards Queensland students—and it is quite ironic, it is cruel and it is pathetic.
Labor have the absolute audacity to describe Queensland as the smart state, but they have done everything they possibly can to dumb it down. Why is it that there is only $5 million left in the state coffers to correct the appalling standards in Queensland schools? I will explain why. Labor have been in power in Queensland for 18 of the last 20 years. After 11 years of economic sunshine the Bligh government has left us with government debt of $74 billion—getting very close to the $96 billion that the previous federal Labor government left this country. That $74 billion state government debt was delivered in times of economic sunshine, I might add. We enjoyed the greatest postwar boom in our nation’s history and still we have $74 billion of government debt. At a time of record mining receipts, we still have $74 billion of debt. At a time of record land and property tax receipts, we still have $74 billion of debt. I might add that, if it were not for the creation of the GST by the Howard-Costello government, it would be far, far worse in Queensland, because this year alone there is $830 million more going into the Queensland state government coffers than would have gone in if we had not had the GST.

Senator Cormann—Thank you, Peter Costello.

Senator MASON—Thank you, Peter Costello. This is $74 billion of government debt in a state—Queensland—where there has been the greatest boom since World War II. With the biggest mining boom and the biggest receipts boom in our state’s history, still there is $74 billion of debt. No wonder the federal opposition is so absolutely scared of what is going to happen to this nation as the Rudd government leads us down the same horrible path.

What has happened? We have dropped our credit rating in Queensland from AAA—we were the first state to get it and we were the first state to lose it—to AA+. What is happening now? Our borrowings are costing more and more. All those infrastructure projects—such as the Gold Coast desalination plant, worth $350 million; the northern pipeline, worth $400 million; and the Traveston dam, worth $500 million—are on hold. Some of them are not worth it, but all of them are on hold. This has been an absolute disaster for the Queensland people. We lost our AAA credit rating. I should add this because it is very important—

Senator Cash—Labor lost the AAA credit rating.

Senator MASON—Labor lost it; you are quite right. Labor lost the AAA credit rating at a time when we were still in boom. In March last year, 12 months ago, when we were still in boom, Standard and Poor’s warned the Queensland state government that there was a problem. Could they rectify the problem, even in boom times? No, they could not. So how the hell will they look after the state’s finances as we go into recession? The Bligh government has been an absolute disaster for the people of Queensland, and particularly for young students.

Senator MARSHALL (Victoria) (3.10 pm)—I think the Queensland branch of the Liberal National Party will have to put in a political donations declaration after that blatant political ad from Senator Mason! In case anyone does not know, there is an election campaign going on in Queensland and a number of people on that side think that, by getting up and doing some cheap political advertising, they may help the Liberal National Party. But, like a lot of advertising that we hear from the Liberal National Party, there is no substance; it is just spin. The Senate would be much better served, Senator Mason, if you actually talked about the issues of the day. In case you did not know—
and, listening to your speech very carefully, I think you have forgotten once again—there is a global financial crisis happening. The Commonwealth government and, I know, state governments of every colour are trying to come to grips with it and doing their very best to cushion the blow. But the federal government is doing more than anybody else. We are taking the important steps, unlike the opposition, who have simply abandoned Australian workers and the economy. They simply want to have a hands-off approach and say: ‘Let the market rip. Let the jobs go where they may go.’ They take no responsibility for stimulating the economy to save jobs, to cushion the financial impact and to assist Australian working families.

I find it difficult to believe that a senator would get up in this place to do some cheap political advertising when there are far more serious issues to be dealt with. Senator Mason has left the chamber. Where has he gone? I do not know. Maybe he has gone out to do another ad. The ads are endless at the moment. But Australians can rest assured that this government is doing everything within its power to cushion this country from the global economic crisis.

Regarding some of the education issues that Senator Mason wanted to talk about, let me advise the Senate that the Commonwealth is working collaboratively with the states and territories to realise the ambitious shared objectives and outcomes agreed in the National Education Agreement. The National Education Agreement articulates the roles and responsibilities of the Commonwealth and the states and territories. It does not impose input controls on how states spend Commonwealth funding, as has historically been the case. Instead, it focuses on the accountability arrangements regarding how states spend this funding according to the needs of the schools and, more importantly, the students. The students are important—the one thing in Senator Mason’s contribution I did agree with is that the students are absolutely important. That is why this government is taking the steps it is, working collaboratively with the states, to make the education of the students foremost.

The Council of Australian Governments also agreed to a series of Smarter Schools national partnerships on 29 November 2008. Between late December 2008 and early January 2009, the Commonwealth held bilateral discussions with each of the states and territories to initiate the development of detailed implementation plans for each national partnership. On 5 February 2009, the Australian government announced the Nation Building and Jobs Plan, including investment of $14.7 billion over three years for the education revolution to fund the building and rebuilding of primary and secondary school infrastructure and maintenance. COAG also agreed to a national partnership agreement in the Nation Building and Jobs Plan, ‘Building prosperity for the future and supporting jobs now’. In addition to that, the Australian government is providing $550 million under the Quality Teaching National Partnership for reforms to attract, train, place, develop and retain quality teachers and school leaders in our classrooms and schools.

These programs are what we do for every student across the country. I know it does not quite suit Senator Mason’s attempt to do the political advertising but this is our government’s commitment to every student, every parent and every school community. We have also provided $1.5 billion over the next seven years to address the needs of disadvantaged schools through the low socioeconomic status schools community national partnerships. And there is much, much more. Unfortunately I would need another hour or so to go through the programs that this government is delivering for students.
Senator BOYCE (Queensland) (3.15 pm)—It is a shame we do not have another hour to listen to Senator Marshall attempt to explain to us how cooperative federalism works these days. I would particularly like to comment on responses made by Minister Wong and Minister Carr. It is interesting to note in today’s media veiled threats from the Queensland Premier, Ms Bligh, that cooperative federalism may not work quite so well were an LNP government to be elected in Queensland. I was reflecting while Minister Wong was answering Senator Ian Macdonald’s very detailed questions that, if that is what cooperative federalism delivers, perhaps we are better off without it. Look at the fact that cooperative federalism means that the bureaus in Cairns, Townsville, Mount Isa, Mackay and Rockhampton, places currently hit by floods and which have also experienced damage from cyclones, are to have their bureau staff halved. The government can go on as long as they like about halving the staff while saying, ‘But the services will be wonderful.’ Unfortunately, that is not the way it works.

Communities rely on the people in them using the services. If you want to maintain jobs, if you want to keep communities healthy, you maintain the services provided by government in these areas. You only have to look at the other cuts that cooperative federalism has delivered to Queensland—cuts to the CSIRO, cuts to ANSTO, both of which deliver important information services and other services to the state at a time when we need them most.

What else has cooperative federalism given to Queensland? Look at area consultative committees, those vital components in maintaining good community funding and good community structures. Again, thanks to the federal government and to Ms Bligh, cooperative federalism has delivered closure of area consultative committees to Queensland.

Unemployment has risen yet again this month in Queensland, where more than 3,500 people lost their jobs in the last month. That makes it particularly relevant when you look at the questions Senator Mason asked concerning the fall in literacy and numeracy to very poor levels. It is not particularly surprising to realise that, despite the fact that gross state product in Queensland has doubled since the Beattie-Bligh government was elected, the proportion of funding they have spent on education has fallen by three per cent. They can get all the money they like but they cannot even keep the funding for education happening at a level needed to fix the problems, which they go on creating.

The other thing that would not be surprising to hear is that whilst they cannot fund education properly, they have managed to expand the public service in the past 11 years by more than 36 per cent. Year on year, the number of public servants increases in Queensland by the thousands. So we have 82 per cent literacy and numeracy in Queensland compared to a much higher national figure. The government is dropping funding year by year and the Queensland public service is being bloated by the Bligh government at the same time.

Senator Mason—It’s supposed to be the smart state!

Senator BOYCE—The question is: smart at what? No wonder parents are taking children out of Queensland state schools at a massive rate. Now in Queensland, state school parents are voting with their feet. They are worried about the numeracy and literacy problems in the state and they have taken their children away. Only 68.6 per cent of Queensland children go to state schools now. It is coming down all the time. If you look at the disgusting behaviour of Ms Gillard in banning opposition members from state school presentation ceremonies across
Australia, you see that this is just a page out of the book of the Minister for Education, Training and the Arts in Queensland, Mr Welford. (Time expired)

Senator FEENEY (Victoria) (3.20 pm)—I have been in this place for only a short time, but I imagine I will come to learn that the occasion of a state election is regularly marked by this kind of festival and performance. I am sure that everyone here will appreciate the fact that this is a custom I have not yet seen much of but I am sure I will see a lot more of. Clearly, the occasion of the Queensland election has meant that ‘team Queensland’ from the coalition have wandered in here today to do their very best to elect the unelectable in the north of Australia, and in that effort I wish them no luck whatsoever.

When considering Senator Mason’s ad for the cause of the LNP in Queensland, it did occur to me that it would be appropriate for me to respond by saying that we need to keep Queensland strong with, of course, a Bligh government. When we consider the very serious challenges that Queensland and indeed all of Australia face, we see once again that the coalition have no serious plan, indeed not even terribly useful rhetoric, to bring to the fray.

In the context of a global financial crisis, in the context of a world recession—a synchronised collapse in demand across the whole of the globe—it is time for us to be responsible. I note the headline on the front page of today’s Australian: ‘Unions opt for jobs over pay’. We can see that sense of responsibility pervading all of the body politic, with the noble exception of those opposite. The global financial crisis, while a matter of enormous importance, remains nothing more than an absolute conundrum for those opposite. It remains an issue about which they have no response and no clear plan. While the Rudd Labor government meets the challenge of the global financial crisis, the challenge of falling demand and the challenge of rising unemployment by putting jobs first and by introducing a stimulus package to protect jobs today and sustain domestic demand in critical sectors of the economy, we find those opposite are opposed to these measures. Those opposite are opposed to protecting jobs and they are opposed to all of the measures that we must take, that we are required to take. In their opposition, what do they offer as an alternative? They offer nothing.

The reason those opposite offer nothing is that they have only one plan, and we have seen it again and again and again. Their one plan—whether it be for the financial crisis and our stimulus package, whether it be for Work Choices and our plans to rip it up, whether it be for something like increases in the pension—is Mr Turnbull’s three-step: step 1, support the Labor initiative and wear the flag of bipartisanship; step 2, cast doubt; and, step 3, oppose. That is their plan for every single public policy challenge confronting Australia at this time. We saw that very clearly in question time today, when you referred to our CPRS as jobs destroying. You seek to lecture this government about taking responsibility while you refuse to take responsibility for anything.

Most beautiful to behold is the opposition twitching and turning as it deals with the challenge of the Fair Work Bill 2008. There we see the mask unveiled, the true opposition revealed in all of their glory. That is where we see that, despite Mr Turnbull’s utterances that Work Choices is dead, his brothers and sisters in the Senate are doing their very best to exhupe it from the grave, pour electricity into its dead heart and parade it through this place. Every single contribution they have made—whether today or yesterday—has seen the zombie of Work
Choices being led through this place. We can hear it in all of their utterances. We can see it in their questions in question time. You have not changed your spots, and you are doing a dreadful impersonation of someone who has.

(Time expired)

Senator TROOD (Queensland) (3.25 pm)—I am very grateful to Senator Feeney because he has reminded us of the global financial crisis. He has tried to make an argument this afternoon that the opposition has failed to appreciate the significance or importance of the global financial crisis. The point is completely otherwise. The reality is that, when the Howard-Costello government was in power, it prudently and carefully managed the nation’s finances. It prudently and carefully managed the nation’s finances to the point where it paid back $96 billion of debt, to the point where on passing over government there was a surplus in the national coffers in the vicinity of $22 billion. That is prudent management of the nation’s finances. We set the new government up. We provided them with the instruments that they needed to properly manage the nation’s financial affairs. What have they done in the short time they have been in office? They have blown it. There was a $10 billion cash splash and they have passed out another $42 billion. All the evidence that we have from economists and others is that this will fail to make any significant impact on the problems we face. As we heard in question time today—from Senator Carr I think it was—it may secure and it may support jobs.

Senator Cash—‘May’!

Senator TROOD—It may support jobs. It may secure jobs. But it will not create jobs. What is interesting about this is the analogy with Queensland. For almost the same period of time, 11 years—as Senator Mason pointed out—mountains of money flowed into the Queensland Treasury. There were record receipts from mining royalties. There were record receipts from property taxes of one kind or another. As Senator Mason pointed out, there was a vast amount of money from the GST. There was $8.3 billion in the 2007-08 financial year. No state of the Commonwealth enjoyed such a substantial degree of revenue. Where is it? Unlike the Commonwealth government, unlike the Howard-Costello government during that period of time, the Beattie-Bligh government has left Queenslanders bereft. It has left them without money. It has left them without resources. It is at the point where, as Senator Mason also pointed out, the state now has a $47 billion deficit. As a consequence of that deficit, its credit rating has been downgraded from AAA to AA. On my calculations, that means that Queenslanders in the future will have to pay—almost into perpetuity—something in the vicinity of $5.1 billion in interest on this debt.

In addition to the approximately $9,000 per capita from the $42 billion Commonwealth debt that Queenslanders are going to have to pay, they are also going to have to pay in the vicinity of $15,000 for the Queensland debt. If you live in Queensland, you will pay $9,000 per head because of the Commonwealth debt, and you will pay another $15,000 approximately because of the state debt run up by the Beattie-Bligh government. What an abject failure that has been. What a disgrace it has been. There is going to be no way to address this debt, because one of the things that the Howard and Costello government was able to do creatively was to privatise some of our key assets. There are no key assets left, and there are certainly no assets in Queensland that might be used for this purpose. It is interesting that Queenslanders will have a $15,000 debt and a $9,000 debt—the highest debt per capita of any state across the country.
Senator Cash, on my calculations, Western Australians have the next highest per capita debt, of $8,000.

Senator Cash—Would that be another Labor government?

Senator TROOD—That could be a past Labor government. The state government is not a Labor government now, but in the past it was a Labor government. Queensland has the distinction of having the largest debt in the country. *(Time expired)*

Question agreed to.

**MATTERS OF URGENCY**

**Emissions Trading Scheme**

The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 12 March 2009, from Senator Brandis:

Dear Mr President,
Pursuant to standing order 75, I give notice that today I propose to move:
That, in the opinion of the Senate, the following is a matter of urgency:
The failure of the Rudd Labor Government to consider the interests of the State of Queensland, and, in particular the Queensland economy, in the development of the proposed Emissions Trading Scheme.

*(George Brandis)*

Senator for Queensland

Is the proposal supported?

More than the number of senators required by the standing orders having risen in their places—

The DEPUTY PRESIDENT—I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (3.32 pm)—At the request of Senator Brandis, I move:

That, in the opinion of the Senate, the following is a matter of urgency:

The failure of the Rudd Labor Government to consider the interests of the State of Queensland, and, in particular the Queensland economy, in the development of the proposed Emissions Trading Scheme.

The Rudd Labor government has devised a policy that will directly affect the working families of Queensland. It is only the Rudd Labor government that has come to this current global financial crisis with a policy that will take people out of work, and so they will not be able to meet the payments on their house or meet the payments on their car. They will be out of work and out on the street, not because of the global financial crisis, not because of global warming, but because of the Labor government’s policy.

This policy will be particularly bad for Queensland. When we look at the issues that surround Queensland, we see that it is the working families from areas such as Mackay, Moranbah, Emerald and Blackwater who are involved in the coal industry and who will straightaway be in the middle sights of the gun. We in Australia must remember that our major export is coal, but the coal that we export makes up only four per cent of the coal consumed by the world. The major reserves of coal in the world are located in the United States, China and India, and those countries are where the jobs will go when this Labor government’s ETS is introduced.

The government will be exporting the jobs of Australian working families to the United States of America and to China. Mongolia will not have an ETS, and it will be a big exporter of coal. We will have direct attacks from Indonesia on Australian exports. Indonesia has become very capable in taking over Australia’s share of coal exports. South Af-
rica has the ability to deliver metallurgical, coking and thermal coal.

Coal exports are going to go out the door; they are going to be put under threat because of a Labor government policy: the emissions trading scheme. The scheme has a very nice name for something that is actually not going to change the climate. It is not going to affect the climate one iota. It is a political gesture that will put Australian working families out into the street, and at the epicentre of this storm will be the state of Queensland. We have to note that, in the last year, coal prices have dropped from $140 a tonne to $70 a tonne. This is the pressure that this issue is currently generating.

We also have to note that, of the 30,000 Australians who are employed in the coal industry, 18,000 are in Queensland. For every one person who is employed in the coal industry, another two to three people are directly associated with it—for instance, through transport or contracting. It means that in excess of 50,000 people are directly involved with coal. There is also the multiplier effect from the money that comes from this industry. Chemists, schools and service industries are all affected. There are in excess of 200,000 people associated with the wealth generated from coal. There is also the multiplier effect from the money that comes from this industry. Chemists, schools and service industries are all affected. There are in excess of 200,000 people associated with the wealth generated from coal. Yet the Labor Party has gone on a solo crusade that will not change a thing with the climate but will put these people out into the street.

It is a disgrace that we have to stand here and try to do the job of the Australian Workers Union of protecting Australian working families. There is real evidence that people will lose their jobs. What has happened to the Australian Workers Union? What has happened to their ability to protect jobs in Queensland? Why have they gone silent? Why don’t they have the courage to stand up for their own members? What has happened there? It is because this issue is not politically correct. These people are going to lose their jobs over political correctness—over a political gesture that will reduce carbon emissions by five per cent of 1½ per cent of the world’s emissions; it is 0.075 of one per cent of a particle, of which only three per cent is human induced.

People will lose their jobs, and this gesture will have no effect on the global climate. Queensland has been put up as a sacrifice by Kevin from Queensland, the Prime Minister of Australia. He lauds himself as being from Queensland but he puts up his own state to be held to account for a political gesture. If it is not the mining industry then it is the agricultural industry or the grazing industry, with a potential overload of costs of 20 per cent on an industry which at its best only makes a four per cent margin. These jobs will also be held to account. What about the abattoirs that will be exposed? What about the sugar mills that will be exposed?

Maybe they believe that the tourism industry is going to be able to take up the slack. However, we find that the emissions trading scheme will definitely affect those who rely on the fuel that propels the plane through the air—aviation fuel. It is up for a tax, so we are going to put at risk those marginal destinations. We have heard evidence already that people such as Virgin airlines will make the only logical decision and stop the flights to regional Queensland, especially to the north of our state. These people will once more be sacrificed at the altar of the ETS, sacrificed for a political gesture. Whether it is coal, the tourism industry or the agricultural industry, all these issues are being held to account, and Australians are quickly turning their minds to exactly what happens. It is such utter irresponsibility in the middle of a financial crisis to be wandering down this path.
People in Queensland will have to deal with these little tin gods, an army of bureaucrats wandering around the place, assessing what your carbon footprint is and demanding payment—yet another form of this bizarre, socialist trait of going out and interfering in the enterprise of a state. For what? So that they can collect billions and billions of dollars in revenue. The Labor government will use this as a mechanism to dummy up their deficits, to dummy up their debts. The Labor government know they are running out of money and they are going to use this as a mechanism to try and balance the books. They will balance the books with this new tax.

Senator Sterle interjecting—

Senator Joyce—I am amazed at the senator from Western Australia, who should be smarter than that. They should be standing up, but no—the TWU have been silent on it too, haven’t they, Senator Sterle? It is not TWU members who are saying what is going to happen with the emission trading scheme and how it is going to affect their members. No, you sat down quietly too. You are doing the right thing. You are politically correct.

The Deputy President—Order! Senator Joyce, address the chair, please.

Senator Joyce—Thank you, Mr Deputy President. So it is even the TWU. We have not heard you standing up for the people of Queensland. This is the issue as we go forward with this ridiculous concept in the middle of a financial crisis. This will affect the people of North Queensland, of Mackay. I have said to the people of Mackay: who is standing up for the coal workers today in Emerald? Who is standing up for the workers in Gladstone today? Who is standing up for the workers of Queensland—the working families—today? It is strange that it is the LNP that is standing up for the working families today. The LNP are standing up for working families today, and that is why, as we go towards this state election, there should be a clear message sent to the voters: are you voting for your job? Are you voting to keep your job or are you going to sacrifice your job at the altar of the ETS, some bizarre concept of no effect, a political gesture? The substance of the science is as peculiar as the white paper itself.

What is the way they can make a statement? Well, the statement is quite clear. If you believe that it is time to turn the pendulum around, if you believe it is time to make a statement of sanity, then make a statement at the ballot box next weekend. Next weekend is the time to send a clear message back to the Prime Minister—as he calls himself, Kevin from Queensland—that we will not be held to ransom—

The Deputy President—Order! Senator Joyce, refer to the Prime Minister by his proper title, please.

Senator Joyce—I retract that—the Prime Minister of Australia, from Queensland. He likes to refer to himself in a partisan way, but he is only too willing to put before the people of Queensland a political gesture to collect certain votes from certain corners at the expense of working Australian families, most specifically those working Australian families from the state of Queensland. So I look forward to the Labor Party actually having some ticker, standing up and bringing some sense back into this debate. Let’s see if they can do it before next weekend and, if they do not, take that as a statement that they have given up on working families. (Time expired)

Senator MILNE (Tasmania) (3.42 pm)—I rise today to comment on this urgency motion and note that it is really an opportunity for senators to make a pitch in the Queensland election. It was not written that way,
but we have had a clear example that that is what this is about.

Senator Brandis—I wrote it. Don’t you dare criticise my drafting, Senator Milne!

Senator MILNE—Well, I am very glad that we have an impression of Fred Flintstone from the prehistoric city of Bedrock entering the debate here with a quarry vision. I congratulate Senator Brandis, because he and his cohort around here seem to only be able to look from the base of the quarry out onto the prehistoric city of Bedrock and go on with their climate scepticism. If you want to lose your job in Queensland, plus your livelihood as well, the best way of doing it is to vote for climate sceptics. The best way of losing jobs and livelihoods in Australia today is to vote for the climate sceptics.

Let me just tell you about Queensland, Mr Deputy President, in that regard: 63,000 people earn their livelihoods as a result of the Great Barrier Reef. Those people have real jobs, and they should be sustainable jobs, but they will not be sustainable jobs if we see global warming progress at the rate it is going. If the climate sceptics have their way, we will see bleaching of the Great Barrier Reef occurring much more frequently because of increased temperatures, and soon we will have no tourism industry on the Great Barrier Reef if that continues.

The first point I make is: vote for a climate sceptic if you want to lose your job in the tourism industry and if you want to see one of Australia’s greatest icons disappear. That is why the Greens have always talked about the importance of addressing global warming to protect ecosystems as the base, not only because they are intrinsically worth while because of biodiversity but because of the jobs that they actually nurture.

The second point I make is: if you want to sit in the bottom of the quarry shouting, ‘Yabba dabba doo,’ which is what we have heard here today so far—and here comes Bamm-Bamm to join them—then you are guaranteeing that there will be no jobs, because the reality is that there is an end to the mining boom. And there is rapidly going to come a point where Australian coal sold into overseas markets loses its legitimacy. Just as the tobacco industry lost its legitimacy in terms of the health debate over time, the same thing is going to happen with the coal debate.

For all those people who go on about coal being the backbone of the economy: if you look at the number of jobs involved in the quarry vision, it is nowhere near the number of jobs that are out there in the service industries. The problem with Queensland is that it has had successive governments who have not had a vision beyond the quarry, who can only ever see the narrow base for Queensland in terms of mining, tourism, agriculture and a building boom—and that is it. You need to diversify the economy, to move to the new green economy, to actually rebuild manufacturing in the new economy. If you want to keep manufacturing in Queensland, you have to do it by using renewable energy. The competitive advantage in the world is soon going to be with those countries that can produce large amounts of renewable energy consistently, and that is where large energy users are going to go. All this threat and talk of leakage at the moment is just nonsense. As I demonstrated in estimates only a week or so ago, the issue is not leakage; the issue is profitability. They want in for their cut.

One of the worst aspects of the emissions trading scheme—which is why it is absolutely not the case that the government has not looked after Queensland; I would argue it has looked after them way too well under the emissions trading system—is that it gives up to 90 per cent free permits to the big polluters, who are based in the old sectors. Queen-
sland has done better than most in terms of coal, in getting those free permits under an emissions trading scheme.

Looking at climate change for Queensland, we just heard, ‘What about Mackay?’ from Senator Joyce. Well, what if the recent cyclone had come across the coast there? We would not just be looking at a disaster in an ecological sense; we would be looking at a massive human disaster as well. How could anyone who lives in Queensland stand in this parliament today and talk about not addressing global warming, say that we cannot afford to do it, when that cyclone should have been a big warning that it is only a matter of time before a major cyclone comes much further south than anyone has ever anticipated and crosses the coast? We had the former Premier in Queensland talking about building bunkers up and down the Queensland coast while at the same time building new coal mines. How ridiculous it is for both Labor and the Liberal National Party in Queensland to be talking up new coal mines, coal railways and coal ports on the one hand—while suffering cyclones down the coast and talking about building bunkers—and at the same time be saying, ‘Oh, by the way, we will save your jobs in agriculture,’ when we know the flooding, for example the floods that occurred in Ingham earlier this year, wipes that out.

The fact of the matter is that we have to address global warming. It is true that those in the quarry are starting to understand what global warming is about. It is true that we have always had floods, fires and droughts in Australia, but the climate scientists are telling us that they are going to be more intense and more frequent. So while we have had bleaching events previously on the reef, they have been spread out enough so that the reef recovers over time. We have had floods, of course, and we have had fires and cyclones, but now we have them more frequently and in a more intense way. So you are going to have stronger cyclones and you are going to have them further south than previously. You are going to have disease outbreaks you have not had before, like dengue fever, as a result of changed climatic conditions. So, if you want to lose your job in Queensland, if you want to lose your livelihood in Queensland, and if you want to face life-threatening scenarios on a more frequent basis, then vote for the sceptics. Continue to have the quarry vision; continue to see the state simply as somewhere where you dig holes in the ground and ship it overseas. If you want to do that, you will guarantee Queensland goes further and further backwards. If you want to guarantee a future for Queensland, you look at protecting the highest quality agricultural land for the future for niche markets, you address climate change as rapidly as you can so you do everything you can to protect the Great Barrier Reef and the jobs that are associated with it, you move, as the Greens are doing in Queensland, for World Heritage listing in Cape York to increase the jobs and status and you stop land clearing. Here again we have those in the quarry just putting their noses out long enough to clear the vegetation all around the quarry—250,000 hectares a year are being cleared in Queensland. If you are interested in global warming then you protect native vegetation; you do not knock it down. The Greens are certainly out there saying there must be an end to that level of land clearance.

We have had the government up in Queensland, supported by the Liberal National Party, prepared to put a railway through Shoalwater Bay. So intense is their view of the quarry, they cannot see anything beyond it and were prepared to do that. It was the Greens who stood up for Shoalwater Bay, the Greens who stood up for the refugia in Queensland, where you have over 100 nature refuges at risk from mining. What we
have is a political system in Queensland that has never been able to lift its sights beyond the quarry. That is why we have had that nonsense argument put here today that, by addressing global warming, somehow Queensland is being done in. I would argue that by not addressing global warming, Queensland will definitely be done in—Queensland jobs will go. It is about time that people started to recognise that even at this very moment jobs are being lost in those resource based industries because we have hollowed out manufacturing, we have failed to invest in education and training and we have failed to diversify the economy and get into the new green jobs that are the future. That is why Queensland is vulnerable and that is why the old political order that can only see the quarry, which is filled up with the likes of Fred Flintstone and his friends, is the way to the past. If you want to go back to pre-industrial Bedrock—

Senator Brandis interjecting—

Senator MILNE—then I suggest Senator Brandis is a good one to be driving that old car.

Senator MOORE (Queensland) (3.52 pm)—We should not be surprised by this urgency motion this afternoon. I am looking forward, in the next couple of weeks and the next couple of months of sittings, to seeing an almost weekly motion, replacing the word ‘Queensland’ with ‘Victoria’, ‘New South Wales’, ‘South Australia’ and ‘Tasmania’, so people have a chance to get up and make a short media grab that will link once again to a fear campaign which refuses absolutely and completely to acknowledge that the issues around climate change and our response to them as a nation are responsibilities that we must take. And it is not just a debate about individual states and the impact of the emissions trading scheme on those states; it is a clear discussion, a debate even, about what our response as a nation will be to the international problems of climate change.

We know that the only reason this particular motion is before us today is that in two weeks time there is going to be a Queensland state election. That was most clear in question time today. Those of us who are Queensland senators must engage in the debate because in fact what we must do as senators who represent Queensland is work with the communities in our state to make them understand that we are working towards a response to an international crisis. Indeed, part of the government’s program is a $2.15 billion Climate Change Action Fund, and the first part of that Climate Change Action Fund is information. It is not just a one-off process; it is about information. It would be really helpful in terms of any debate on climate change if we actually felt that all the senators in this place were effectively engaged in looking at real information about it. It is all too easy to have a simplistic political response, but it is important that we see that responding to the issue of climate change across our world is a responsibility that all of us have. The more we try and deny the issue, the more we try and avoid the issue, the more we try and divide, so that we put individual issues above wider expectations, then the more the globe, our world, will be affected.

It still surprises me that we have to reiterate in this place that climate change is real. It seems to me that some of the spending in the information program should be going to senators and other parliamentarians so that they will make a united effort to look at the problems and then engage across the board on the issues. Climate change is a real fear for all of us. Of course, no-one ignores the threat to jobs, no-one ignores the threat to industry, but what we see as being part of our response, as part of the Climate Change Ac-
tion Fund, is to look at working with industry and communities to ensure that they see that there are real options.

Senator Milne responded, I think at the beginning of her contribution, to the issues around my wonderful state’s climate and environment. We have heard that there is clear evidence of the horror which awaits places like the Great Barrier Reef if we continue to use the world’s resources and do not respond to the worries of climate change. We know about the numbers of jobs in Queensland which are directly dependent on tourism and the environment. As for how we can move forward to build a new jobs stream for our communities, that is a responsibility on which we must work together. One of the components of the Climate Change Action Fund is to work on developing an industry plan for jobs—to work with existing industries to see how they can change the way they operate to respond more effectively and with less pollution and emissions which harm our planet.

First of all, there has got to be an acceptance that there is a problem. Only then will we be able to work on a response. It is still clear that the opposition have not been able to get their own response to this action together. It is easy to say, ‘What about jobs?’ This is the group that, in the first week of the Queensland election campaign which is happening—and I do not want to dwell on the election process—actually had a Your Rights at Work campaign. I know that taking others’ ideas that have worked is a great compliment. There is a lot of worry about what is happening with climate change, and I think people who deny the necessity of action underestimate the knowledge and understanding of this issue by many Queenslanders, many Australians and many other people across the world. People are worried about our climate and our future, and what we need to do is look at that realistically, not engage in a scare campaign. It is too simple to just scare. It is a simple, one-off media grab.

We need to look at the assistance which the government is putting into place, to see whether we can create jobs and make job transitions in this process. It is not a new thing to look at change in industry, and this is not an unexpected change. In terms of the knowledge that is out there about climate change and what is going to happen, it has been the subject of open discussion and debate in the community for years. Unfortunately, there has only been action on this issue in the last 12 months. If there had been a firmer and more immediate response many years ago to what was happening to our globe, we would not be at the point now where people are confronted by the issue rather than being involved in working on a response. In terms of what we need to do, in parts of my state—and I know it well—there is great reliance on resources, mining and investigation, as well as the coal industry. Those industries have been working with governments to look at their futures. It is not a new issue. What we must have is a COAG process involving all the state governments, the federal government and, I firmly believe, local government as well, because what we need to do is engage with communities at the local level—not just with the large employers but with the people themselves.

We hear figures being thrown around of how many jobs are going to be lost as a result of carbon emissions trading. They are not just the immediate jobs in the mines; they are jobs in the wider communities. We understand that. We cannot talk about individual industries. We need to look at the implications and work with some of the funding from the Climate Change Action Fund. It is not just about a single approach. It must engage with the other levels of government, with community organisations and with
NGOs. They all have a role to play. That is integral to the plan that the government have put out. It indicates that we have an expectation that local communities, community groups, individual schools and the wide range of people who work together to form those communities will all have an active engagement in this process, based on knowledge, through the information program, and based on their own sense of responsibility.

Again I say that this is not just about Queensland. This is about each person in our country and across the world. Certainly we need to put into place industry plans that work with the places that are looking at emissions funds processes. We need to work at that level. But people continue to deny the threat. We continue to hear across this parliament different ideas about what exactly the threat is. I have heard recently that Mr Turnbull and Mr Hunt are suggesting that we might even have a higher target than that which has been put before the Senate at this time. We heard today that other people think we should not be rushing into it. It would be useful if we could at least have some common response. When we have that, we will be able to work effectively at building through this process and identifying what our responses should be. We are very much aware that people will have transition issues. No-one denies that. It is not as though we have suddenly come up with an idea and are expecting that no-one will be damaged through the process. We will work with people. That is the core aspect of the government’s proposal before us. But we do not need division. We do not need unnecessary diversion. Certainly, we do not need an issue such as global warming and the environmental threat turned into a simplistic political logo for a state election.

Senator BRANDIS (Queensland) (4.02 pm)—As the Minister for Climate Change and Water, who has been in this chamber throughout this debate, disappears without participating in the debate or being prepared to defend the government’s policies—

Senator Wong—Madam Acting Deputy President, I rise on a point of order. That is really most discourteous, Senator Brandis. You know that arrangements are made between the parties. If you want to debate I will be very happy to debate you anywhere on this issue.

The ACTING DEPUTY PRESIDENT (Senator Troeth)—Order! There is no point of order. Senator Brandis, please continue.

Senator BRANDIS—I was just noting that the minister, although in the chamber, did not spring to defend the government’s policies but left it to her backbench.

On Tuesday, the Leader of the Liberal National Party, Mr Springborg, called for the postponement of the introduction of an emissions trading scheme. In doing so, he echoed the unanimous view of Queensland industry that, whether you support the emissions trading scheme or whether you do not, it is clear to anyone that this is not the right time to be accelerating at breakneck speed towards this dramatic policy with its dramatic economic consequences. The problem is that the Rudd government has decided to proceed blindly down this path because its policies are driven by ideology, not science. Its policies are driven by zealotry, not by intelligence.

That could never be made clearer than by the fact that the moment anybody raises a question about climate change policy they are hissed at by the minister: ‘You are a sceptic!’ I always thought scepticism was a synonym for the application of critical intelligence to a problem. But in the lexicon of the Rudd government, scepticism is the opposite of credulity. Scepticism is the opposite of the willingness to accept policies or proposals which are not evidence based. Yet, in the lexicon of the Rudd government,
to apply a critical intelligence to a scientific and public policy issue is the worst thing you can do.

As the person who put down this urgency motion, I make no apology for directing it particularly to the state of Queensland, my own state. Queensland, which is used to being one of those states, along with Western Australia, which lead the prosperity of this country, has been, under the lack of leadership of the Bligh Labor government in recent years, reduced to the very unfamiliar condition of being an economic basket case. Hear what Dr John Black, a former Labor senator for Queensland, had to say in the *Australian Financial Review* last month. Dr Black said of Queensland:

Regionally, we saw 12-month unemployment growth to January in 40 of our 59 ABS labour force regions. Queensland was the worst affected state and Cairns the worst affected region, with January unemployment—
in Cairns, that is, one of the hearts of the tourism industry—
of 11.8 per cent.

In the unemployment figures that were announced by the ABS this morning we see that Queensland unemployment is now 4.5 per cent. It is still slightly below the national average but accelerating at the same rate as the national average. In the past seven months, unemployment in my state, under the Bligh Labor government, has increased by almost a third, from 3.4 per cent in August 2008 to 4.5 per cent today. That is an increase of 1.1 per cent in only seven months. That is the condition of the Queensland economy today, after nearly 20 years—with the interruption of about two years, in the mid-1990s, of the Borbidge government—under the stewardship of a Labor government.

According to Access Economics, the respected economic consultancy, Queensland is likely to be more affected by the global economic slowdown and by the Rudd recession than any other state in the Commonwealth. Even Mr Andrew Fraser, the state Treasurer, was reported in January warning that the damage done to the state’s two main industries—property and mining—by the global economic situation was very severe. Mr Fraser said:

No part of the state will be spared; no industry will be spared …

When there is a very significant change and a very significant deterioration of the economic circumstances of the state of Queensland—a state whose economy is highly trade exposed, a state whose economy is more dependent than most state economies on industries to which the ETS will apply—is it the time to be rushing headlong, blindly, regardlessly, ideologically, zealously to implement an emissions trading system which has unknowable consequences for the Queensland economy?

Do not take it just from me. Let me give you a sample of some remarks by various key Queensland industry groups. I will start with the beef industry. Queensland is Australia’s biggest beef producer. In fact, it produces 48 per cent of Australia’s beef output. Losses to that sector of the industry as a result of the introduction of the ETS would balloon to $10.9 billion a year by 2030, according to the Australian Farm Institute. Mr Paul Heelan, a grazier from Clermont in Central Queensland, is quoted as saying:

Everyone in the bush is hoping the ETS will go away. We’re at the end of the line. We can’t pass it on but everything will be passed on to us—the cost of electricity, transport, any fodder you’ve got to buy, it’s all likely to rise. The ETS will send some people to the wall. I’m sure a lot of bush people have large debts after floods and droughts. Things are tight enough as they are.

Mr Heelan’s plea to the Commonwealth government is heard throughout the length
and breadth of Queensland, as I dare say it is heard throughout the length and breadth of Australia.

The same is the case with the dairy industry. The President of Australian Dairy Farmers, Allan Burgess, said recently:

The Government needs to rethink some of its policy proposals, including the ETS which, as it’s proposed in the white paper, will have a huge impact on the dairy industry and broader food processing sector.

The same plea was made on behalf of the mining industry—one of the great Queensland industries—by Mr Mitch Hooke, the Chief Executive of the Minerals Council of Australia, as recently as Tuesday.

This is a time for intelligence. It is a time for science. It is a time for measured judgment. It is a time to be aware of a material change in the economic circumstances. But the Rudd government and the Queensland Bligh Labor government are blind to the necessities—(Time expired)

Senator FURNER (Queensland) (4.10 pm)—I rise today to speak in response to Senator Brandis’s tactless motion, which states:

That, in the opinion of the Senate, the following is a matter of urgency:

The—

alleged—

failure of the Rudd Labor government to consider the interests of the state of Queensland and, in particular, the Queensland economy in the development of the proposed emissions trading scheme.

As a Queensland senator I am appalled by this motion. This motion is simply a lame coalition scaremongering exercise brought about by the Queensland election. We have a proud slogan in Queensland: ‘Beautiful one day, perfect the next.’ If we had a coalition government in Queensland they would change the slogan to be: ‘Doom one day, worse the next.’

I would like to deal with two aspects of this motion: first, the Queensland economy and, second, the emissions trading scheme. The Queensland economy, just like every other economy, is suffering at the moment not because of the Rudd Labor government and not because of the Bligh Labor government but because of something we all now as the global economic crisis. This is something the Liberal–National Party seems to be in complete denial of. The Rudd Labor government has worked tirelessly to cushion states such as Queensland from the effects of the global economic crisis. We injected firstly $10.4 billion into the economy last year for those struggling the most—pensioners, carers, veterans and families. Senator Brandis, there is no denying it: these payments have worked. Retail sales grew in December and January—and there has been an increase in the housing market—despite the fact that world retail sales have declined.

We then injected a further $42 billion into the economy. This money has affected and will directly affect the Queensland economy. We are providing crucial support to regional Queensland farmers affected by the drought. There is support for families, middle- and low-income earners and students. The household stimulus package will protect Australian jobs. We are building infrastructure to fix Queensland’s national highways and black spots. This injection of funds will see employment levels in Queensland grow.

Nationally, we are building 20,000 new homes and Defence homes. With the ADF having many sites in Queensland this will directly influence the Queensland economy further. Larger infrastructure projects that provide an even longer term boost to our productive capacity will soon be announced by Infrastructure Australia and will keep
Australians working well into the future. So we have two massive injections into the economy which will directly affect Queensland, not to mention the fact that Prime Minister Kevin Rudd’s own seat of Griffith is in Queensland.

I find it hard to believe that the emissions trading scheme has failed the interests of Queensland. There were, if you recall, Senator Brandis, committee hearings in regional and city Queensland, consultation groups, submission requests, newspaper articles, websites, radio advertising and so on which allowed every Queenslander to have a say in the development of the emissions trading scheme. To say that the trading scheme has failed the interests of Queensland is false. In fact, Queensland is strongly focused on. The Minister for Climate Change and Water, Senator the Hon. Penny Wong, visited one of my neighbouring suburbs just a month ago to discuss this very issue.

I remind you we have a crucial say as Queenslanders. We have the Great Barrier Reef, our vulnerable coastline, and World Heritage areas, including the wet tropics rainforests. Queensland is also one of the states with the biggest risk of climate change. We are especially disposed to drought, floods and fires. No doubt people would recall the recent flooding in North Queensland as a prime example of this. I also remind you that the Rudd Labor government has invested millions to support those Queenslanders suffering from these floods. We also have a fast growing population of more than four million people. With Queensland growing at such a fast pace, we cannot afford to not act. We cannot afford to see global sea levels rise, with the potential of massive floods; we cannot afford to double CO2 levels, have the temperature rise and have the health effects of heat related illness; we cannot afford to have industry loss in agriculture, which is valued at $8.8 billion; we cannot afford to have tropical cyclones and further droughts—the list goes on and on.

We have said time and time again that the cost of inaction is too dire. This is evident through the comprehensive report Australia’s low pollution future. Treasury’s modelling demonstrates that early global action is less expensive than later action, that a market based approach allows robust economic growth into the future even as emissions fall and that many of Australia’s industries will maintain or improve their competitiveness under an international agreement to combat climate change. The modelling shows that Australia and the world continue to prosper while making the emission cuts required to reduce the risks of dangerous climate change.

Just last night I was in this chamber delivering an adjournment speech on jobs growth in Queensland, and in the insulation business. I visited a new factory—CSR Bradford—on 19 February. Despite this business operating only from 8 am to 4 pm Monday to Friday since it opened in January, its management is now indicating that the business will quickly be gearing up to employ 70 staff and move to a 24/7 operation. That is where the growth is in Queensland, in the environmental industry. Clearly the component in the $42 billion stimulus package will generate local jobs in the community, enhancing our economy. In fact, in explanation on the subject of jobs, Mr Tannous, the general manager of this business, claimed that the insulation industry’s prediction of 4,000 jobs may have been a serious underestimate. He went on to explain growth in installers, the company’s call centre, sales staff and transport operators as examples of where the jobs growth will occur. It is a real shame Senator Brandis, who is not still in the chamber, does not bother to visit some of the businesses I get invited to and to experience their envi-
environmental commitment and contribution to Queensland’s working families.

For the record, this program will allow eligible Australian owner-occupiers to access the insulation and have it installed for free up to a cost of $1,600 from 1 July 2009 until 31 December 2011. Renters will also be able to access this scheme, with landlords being entitled to a rebate of $1,000. Those who wish to install prior to that can seek reimbursement following 1 July. These are all strong initiatives for jobs growth and the economy. The reality is clear: the emissions trading scheme will generate jobs for the future. We on this side are about supporting today’s jobs and building jobs for tomorrow to sustain the economy.

Consistent with what I have seen at CSR Bradford and CSIRO, the Allen Consulting Group found a big shift in the sectors in which employment would grow, arguing that three million people could need additional training as jobs growth slowed in manufacturing but increased in sectors such as construction, transport and services. Senator Wong has indicated the climate change regulatory authority, which would administer the scheme, would need 300 staff. Additionally, accounting and law firms are setting up divisions to service the greenhouse accounting and carbon trading market. A spokesman for PricewaterhouseCoopers said its division already employed 34 people and expected to grow, as reported in the Australian today.

Internationally, governments already going down the path of environmental procedures and policy have emphasised the employment upside to climate change investment. Even US President Barack Obama has promised five million new green jobs. Additionally, British Prime Minister Gordon Brown has promised one million new green jobs. But, on the other side, we have people such as Queensland’s own Senator Barnaby Joyce, who has described green fanatics as ‘eco-Nazis’, Senator Cory Bernardi, who claimed human activity had nothing to do with climate change, and Senator Nick Minchin, who denies climate change is man-made.

What is the answer to jobs in Queensland? The Liberal National Party has indicated it would instigate an ‘efficiency dividend’—a cute name for budget cuts—of three per cent across all government departments. This is the hidden agenda only the LNP would be capable of. Maybe that is why the Queensland Public Sector Union has mounted a massive campaign against this lack of job creation. We have already heard from Lawrence Springborg, the LNP leader, of the desire to ‘front end’ and ‘denecessary’ jobs in Queensland. I have been representing workers for more than two decades now and I have never heard of a worker being ‘front ended’ or made ‘denecessary’. Before a Queensland state election—that is what this motion is all about—here we are in this chamber getting from the coalition more scaremongering and fanciful statements about job losses. Most workers would see through this motion of Senator Brandis as the stunt it is.

At a time when we are facing a global economic crisis of mammoth proportions, the Rudd government’s $43 billion Nation Building and Jobs Plan and previous $10.4 billion stimulus package will go a long way towards jobs for our children’s future. Neither this Rudd Labor government nor a Queensland Bligh Labor government will fail working families. This is part of our Labor principle, something a coalition government will never understand. As a Queenslander, I can only say that Labor will keep Queensland strong.

Senator IAN MACDONALD (Queensland) (4.21 pm)—I cannot believe Senator
Moore and Senator Furner, both Queenslanders, both from the union movement, can come into this chamber and not stand up for the jobs of working men and women in the Central Queensland coalfields, in the Mount Isa underground mines and in the metals-processing plants in Queensland. I refer particularly to those plants in Townsville and the other zinc metal, copper and nickel production plants in Queensland. Labor politicians and unions come in here and will not speak up for them. I cannot understand why the union movement is not going crazy over this flawed emissions trading scheme. It would be different if this flawed emissions trading scheme were in any way going to impact upon the changing climate of the world, but it will not—and the Labor Party know that. All it will do is export Queensland jobs to other countries with no impact on the changing climate of the world. Let me give you some examples as to why this will happen, Madam Acting Deputy President.

Australia's biggest competitor in thermal coal exports is Indonesia. Australian coal is going to be slugged with enormous taxes by the Rudd government's ETS. The Indonesian coal industry will have no taxes. You do not have to be a trade genius to work out that Indonesian coal will become much more acceptable to Australia's traditional markets of Japan and China, so even if the coal mines in Australia do not shut down they will certainly not expand. They will not be able to continue being uncompetitive as to that competition from Indonesia, so jobs will be lost. In Queensland some 22,000 working families rely on the coal industry for their employment, and they will be out of work in favour of Indonesian workers. Have a look at the copper industry, which is very big in Queensland with copper processing in Townsville and the mines out in the North-West Minerals Province. They will be taxed out of existence. Their South American competitors will not have an ETS so in no way will they be subjected to these additional taxes. So our copper industry will lose out to South America's.

Take the cement industry. You had the situation in Gladstone whereby Cement Australia was about to spend $800 million on a new cement factory, employing 200 or 300 people in construction and 100, 150 or 200 people in continuing to operate that vastly expanded plant. That has all gone. In Australia cement will become uncompetitive because, under the ETS of the Minister for Climate Change and Water, Senator Wong, cement will have a $20 per tonne tax on it. We are already competing with Indonesian cement in Australia; and Australian cement producers can match it. But when you put a $20 per tonne tax on Australian cement and you can get Indonesian cement at $20 a tonne less, who is going to buy Australian cement? That is why in simple terms this emissions trading scheme is a dog and will cost jobs in Australia.

In my home town of Townsville, Korea Zinc, through Sun Metal, their zinc processors, have said publicly that they will move offshore, so we will not be saving the world's changing climate and we will be putting Korea Zinc into a country which does not have an ETS. We will be putting all the coal producers, all the copper producers and all the zinc producers into a country which does not have any form of ETS and is not likely to. What we are doing is exporting Australian jobs, and the Australian union movement does not seem to care. I cannot believe that those senators sitting opposite us, supposedly representing the workers, are not marching in the streets to stop this particular problem.

I am pleased to see that Senator Bob Brown is here. Senator Milne led the defence of the Labor Party, as the Greens tend to do
over everything the Labor Party do. The Greens were again completely excusing them. That is of interest to me because in the Queensland election the Greens are going to preference Labor in 10 marginal seats. What will this do? It will mean that the Traveston Crossing dam, which I, the LNP and the Greens are totally opposed to, will be built by a re-elected Labor government. Sure, they are not giving preferences in the seats directly involved with the Traveston Crossing dam—well, they are held by the LNP anyhow—but in the marginal seats that will or will not change the government of Queensland the Greens are going out and supporting the Labor Party again.

Senator Bob Brown interjecting—

Senator IAN MACDONALD—Well, you give me a commitment that you will not support them, Senator Brown, but, if you do, Anna Bligh will be returned and she will build the Traveston Crossing dam—and it will be on the heads of the Greens more than anyone else if the Traveston Crossing dam is built. I wait for Senator Brown’s confirmation that they will not be returning Anna Bligh to government by prefencing them in 10 marginal seats.

Senator Bob Brown—Madam Acting Deputy President, I rise on a point of order. The senator is verballing me. I asked him why the LNP walked out of negotiations with the Greens—if they had not, there may have been an entirely different preferences result in Queensland.

The ACTING DEPUTY PRESIDENT (Senator Troeth)—There is no point of order.

Senator IAN MACDONALD—It just again shows the Greens are a lackey of the Labor Party. They will preference them in Queensland and it will mean that the Traveston Crossing dam will be built thanks to the Greens political party. Time has escaped me and I can only again plead to those sitting opposite, the supposed saviours of the workers, to join Bill Ludwig—calling Garnaut a wacko, as he did—in calling upon the Rudd government to take a pause to get Senator Wong to have another look at this emissions trading scheme so Queensland jobs will not be put at risk.

Question agreed to.

DOCUMENTS

Responses to Senate Resolutions

The ACTING DEPUTY PRESIDENT—I present a response from the High Commissioner for Sri Lanka (His Excellency Mr Senaka Walgampaya, PC) to a resolution of the Senate of 11 February 2009 concerning Sri Lanka.

WATER ACT 2007

Return to Order

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (4.29 pm)—by leave—With reference to Senator Fisher’s return to order motion of 3 December 2008 for the release of documentation relating to section 86A of the Water Act 2007, I table a statement in relation to that order.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT—Order! The President has received letters from a party leader requesting changes in the membership of committees.

Senator Sherry (Tasmania—Minister for Superannuation and Corporate Law) (4.30 pm)—by leave—I move:

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

Agricultural and Related Industries—Select Committee—

Appointed—Participating member:

Senator Back
Thursday, 12 March 2009

Appropriations and Staffing—Standing Committee—
  Discharged—Senator Nash
  Appointed—Senator Williams

Community Affairs—Standing Committee—
  Appointed—Participating member: Senator Back

Economics—Standing Committee—
  Appointed—Participating member: Senator Back

Education, Employment and Workplace Relations—Standing Committee—
  Discharged—Senator Fisher
  Appointed—Senator Back
  Participating member: Senator Fisher

Environment, Communications and the Arts—Standing Committee—
  Appointed—Participating member: Senator Back

Finance and Public Administration—Standing Committee—
  Appointed—Participating members: Senators Back and Fifield

Foreign Affairs, Defence and Trade—Standing Committee—
  Appointed—Participating member: Senator Back

Fuel and Energy—Select Committee—
  Appointed—Participating member: Senator Back

Legal and Constitutional Affairs—Standing Committee—
  Appointed—Participating member: Senator Back

Men’s Health—Select Committee—
  Appointed—Participating member: Senator Back

National Broadband Network—Select Committee—
  Appointed—Participating member: Senator Back

Regional and Remote Indigenous Communities—Select Committee—
  Appointed—Participating member: Senator Back

Regulations and Ordinances—Standing Committee—
  Appointed—Senator Back

Rural and Regional Affairs and Transport—Standing Committee—
  Discharged—Senator Williams
  Appointed—Senator Nash
  Participating members: Senators Back and Williams.

Question agreed to.

PROTECTING CHILDREN FROM JUNK FOOD ADVERTISING
(BROADCASTING AMENDMENT) BILL 2008

Second Reading

Debate resumed from 4 September, on motion by Senator Bob Brown:

That this bill be now read a second time.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.30 pm)—It gives me great pleasure to begin the second reading debate on the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008. However, I should say at the outset that the news I have just received is that the government is not going to allow the potential for the bill to come to a second reading vote at the end of today or on Monday morning. That decision follows a period of requests to the government and the opposition, and it flies in the face of proper process here. This is private member’s time to deal with important legislation.

I have in particular, along with my Green colleagues, been extremely reasonable with the government in facilitating its important legislation through the Senate. This is the
first piece of private member’s legislation for the year and it is important legislation. There are other bills which are quite important to be dealt with by the Senate lined up and the government is simply going to filibuster so that this bill cannot get a second reading vote. The request was to get it through the parliament, but the government does not want to show a vote on it. I take that extremely seriously as it is not a frivolous matter. It is high time the Senate took private member’s legislation seriously. I say to the government that there will be ramifications. The cooperation goes both ways. This is totally unfair; it is wrong to be treating private member’s time in this fashion.

I think it has been a major mistake by strategists in the Labor Party and there will be consequences. It is a very serious slight to the Senate, and to those who take this legislation seriously, that the government has decided it simply is not going to allow this bill to come to a vote. The government is, apparently, going to add extra speakers just to fill up time if we get towards finalising the debate by 6.30 pm. I object to that and there will be consequences.

That said, this bill is for an act to amend the Broadcasting Services Act 1992 and the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004 to encourage healthier eating habits among children and to prohibit the broadcasting of advertisements for junk food during certain times and for related purposes. I had the second reading speech circulated when I introduced this bill last year. I am not going to re-read it all but I did want to read a couple of sentences from it.

The bill revises the bill by the same title first introduced by Democrat leader Senator Lyn Allison in 2006. I again acknowledge her long work in this area and, indeed, continuing interest in the area. The bill is to ensure that the advertising of junk food and beverages on television during children’s viewing times is disallowed as is the advertising of alcoholic drinks in those times.

What is important about this is that obesity is a problem the parliament can no longer afford to ignore. According to the Australian Medical Association the rise in childhood obesity may, for the first time in Australian history, result in a decline in the life expectancy of newborns. Access Economics estimates the financial costs of obesity in our country in 2008 at $8.2 billion per annum. That report calculates the net cost of lost wellbeing, including the dollar value of the burden of disease on individuals as a result of conditions associated with obesity such as diabetes, heart disease and various types of cancer, as well as lost productivity, adding up to a total financial burden of $58 billion a year.

Childhood obesity is a complex issue with many causal factors. An advertising ban alone will not eliminate the problem of obesity but it is a sensible first step that has the support of health experts including doctors, community groups and, most importantly, parents. A study of parental awareness and attitudes reported in the August 2008 issue of the *Australian and New Zealand Journal of Public Health* found that there was widespread parental concern about food advertising aimed at children and strong support for tighter restrictions. Almost 80 per cent of respondents were concerned about the volume of advertisements and 68 per cent were concerned about the methods used to market unhealthy food to children. Eighty-seven per cent of people supported a ban on unhealthy food advertising during children’s viewing hours. The survey, which was in fact in 2007 and was commissioned by the Coalition on Food Advertising to Children, found that 90 per cent of parents agreed that advertising food high in fat, sugar and salt directly to
children was unconscionable, and in 2004 an Australia Institute study found that 86 per cent of people wanted more limits on advertising to children.

I quote from the Greens dissenting report to the Senate Standing Committee on Community Affairs, which examined this legislation:

There is no dispute that obesity in Australia is a serious problem. The Committee majority report notes the following facts: Australia now has the fifth highest rate of adult obesity amongst OECD countries; that 17 percent of children aged between 2 -16 are overweight and 6 percent are obese; there is a demonstrated link between childhood and adult obesity; the cost of adult obesity in Australian in 2008 is estimated at $8.3 billion; and there are ‘negative effects of unhealthy food advertising to children’.

That included part of the majority finding. The aim of this bill is to address this massive health, social, economic and environmental problem, not totally but by attacking one of the fundamental problems connected with increased obesity, which is the purveying of junk food, sometimes through saturation advertising aimed at children in their own television viewing hours. I might add that studies show that children up to the age of 12 cannot discern between advertising and fact. The advertisers know that and, as we all know in this place, employ psychologists to manipulate children, and the pester factor children have on parents, to sell their unhealthy products to those children.

The committee had numerous submissions, and witnesses to the inquiry identified that the current timing of restrictions does not capture the broadcast periods when high numbers of children are viewing. The preponderance of evidence was for extending the restricted times outlined in this bill to the period from 6 am to 9.30 pm. I flag here that in the committee stage of the bill, which the government has now effectively blocked, we would have proposed amendments to the bill to incorporate that position.

Let me finish by saying this is important legislation. It is aimed at one of the insidious factors which are increasing obesity, the toll on health, the cost to the economy and the erosion of the wellbeing of individuals in Australia. It is important legislation. I thought the government would have a more mature, reflective and accommodating approach to this legislation. It does not. I repeat that this is a very serious affront to the Senate by the government. We have to take it as an indication that the government does not see the rest of the Senate as having the importance it does have and, in particular, does not see this legislation is being as important as it is to the Australian people. It is wrong on both counts. Its behaviour on this matter is way below the standard I would expect of serious consideration of serious legislation by the Rudd government in 2009.

Senator Pratt (Western Australia) (4.41 pm)—I very much welcome the opportunity to speak on the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008 because it gives this chamber a chance to consider a very important issue in our community: childhood obesity and its causes. The Rudd government is very concerned about child health and especially childhood obesity. The government not only is concerned about childhood obesity but is actively working on its causes and especially methods by which it can prevent this significant problem. The government is doing this through a multifaceted approach combining both prevention and regulation. The government is also developing approaches that are evidence based.

One of the main vehicles through which this government action is taking place is the Council of Australian Governments agenda. Through COAG, the government has com-
mitted $872 million over six years to preventative health. This represents the largest commitment ever by an Australian government in preventative health. These preventative health interventions will occur through preschools, schools and workplaces. These interventions will be designed to help people modify their lifestyle so they can reduce the risk of chronic disease. This significant contribution, not made by any previous government, comes on top of over $50 million already approved in the Rudd government’s first budget. That $50 million in funding focuses on obesity prevention strategies targeted directly at children. In the context of the bill that we are debating today, I would like to highlight some aspects of this new multifaceted approach.

We have a Healthy Kids Check for all four-year-olds to improve childhood health. This measure will ensure that every four-year-old child in Australia has a basic health check to see if they are healthy, fit and ready to learn when they start school. The Healthy Kids Check will promote early detection of lifestyle risk factors, delayed development and illness, and introduce guidance for healthy lifestyles and early intervention strategies. That is $26.5 million over four years that has been set aside for this important initiative. It will make a significant contribution to identifying risks of obesity in very small children.

The Get set 4 life—habits for healthy kids guide has been developed as an interactive guide that will provide practical information to assist parents to engage with their child to aid the development of healthy eating habits. The guide provides practical information for parents and illustrations which children can relate to. It is designed to support parents and carers with a child’s development and to reinforce the importance of establishing healthy life habits. It also includes a list of useful resources for families to get more information about the health and development of their children—exactly the kinds of skills that families need.

One of the projects which I think is most exciting is the Stephanie Alexander Kitchen Garden Program, which has $12.8 million over four years. Up to 190 primary schools are receiving a grant of up to $60,000 to build vegetable gardens and kitchen facilities. The program teaches kids to grow their own healthy food, to prepare it and to make better eating choices. Indeed, the schools in which this program already exists find it incredibly worth while. Many of them are in disadvantaged areas. The program is transforming eating choices for kids in those communities.

Another program I particularly like is the Active After-schools Communities program by the Australian Sports Commission, with $12.4 million over four years. This encourages participation in after-school physical activity.

Senator Barnett—$124 million over four years.

Senator PRATT—Yes, it is $124 million. Thank you for your correction, Senator Barnett. Finally, $4.5 million over five years has been allocated to the healthy eating and physical activity guidelines for early childhood settings. This is an important part of our government’s plan for tackling obesity from early childhood. It will develop evidence based guidelines and materials to support healthy eating choices and physical activity in children attending early childhood settings such as kindergartens, child-care centres, preschool and family day care. The guidelines will be linked to the new national quality framework for these services that is to be introduced in July 2009.

This government’s commitment to preventing and ending obesity does not end there. That is why the Minister for Health
and Ageing. Nicola Roxon, has established the important Preventative Health Taskforce. This taskforce provides evidence based advice to the government and others on preventative health programs and strategies. It reports directly to the health minister. The taskforce has a focus on chronic disease caused by obesity, tobacco and excessive consumption of alcohol. Last year the taskforce, chaired by Professor Rob Moodie, released a discussion paper called *Australia: the healthiest country by 2020*. The taskforce also released three comprehensive technical reports, on obesity, tobacco and alcohol, for public comment.

The discussion paper is central to the process of engaging in community discussion as part of a national preventative health strategy. The draft strategy is expected to be released for comment shortly before being finalised and handed to the government in June 2009. So, the Rudd government already has a comprehensive package working on obesity prevention, especially for children. The government is making a significant investment in obesity prevention programs, but I acknowledge that this important problem requires more action than this. It also requires regulation.

We already have in place detailed regulatory mechanisms relating to food and beverage advertising. In particular, rules about advertising to children are set out in broadcasting standards and codes. For example, the Broadcasting Services Act 1992 provides the system that regulates broadcasting content. Under this free-to-air system, broadcasters must comply with the Commercial Television Industry Code of Practice and the children’s television standards. This system requires that broadcasters ensure that appropriate material is broadcast at particular times of the day. This system of time bands aims to help viewers make informed choices about what they watch. It particularly gives parents the opportunity to decide on the suitability of what is broadcast for their children.

The current children’s television standards mean that no commercials can be shown in P periods and each 30 minutes of C period has no more than five minutes of commercials, with the exception of some drama programs. Importantly, the standards are very strict in that advertisements must not have any information that is misleading or just plain wrong about the nutritional value of that product. Under the children’s television standards, no material broadcast during a C period or P period can present images or events which depict unsafe uses of a product or unsafe situations which may encourage children to engage in any activity that is likely to harm them. This is not limited to advertisements but also includes program content. The regulation of content and advertising is also not limited to the two regulatory mechanisms I have already referred to.

The Commercial Television Industry Code of Practice has a central role in the regulation of advertising to children. The Commercial Television Industry Code of Practice says that advertisements to children for food and beverages:

(a) should not encourage or promote an inactive lifestyle combined with unhealthy eating or drinking habits; and

(b) must not contain any misleading or incorrect information about the nutritional value of the product.

So there we have very extensive work that the government is already responsible for and is already doing in relation to obesity prevention in children and the regulation of advertising.

I would now like to talk about some additional aspects that this bill raises. As senators will know, the Senate Standing Committee on Community Affairs presented its report in relation to this bill in December of last year.
After carefully reviewing the evidence presented and taking into consideration current government initiatives in this area, the majority report of the committee recommended that the bill not be passed and that the information received by the committee be considered by the National Preventative Health Taskforce in their ongoing work, which is yet to report. The dissenting report from the Greens in relation to this bill stated that this recommendation ignored:

… the evidence and recommendations of the majority of submissions to the inquiry.

The dissenting report concluded that the Greens welcomed:

… the input for all contributors to the inquiry to strengthen and improve this Bill.

The Greens dissenting report did not explicitly state that the majority of submissions favoured the passage of the bill in its current form, but that is the implication. The Greens dissenting report acknowledged that many submissions to the Senate community affairs committee’s inquiry believed that the timing of the restrictions on advertising in the bill were not appropriate. The dissenting report indicated the Greens’ intention to move amendments to the bill to alter the timing of the restrictions in the bill, which they claimed were in line with ‘the preponderant evidence’. In fact, the Greens have moved those amendments. But what exactly is meant by ‘preponderant evidence’ in this context is not clear. In fact, a variety of views were expressed in submissions to the community affairs committee in relation to this matter, even from those who supported the broad intent of this legislation. The Greens’ rationale for giving weight to some expert views over others on this matter I do not think has been clearly articulated. Perhaps we will get some response on those issues.

What is not acknowledged in the Greens’ dissenting report is that many of those submissions that supported the overall intent of this bill had reservations about many of the features of the regulatory scheme outlined. They had reservations about features of the regulatory scheme, which I think are not minor but fundamental to the operation of the scheme that the Greens seek to put in place. These reservations did not pertain solely to the timing of the restrictions on advertising in the bill but extended to a range of other matters that are critical to the effective operation of the regulatory scheme outlined in this bill. For example, a number of submissions questioned the effectiveness of regulating TV advertising alone, while other forms of media remained unregulated. According to the majority report, these other media include:

… other broadcast media, internet and mobile phones, print media, promotions and premium offers, venue and outdoor advertising, the use of promotional characters and celebrities, packaging and sponsorships.

We are indeed inundated with all of this advertising in our daily lives. We should not give ourselves a false sense of security that we have dealt with that. It has to be done in a holistic manner. One submission—again a submission that was supportive of the overall intent of this bill—questioned whether exemptions to the restrictions should be at the discretion of the minister. It suggested that any exemptions would be better administered by the Australian Communications and Media Authority. Several submissions—again including submissions that were supportive of the overall intent of this bill—were concerned to ensure that decisions about exemptions were based on transparent and appropriate criteria.

Some submissions questioned whether the decisions regarding exemptions should be based on Food Standards Australia New Zea-
land nutrient profiles. Some thought that these standards would need to be refined to distinguish between food and beverages for the purposes of television advertising, as they were not designed for this purpose. They offered several suggestions as to which experts should be involved in this process. I think that would be a worthwhile endeavour. Another submission suggested that the Food Standards Australia New Zealand nutrient profiles may not be appropriate for this purpose at all—that is, they might be confusing and subject to loopholes. Indeed, there are a variety of different ways that you can achieve these kinds of objectives. Through the Preventative Health Taskforce, which is yet to report, I would like to see these kinds of holistic measures taken. The submissions suggested alternative criteria based upon ‘foods and beverages that are considered to be basic core foods and part of core food groups’. That is where we want to look to go forward.

Some submissions, even those that were broadly supportive of the bill, raised a range of views in relation to which media should be subject to restrictions; what the timing of those restrictions should be; who should have the power to grant exemptions; what criteria should be used to grant exemptions; and who should be involved in determining, refining or developing the criteria that are used to grant exemptions. Those are rather a lot of questions about the legislation before us. That is what you get when you do not have the opportunity to make legislation through holistic processes.

I can to some extent acknowledge the efforts of the Greens in seeking to bring attention to the very important topic of childhood obesity. However, we need to use all the community resources and agencies of government to put together the kind of package that we need to tackle childhood obesity. That is something the government is already doing. I have to say that I think this is what you get when you are more concerned about making a point than about going through the painstaking process of sifting through the evidence and listening to the full variety of stakeholder views in order to determine the most appropriate and comprehensive public policy response or set of multifaceted responses to a problem. I do not disagree with the Greens’ intent in raising this issue and bringing it before the parliament. However, I counter with the fact that the government is effectively and very appropriately dealing with this issue through the Preventative Health Taskforce and the multifaceted approach I have outlined. I thank the Senate for the opportunity to speak on this important matter.

Senator BARNETT (Tasmania) (4.59 pm)—I stand to speak on the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008 and say at the outset: isn’t it bizarre? Here we are in Australia and there is an obesity epidemic. We are one of the four or five fattest nations on earth and simultaneously 30,000 children die every day in the world from a lack of food and clean water—or a lack of water altogether. That particular observation is a stark contrast. It should cause us all to re-think our priorities, strategies and objectives in this great nation, Australia.

On this matter, certainly the objective of Senator Brown and the Greens to address the obesity epidemic is fully supported. But the bill in its current form is not something that I can support, and I will speak to it shortly. I hope each of us in this chamber supports that objective of addressing the obesity epidemic.

Just two weeks ago in budget estimates I asked questions of the Australian Defence Force about obesity. One response was that 14 per cent of the Australian Defence Force are classified as obese. That is a great worry.
A report showed that in the US defence force some 4.6 per cent were obese. Those sorts of numbers, which have tripled in terms of the proportion of Australian Defence Force that are obese, are a major cause for concern. I note that the head of the Australian Defence Force indicated that he would take that on board and certainly look at a review of that.

The obesity epidemic in Australia today is serious and it is an issue that we must address as a matter of urgency. It is getting worse, not better. Over 60 per cent of Australian adult males are either overweight or obese and nearly 50 per cent of adult women are either overweight or obese. One in five of our children is overweight and one in 10 is obese. The cost to this nation is not insignificant. In fact, it is outrageously high. I notice that in his second reading speech and again today in his address, Senator Brown referred to the Access Economics report that was delivered just last year. That report was released by Access Economics at my Healthy Lifestyle Forum that I hosted in Hobart—in fact by Dr Lynne Pezzullo, a very professional and outstanding woman. That report indicated that the direct cost of obesity per year to Australia today is over $8 billion. That report indicated the total cost to the Australian community was something like $58 billion. I commend Access Economics and I thank them for releasing the report at my forum in Hobart and for being involved in many of the nine healthy lifestyle forums that I have hosted since 2002. The cost of obesity today is significant.

It is also worth noting that 40 per cent of all children play no sport outside school hours. In fact, the average time that children watch television per day—this is not per week—is 2.5 hours. The energy intake between 1985 and 1995 has increased by 15 per cent in boys and some 12 per cent in girls. The evidence shows that only 30 per cent of Australians eat four or more serves of vegetables per day and only half eat the daily recommended two serves of fruit. So we can see that obesity, poor dietary habits and a lack of physical activity account for at least 14 per cent of deaths in the USA, or some 300,000 premature deaths each year. As at 2000, total direct and indirect costs attributed to overweight and obesity were estimated at $117 billion in that country.

You can see the costs are significant. Where do the costs flow to? Not just to health costs, which are primarily related to chronic diseases like diabetes. I have type 1 diabetes and have obviously had a close association and working relationship with the diabetes community and specifically Diabetes Australia and the Juvenile Diabetes Research Foundation. I congratulate both those organisations for their advocacy and their efforts in addressing not only diabetes concerns but also the obesity epidemic. We have chronic diseases such as diabetes, heart disease, cancer and respiratory problems and it is well known now that 80 per cent of all deaths are a result of chronic disease, not infectious disease. Chronic disease is a big issue for us here in Australia and it is in large part because of the obesity epidemic.

I learnt in 2002 following a study tour to the USA where I attended the Harvard School of Public Health that 50 per cent of all deaths can be prevented or postponed as a result of better public health practices. That means behaviour change. That means the way we live our lives—more healthy diets, healthy eating practices and an exercise regime. Regular exercise and a more healthy diet can make a huge difference—an enormous difference.

Senator Fierravanti-Wells—We try, Senator Barnett, we try.

Senator BARNETT—Indeed, we should be trying, Senator Fierravanti-Wells—each one of us. As members of parliament we are
role models whether we like it or not and we should try. That does not mean we are perfect. Nobody is perfect but let us give it a go. As politicians and policymakers we need to do our best to ensure that we address and attack the obesogenic environment in which we live. We live in an obesogenic environment and we need to undertake mechanisms, initiatives and policies which address, attack and change that obesogenic environment into a healthy environment in which young children, young Australian kids, in particular, can prosper and do well. Let us give them the best chance in life.

That is one reason why the first anti-obesity initiative by any Australian government was announced by the Howard government in 2004 in Launceston by the then Prime Minister, John Howard, together with Senator Rod Kemp. This was at my June 2004 Launceston Healthy Lifestyle Forum, where Mr Howard announced four specific anti-obesity initiatives. One of them was having two hours of PE, of compulsory physical education, per week in schools. Up until then people simply did not accept it because it was compulsory—you know, kids should be entitled to do what they want to do. Of course that has all changed; it has been turned on its head.

Another key initiative was the commencement of the Active After-schools Communities program. Senator Pratt referred to it and noted that it was $124 million over four years. That is the correct figure, not $12.4 million over four years. That program was commenced under the Howard government, and it is continuing. But it should be extended to all schools so that all kids can have an opportunity to partake in it, and that is an objective I hope we can move towards. Some 3,000 schools benefit at the moment but we can do much better. And again that is about creating good habits for children. That initiative also included providing more healthy tuckshops and more healthy eating opportunities and healthy options for kids in schools. The fourth part of that anti-obesity initiative package was an education and information campaign including Joe Lively. I know that the Joe Lively campaign at least was supported by the AANA, the Australian Association of National Advertisers, and I commend them for their advocacy, for their leadership, particularly at the time, to try to make a difference. So in terms of the background, yes, it is a very serious issue and we need to address it.

What have the Labor government done to address this issue? Let us just have a think about it. They announced during the election campaign that obesity would be a national health priority, and I congratulate them for that. They subsequently announced that it would be, and that commitment was made by Nicola Roxon on behalf of the government. But what has happened since? The government have been there now for well over 15 months and in terms of initiatives and on-the-ground action to address the obesity epidemic, results have been very, very slim indeed. It is true that we have a National Preventive Health Task Force, but how long do we have to wait before we get action on the ground in terms of initiatives to combat the obesity epidemic? I call the government to account. I say: please stand up and act. There are things that you can do now, this week, and today, to make a difference. The government should be making a difference.

Professor Rob Moodie, who is the head of the National Preventive Health Task Force, is a very credible and great guy doing a professional job with the support of Professor Paul Zimmet and his other colleagues on that task force. I look forward to the report when it is due—and I understand that that is around mid-year—but we simply cannot wait for further reports. It is now a national health priority, but what does that mean? The gov-
ernment must come clean and address that particular matter.

Some of the initiatives that the government could undertake are referred to in my book, which was launched by Tony Abbott in December 2006, titled the *Millennium disease: responses to Australia’s obesity epidemic* and edited by me. It has insights from experts and a selection of presentations from the healthy lifestyle forums to help combat childhood obesity, which I have hosted since 2002. So there are some great minds and some great policies and some great initiatives in there.

In fact, it includes a 10-point plan at the back of the book which includes classifying obesity as a national health priority, and you can tick it—it has been done—but now you need action. There are things like: applying a Medicare rebate for obesity consultations; establishing a healthy lifestyle commission reporting to the Office of the Prime Minister and Cabinet; extending the Active After-school Communities program to reach all school-age children; extending the Healthy School Community program and making that an annual funding arrangement. These are definitely initiatives that should be seriously considered. In addition, allow only healthy food to be sold in school canteens and provided at childcare centres, including a ban on sugary fizzy drinks. They should not be there. They should not be in the tuckshops. Kids should only have healthy options at the school kiosk or school tuckshop, not unhealthy options.

We should be benchmarking children’s health and fitness annually just like we benchmark their literacy and numeracy with the benchmarking tests we do. And in terms of targets, why don’t we adopt 2010, or a target in the near future, when we can say, yes, let us target halting the rise in obesity by that time and adopt, say, 2015 as the target for halving obesity in kids? We should be framing new food-labelling regulations to outlaw claims such as ‘98 per cent fat free’ and help consumers tell at a glance which products are healthy and which are not. We do not want misleading information and misrepresentation in advertising in this country. We should increase funding and support for participation in local sport and recreational activities. So there are 10 points, but there are many other initiatives which I would encourage the government and, indeed, all of us to seriously consider.

In terms of the advertising issue itself, again I want to acknowledge the work of the AANA for what they have done and I refer to the submission or report done by Frontier Economics, the *Impacts of advertising bans on obesity in Australia*. It was released in December 2008. It is an interesting report. It highlights a range of issues and in particular the fact that the advertising, marketing and media industry contributes a $30 billion annual stimulus to the Australian economy and it is not taxpayer funded. It also notes the Rudd Labor government’s guidelines for regulation. In chapter 3 of that report it notes the impact of a particular ban on the advertising of food and beverage. It talks about the principles for regulatory design, the effectiveness of it, and highlights a number of other issues including a cost-benefit analysis of implementing a ban. Of course there is no silver bullet, but that is not an excuse for doing nothing. That is why I call on the Labor government to act on the issue of obesity and bring it to the fore.

We are concerned about any unintended consequences that may flow from Senator Brown’s bill. Initially the bill was designed to ban all food and beverage advertising during the said time. Of course, that would include advertising fresh and healthy food and fresh and healthy drinks, like Tasmanian apples, Tasmanian apricots—Queensland ba-
nanas, Senator Birmingham—Tasmanian apple juice and fresh strawberries. All of those beautiful products, which should be promoted and highlighted for kids, could potentially be affected by unintended consequences. I note that, more recently, there has been an amendment to the bill which highlights that there can be an exemption provided by the minister to allow for advertising of healthy food and beverages. Indeed, I note that even today there are further amendments to the bill. I have not considered those amendments that have just been tabled today, but I do say that in its current form I cannot support this bill. But I do support the objective of addressing the obesity epidemic and I commend all senators for that.

I also want to thank and acknowledge the advocacy of Professor Paul Zimmet for his work in addressing the obesity epidemic. I thank Professor Jennie Brand-Miller and the wonderful professional group at the University of Sydney for what they do. I acknowledge the Oxford Health Alliance for their advocacy on these matters, in terms of hosting forums and highlighting what needs to be done to fix this problem. I thank Collin Segelev, who recently retired as Executive Director of the Australian Association of National Advertisers, for his work—and, in fact, for his friendship, which started in November 2002 at the Launceston Healthy Lifestyle Forum. I congratulate Scott McClellan on his recent appointment to the AANA and I wish him well. I noticed that the conclusion of the majority report of the committee referred to by other senators in this place did note that there is no causal link between the advertising and the intake of food and beverage in terms of obesity and outcomes. That report is worth reading. I thank the Senate committee for their work and for what they have done.

In short, we need to do everything within our power to change the obesogenic environment in which we live, so that men and women and boys and girls can live more healthy, active lifestyles. There are many ways to do this. I call on the government to act, to implement initiatives—take the ‘decisive action’ they so often refer to—to make sure that obesity is a national health priority and address that problem. In conclusion, I want to say—perhaps going back to where I started—that we have 3,000 kids dying every day in the world, and here in Australia we are one of the fattest nations on earth. We can do something about this issue. We can make a difference. And I commend those objectives to the Senate.

Senator POLLEY (Tasmania) (5.18 pm)—I rise on this occasion to speak in support of the need for changes to advertising of junk food, especially where it is aimed at children. However, I am unable to support the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008 as it stands. I want to place on record my comments in relation to the contribution of Senator Pratt. I thank her for her contribution. I also thank the Senate Standing Committee on Community Affairs for their report and I thank the witnesses who appeared at that hearing.

The prevalence of junk food advertising on Australian television is becoming more and more noticeable—with increasingly specialised and refined tactics that set products apart from those of their competitors. Marketers aim to make their product the most desirable, the most exciting and the most recognisable, so that repeat purchases are made over and over again. Advertising during targeted times is just one of these tactics: you market to young children then advertise during the favourite shows of that age group—just before school or just after school or whenever children are most likely to be exposed to that advertising.
Easy-to-recognise and easy-to-repeat jingles can be carried in a child’s mind for weeks on end and hummed as they walk with their mother or father down the grocery aisles on shopping days. Exciting packaging—whether spaceships or dinosaurs or popular TV characters—can attract the eye of the young viewer. As we see more and more these days, products are linked to television shows, popular movies or computer games in order to connect the hype associated with the show, movie or game with the junk food product being advertised. Celebrity spokespersons can also play a key role in selling products to the desired market. If the Ninja Turtles or Hannah Montana are the coolest things to that age group at that time, then you get the Ninja Turtles or Hannah Montana to stand there in your advertisement, holding your product with excited anticipation, telling the audience that this product must be bought.

Another common tactic employed these days is the lure of the gimmick. It seems that every fast-food outlet has a specific children’s meal that inevitably comes with some toy or gadget or other enticing item. Even worse, they are produced by themes in weekly lots, so that each toy or character can only be collected for one week, and the entire 10 characters must be collected in order for the effect to be achieved. What child would only want to collect two or three of the 10 possible characters? They have to have them all. And let us not talk about the endless prizes and giveaways. It seems as though every box of sugary cereal comes with a free DVD or something or other. Even bags of chips come with playing cards or some sort of collection, and every block of chocolate these days seems to give you the chance to win a plasma television screen.

The methods employed to market unhealthy, unnecessary food and drink, let alone toys and other items, to children are as elaborate as they are endless. The effect is to make sure that your child, the consumer, wants their product and that they will use the extraordinary powers that all children seem to possess to ensure that you, the parent and the payer, will buy it for them. Children are, by nature of their limited life experience, unable to understand the manipulative tactics that can be used in persuading them to favour a product. Equally, they do not understand the long-term impact that poor eating now can have on their health into the future. A child is almost unable to fathom how far away Christmas is, let alone why eating lollies now may be bad for their cholesterol or their heart in decades to come. So we, as parents and as guardians, with a duty of care to protect our young from possible harm, are left to do the dirty work. We are the ones left to say no. I think we can all relate to parents struggling to get out of a supermarket, where products are cleverly placed to ensure that children have the optimal opportunity to demand things. Parents only too often give in to these demands.

The consumer group CHOICE recently released research that illustrated just how hard it can be to say no. Eighty-eight per cent of respondents reported that they believed the advertising and marketing of food specifically to children was causing or contributing to difficulties with developing healthy eating habits. Eighty-two per cent of parents favoured increased government regulation to control the way that sugary and fatty foods are marketed. Eighty-two per cent also reported that their child had specifically asked for a particular junk food item because they had seen it advertised, it contained a toy or gimmick, it was endorsed by a celebrity or it offered a potential prize. These figures clearly illustrate that, despite the best efforts of parents to create long-term healthy eating habits in their children, they are being undermined by the sophisticated tactics of junk
food manufacturers and their advertising executives. However, the most alarming statistic that I came across was from Consumers International, which reported that one in 10 children around the world are now overweight. But it gets worse: the figure in Australia is one in four. One child out of every four in Australia is overweight. This figure is truly alarming.

It is partly for this very reason—as a response to these very statistics—that I am unable to support Senator Brown’s bill. The bill proposes changing junk food advertising in two ways. Firstly, it proposes that all advertising of food or drink be proscribed from being broadcast either during peak children’s television viewing periods or during children’s television shows that may be screened outside of these peak viewing periods. Additionally, it proscribes advertisements or sponsorship announcements identifying or referring to the manufacturer of food or drink. An exemption, given in writing, can be made by the minister if the food or drink is deemed to be beneficial to a young person’s health or wellbeing according to the Food Standards Australia New Zealand nutrients profiles. Secondly, the bill proposes to make government funding of all schools, both public and private, conditional upon these schools not displaying any advertisements or sponsorship announcements relating to a manufacturer of food or drink. Once again, a written exemption may be given by the minister if the food or drink is considered beneficial to a child’s health and wellbeing according to the Food Standards Australia New Zealand nutrients profiles.

While I commend the intent of the bill, it cannot be supported for the fact that it tries to oversimplify a very complicated issue. Healthy eating amongst our children goes far beyond simply controlling children’s television advertising. Junk food can be advertised, either directly or indirectly, on television, in cinemas, on the internet, at food outlets, in shopping centres, at sporting events and by countless other ways and means. An advert may not appear on television, but if children are lured by the same sophisticated advertising techniques in the local supermarket, the same effect is achieved. And marketing goes far beyond simple advertising. Packaging, labelling, celebrity endorsements, associations with films or computer games and much more all need to be addressed when considering how best to shield our children from the bombardment of junk food marketing tactics.

A sensible response to the issues of junk food, its marketing and childhood obesity goes far beyond limiting television ads. Such a serious issue requires a serious, interconnected and comprehensive response, not a small measure that will yield limited results, especially given the enormous number of advertising media that can be used in this day and age. Very little would be achieved by passing this bill, and it would only serve to distract us from acknowledging the seriousness of the issue and responding accordingly. Any response needs to be coordinated in conjunction with all key stakeholders, with thorough community consultation, and needs to take into account not just the role of advertising but also other influencing factors, such as educational programs, lifestyle factors and fitness levels.

The second issue that makes me unable to support this bill is the overreaching nature of the proposed ban. To proscribe the advertising of all food and drink, not just junk food, is a step too far. It takes away the right and capacity of legitimate businesses to advertise their products to their target audiences, regardless of whether they are unhealthy or just plain neutral. Surely alphabet spaghetti has just as much right to promote itself as rice cakes or apples. One may be considered healthier than the other, but under this pro-
posed bill only the purest of the pure would be allowed to advertise and only after an exemption is received in writing from the minister. What level of work does this create for the minister when there are thousands upon thousands of requests from manufacturers to continue to advertise their products as they have done for years?

Another concern I have is the potential impact that the proposed changes would have on the viability of children’s television. Children’s television programs rely on advertising to fund their creation and continuation. By severely limiting the potential advertiser pool, children’s programming limits its capacity to sustain itself and to produce good quality, educational shows for our younger generation. Where does it end? Do we draw the line at proscribing the advertising of food and drink or does it escalate so that we can proscribe the advertising of toys we consider undesirable, theme parks we consider to go over the top and apparel we consider to be too expensive? When we respond, we must respond carefully and thoroughly so that measures engaged to limit the effects of junk food on children are effective but at the same time are sustainable and realistic.

My final concern with the proposed bill is the impact on schools. The bill takes a step too far in making funding conditional upon not displaying the advertising of food and drink or their manufacturers. I am sure I am not the only one here who believes this negatively impacts on the rights of schools and insults their good sense in determining what students can and cannot see when at school. Schools are filled with education professionals who are well equipped to know right from wrong, to teach good from bad and to determine appropriate and inappropriate. To tie funding to such conditions is to become too authoritarian in the government’s role as a funding body and sets a dangerous precedent.

This measure will only serve to destabilise the good working relationships between the government and the education sector and, therefore, cannot be supported. As a mother and now a proud grandmother, I understand the pitfalls of junk food advertising and the power of toddlers’ tantrums. I have been there, done that and given in, I must admit, to buying the T-shirts that my daughters wanted at that time. So I want to see—as no doubt many parents want to see—effective, interrelated and adequate measures designed to deal with the issues of junk food. People expect any government measures that regulate the junk food industry to go beyond television advertising and posters in schools.

The Rudd Labor government has already made a strong inroad into addressing the issues of childhood obesity and health. The $872 million towards preventative health measures, provided through COAG over six years, is the largest ever investment by an Australian government in preventative health. The measures to be funded will be implemented across schools and workplaces and are aimed at changing unhealthy lifestyle habits rather than just limiting advertising content. This ensures that a long-term, healthy change is incorporated into people’s everyday lives and is far more likely to have health and wellbeing effects than those outlined in this bill. The $872 million for preventative health is in addition to the $50 million allocated in the government’s first budget to obesity prevention initiatives, including a range of programs specifically targeting children such as the Healthy Kids Checks for all children over four years of age, a habits for healthy kids guide and active after-school community programs, as well as to the development of vegetable gardens in up to 190 government primary schools.

At this stage, I would like to hold up as one of the many outstanding schools in my
state the Youngtown Primary School—and what a great success that has been, not only to the schoolchildren but to the wider school community. If we implement programs like this, we find that children are going home and educating their parents, as they have done over many years with recycling. I place on record my congratulations to Youngtown Primary School for leading the way, along with many other Tasmanian schools.

We need measures that go far enough without going too far in one area and not far enough in others. We cannot patch together little bits of legislation here and there over the years and hope that somehow they will all string together to effect some kind of meaningful change. We need to be studied and certain about the way forward and, unfortunately, the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008 does not do that. Therefore, I will be unable to support the bill in this form; but, like previous speakers, I commend and support efforts that need to be made. I think it is something that we all need to be mindful of and set good examples for in our daily lives.

Senator BIRMINGHAM (South Australia) (5.34 pm)—I rise to speak on the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008 with a slightly alternative perspective from most of the speakers who have gone before me. Most of those speakers, as is frequently the custom with private members' bills, have argued against the passage of the bill, but most have come from the same direction—talking about the need for greater regulation, the need for greater government control over areas such as food advertising. I speak from a different perspective today because I think this notion needs to be challenged head-on.

I know that this bill, coming from the Greens, and the views of my colleagues who have spoken today all come with the best of intentions. They all come with the best of intentions and concerns about what is an increasing health problem. Obesity across Australia, as it is across the Western world, is an increasing health problem and childhood obesity has followed that trend as an increasing health problem. Whilst I acknowledge those best intentions, the path to hell, as the cliche goes, is paved with good intentions. So whilst I know these are good intentions, I really do bring strong concerns about those who seek to turn to regulation and legislation every time they have a concern about where society is heading.

In this place we have immense power which we should all reflect upon and remind ourselves of occasionally. We have immense power to legislate and regulate virtually every aspect of people's lives. We tax them and we require them to adhere to all sorts of laws, and our state parliaments and local governments around the country do likewise. These are immense powers to influence what people see, what they hear and what they do, and these powers need to be exercised judiciously, carefully, thoughtfully. Legislative control of people's lives should be the last resort for this place—the last resort rather than the first retort. Unfortunately, too often nowadays people turn to legislation, government intervention and government interference as the first option.

The placement of advertisements on television, or what we see on television, should not be an area for major or enormous government legislative activity. It should not be a subject that this place spends many hours debating and legislating on. We should not necessarily expect government to control everything that people see or hear in their day-to-day lives. On this I think there is some level of hypocrisy with the Australian Greens putting forward this legislation. I have been quite heartened in working along-
side Senator Ludlam on the Senate Standing Committee on Environment, Communications and the Arts, questioning the validity of the Rudd government’s approach to internet filtering: the need for compulsory internet filters and mandatory ISP filtering. In that process the Greens have stood up for the notion that such government intervention in what people see and do is wrong. They have stood up for it when it comes to the internet, yet here we have a private member’s bill from the Leader of the Australian Greens trying to further regulate in a different media, a different forum, what people see and hear with regard to television advertising. We should be leaving it to the common sense of Australians—to their good judgment and, frankly, in most cases, perhaps their judgment is better than the collective wisdom around this building—and allow them to make decisions. Where necessary, we should certainly make sure they make informed decisions—that they make decisions with the right evidence and the right information in order to know the consequences of those decisions.

My stance on this bill will not be universally popular. In fact, as somebody who is not a parent I will probably receive some criticism that I am not informed on these matters or able to make a qualified judgment. I note some nodding on the government benches on that very matter. But I stand on this point of principle—and in years to come, should I be a parent, I look forward to the debates that I will have with the colleagues who challenged me on this—because I think it is important that sometimes we question the rush to government legislation. The idea that advertising is somehow the major contributor to childhood obesity needs to be challenged. It needs to be challenged because, indeed, we have adults with an increasing problem of obesity—adults who should know better than to be sublimely influenced by adverts.

There is a longstanding problem of adult obesity that seems to flow from adults to children to some extent. We have evidence coming from hospitals and health clinics that children as young as one or two years of age are being diagnosed as overweight or obese. Doctors from the Children’s Hospital at Westmead reported only earlier this year, in February, seeing children as young as one and two years of age who are overweight and suffering from obesity. Those children have not been influenced by television advertising—certainly not. Those children have been influenced by one thing and one thing alone, and that is the food put on their table, the food put in their mouths—what it is and the quantity of it.

Senator Fierravanti-Wells—Too much.

Senator BIRMINGHAM—Senator Fierravanti-Wells makes a very valid point: too much. It is about what the food is and the quantity that goes in the mouth. For lots of people obesity is in many ways a simple problem: it is about what goes in and what goes out in terms of energy levels. That is not the case all the time. I recognise that for others there are more complex health factors at play. Certainly we have clear evidence that children are becoming overweight before they can possibly even be influenced by the type of advertising that is targeted by this legislation. So we need to bring the focus and the pressure back to parental responsibility. It used to be the case that one of the main driving forces in society was the social pressure and social accountability placed on families and everybody else regarding the way they behave. In a sense, there was mutual responsibility within families for the way other members of that family looked, dressed, behaved et cetera. Whilst that is not always fair, there is certainly a place for it,
and there is certainly a place for it in the relationship between parents and their young children.

Governments of course can take their share of the blame in this debate. It is not about their failure to ban junk food advertising, but governments can take their share of the blame because governments have played a major role in creating a culture that is wrong or misplaced. It somehow shifts the notion of responsibility so that responsibility no longer necessarily lies directly with parents or family; there is a notion of responsibility that somehow governments and society are to blame, that governments need to step in to fix things where society has failed, and that it is all up to governments to address these problems. They have managed to create this culture not just in Australia but in other Western governments as well.

Our governments here, and I cite all of them including the last one—of which I was all too briefly a member—have managed to create this culture through the expansion of welfare to levels that stretch out way beyond those who need a basic safety net. They provide handouts—and we see the current government providing many, many handouts at present—to people who are past the need for basic safety nets. They have managed to expand it through the increased expectation that, when you have a problem, you call on the government to fix it. You do not get together as a local community and address the local problem you have; you write a letter to the minister and ask them to get a government department to investigate it and fix it. We have developed this culture of an increased dependence and an abrogation of responsibility. It is something that we need to tackle. Governments can share their part of the blame as well because, of course, the reduction in things like sport in schools, which is a key factor in this whole childhood obesity debate, is too often overlooked. We have seen a reduction in the activity of sport in schools and in local communities being driven partly by the madness of our litigious society which has made the ability of communities to encourage safe physical activity so much harder.

Senator Polley, in speaking before me in this debate, talked about the fact that parents are left to do all the dirty work. Yes, they are. That is part and parcel of the responsibility one takes on as a parent. Should I have the enormous opportunity to be a parent one day, I expect that that will be part of the responsibility I and my wife will take on. Part of the deal that you sign up to as a parent is being responsible for the dirty work. Children are going to like junk food. That is a simple matter of fact. Junk food that is particularly for children is sweet and tastes good, and so the sampling of junk food is probably enough for children to want more of it, regardless of its advertising content or the extent to which it is advertised. Again, it will be for parents to self-regulate in the family home. Governments need to arm parents with the information, expertise and knowledge of food; however, I think most people have that knowledge. If you ask people about food, they know what is healthy to eat and what is unhealthy to eat. They know that fresh foods such as fruit and vegetables are good for you and that foods with a high sugar content or foods that are highly processed are not good for you. Most people understand that. Most people already get it. We need to place the responsibility on them to take greater care for what they consume.

We also get hysteria in this debate. A couple of years ago, Monica from Play School was attacked for daring to appear in a Coco Pops advertisement. The debate rages out of control sometimes and beyond what is the norm. I am conscious of time and that others wish to speak in this debate, so I will conclude by urging the Senate to reject this bill,
not because of the technicalities or technical arguments of which other senators have spoken but because this is a bigger issue. It is a cultural issue. It is one that we need to tackle in a far more holistic sense, and it goes to that notion of individual responsibility, family responsibility and parental responsibility. We are not going to fix childhood obesity by banning television advertising, and nobody in this room seriously believes that that would fix it. We need to get back to focusing on how we can help those communities by encouraging a level of responsibility that can and should make a difference, and with that I urge the Senate to reject this bill.

Senator SIEWERT (Western Australia) (5.47 pm)—I would like to address this very important bill, the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008, because it is an essential component of addressing the level of obesity in children in Australia. I agree with Senator Birmingham that this legislation is not the only solution, but I think it is part of the solution. It is acknowledged that we need a comprehensive approach to dealing with obesity in the same way that we need a comprehensive approach to dealing with alcohol—and advertising is certainly part of that approach.

Senator Birmingham, I hope when you have children that you will actually understand what it is like to be a parent trying to help your children make decisions. Until you experience nag power, you have never experienced true lobbying. Nobody can lobby like a child, particularly one who is between, say, the ages of four and 40, probably. It is from the time when that child can speak until the time you can reason with them, which is perhaps about the age of 15 or 16. That is why we need to put in place provisions around advertising of junk food. As has already been stated in this place during the debate, obesity costs the Australian community a lot of money—around $58 billion a year, according to the latest survey by Access Economics. Australia has the fastest growing rate of childhood obesity in the world. I know that people are debating and questioning the notion of what is overweight and what is obese, and so they would question those figures. The fact is that we have too many children who are overweight and too many children who are sliding into obesity. We believe that we need to be restricting advertising during children’s television viewing hours, because they are particularly vulnerable to it.

A study undertaken in September 2008 by the Centre for Overweight and Obesity at the University of Sydney and published in the journal *Health Promotion International* looked at all food advertising on TV and then rated the number of ads promoting non-core foods or junk foods with premiums such as a toy or other enticing offers. Remember that is how advertisers also attract children. The study then matched how many of these ads appeared during key children’s viewing times. This study of more than 20,000 ads found children’s TV viewing times were being targeted by such ads. The report found that the promotion of all food advertisements containing persuasive marketing was significantly higher during children’s peak viewing times. The rate of food advertisements for all foods and non-core foods using promotional characters was substantially higher during younger children’s popular programs. The rate of non-core food advertisements containing premium offers was more than 18 times higher during children’s popular programs compared to adults’ popular programs and premium offers included with food products encouraged children to pester parents—pester lobbying—to purchase these products. This is particularly the case when premiums are offered as collectables, such as sets of toys provided with fast food meals.
There is no doubt in my mind that restricting advertising during children’s TV viewing hours will significantly lessen not only pester power but also children’s exposure to junk food, which undoubtedly plays a highly significant role in the overweight and obesity problems our children are facing in Australia. We should approach this issue in the same way that we approach alcohol advertising, for example. Other than for some loopholes, which we think need to be corrected, alcohol advertising is not permitted during children’s viewing times. As a community, we have made a decision that we do not think it is appropriate to put certain ads on during children’s viewing times. The Greens believe that ads for fast foods or junk foods fall into that category. So we think the provisions in this bill are very important. It is pleasing to see that speakers all agree that we have a significant problem with obesity in Australia. But it is unfortunate to hear people say that we need a comprehensive approach, that this legislation is too soon and that provisions in the bill may have unintended consequences. The fact is that we need to get going on dealing with this problem, which is overwhelming our children and our society.

We think this is a very important step in protecting children. The name of the bill says it all: Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008. We believe this is a significant first step and we commend it to the Senate. I am pleased to have co-sponsored the Greens’ dissenting report of the inquiry into this bill. Senator Brown and I were both convinced by the evidence given to the committee that this is an appropriate step in dealing with junk food advertising, and so I commend this bill to the House, as do the Greens. In fact, I move:

That the question be now put.
body disagrees with those. All of the previous speakers I had the opportunity to listen to made it clear that they did not dispute the objectives behind the bill. But the bill has a number of very fundamental weaknesses, and it is for that reason that the government is not supporting this legislation.

I think one important threshold issue that arose as a result of the deliberations of the committee that looked at the bill was the very issue of the term ‘junk food’, because the bill obviously turns very crucially on that definition. I would refer this chamber to what the Senate Standing Committee on Community Affairs had to say on that issue at paragraph 1.54 of the committee’s report:

Industry submissions and witnesses questioned the use of the term ‘junk food’ in the title of the Bill, noting that there was no clear definition of which foods and beverages could be classified as ‘junk food’. They highlighted that all food and beverages sold in Australia are regulated by Food Standards Australia New Zealand as safe to consume and can be part of a balanced diet for children and adults.

So right at the outset there is the fundamental question of the definition of junk food. As I said, I do not think there is anybody in the chamber who would not want to see a better outcome in children’s health, but the government does not believe that Senator Brown’s bill is the way to go at this time.

I think there are a number of points that need to be made about the bill. While the objectives of the bill are admirable, I would like to refer to some of the ways in which the government is dealing with this issue. If we want to refer to one particular area in which the government is seeking to address the obesity issue in Australian children which a number of speakers have referred to, then we can refer to programs being implemented, like the Stephanie Alexander Kitchen Garden Program. The Stephanie Alexander Kitchen Garden Program was started in Victoria in 2001 and was a partnership between the Stephanie Alexander Kitchen Garden Foundation and the state government of Victoria, together with philanthropists and corporate donors. It involves children in grades 3 to 6 learning how to grow their own fruit and vegetables together. They then learn how to prepare tasty and nutritious meals with the produce in a purpose-built kitchen.

Senator Barnett—What was your favourite menu?

Senator FARRELL—I do not have one in particular, but I do want to refer to one of the schools in my duty electorate of Wakefield. As I indicated to you, this program is being rolled out in 190 schools. One of the first schools that received funding under this program was the Elizabeth Downs Primary School. I would be happy to make an inquiry as to what sort of food they are providing at that school. The legislation in particular seeks to impose restrictions on food and beverage advertising on television during children’s viewing times.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Order! The time allotted for the debate having expired, the Senate will proceed to the consideration of government documents.

DOCUMENTS
Bureau of Meteorology

Debate resumed from 13 November 2008, on motion by Senator Williams:

That the Senate take note of the document.

Senator BARNETT (Tasmania) (6.01 pm)—I commend the Bureau of Meteorology Report for 2007-08 to the Senate. In particular I would like to refer to the good work of the Bureau of Meteorology in Tasmania. The report relates to the year 2007-08, but it was in fact on 19 February 2004 that the Howard government boosted meteorology services at Launceston airport. It maintained
existing staff and announced a new weather shop in the Launceston transit centre. That weather shop is still there. But, some four years after that date—in fact, on 19 February 2008—that weather shop and its future came under attack from the Rudd Labor government. There was a threat to close the weather bureau shop in Launceston, which was revealed on that day in Senate committee hearings in the federal parliament. That threat was offensive to the people of northern Tasmania and the people of Launceston, especially the farmers, the fishermen and other rural residents who depend on that service.

That threat of closure, which was highlighted in the Senate, was covert, because of efforts by the Rudd Labor government to make cutbacks at the time. It came on top of the decision to reverse the extra 150 jobs that former Prime Minister John Howard had announced for the Launceston Centrelink call centre. Those jobs were lost to Launceston as a result of the inaction of the federal Labor member for Bass, Jodie Campbell, at the time. What we need in Bass is somebody who is prepared to stand up for their local community and to make a difference, even when it may be a tough decision. The future of the weather shop certainly came into doubt.

I asked some questions in the Senate in October last year, and I have received answers to those questions. I asked questions about the current staffing levels, about the service levels of the Launceston weather shop, and whether there were any current plans or proposals to alter the services provided by the Launceston weather shop or the staff levels. The government did confirm that the Launceston weather shop:

… provides operational interpretation of the forecasts provided by the Regional Forecasting Centre in Hobart, for the Launceston and northern Tasmania area via electronic media (routine radio broadcasts); via telephone; and via face to face briefings …

The weather shop also:

… provides Public Education services to Launceston and northern Tasmania, in general, in the form of talks, lectures, and hosting visits to the LWS …

The Launceston weather shop is very important. I commend and thank Brendan McMahon, who is the sole staff member of the Launceston weather shop. We appreciate his service and what he does. The government has confirmed in writing: ‘There are no plans to move the current occupant of the position from the Launceston office.’ That is good news. We do know it is currently staffed by one person. Initially there were two; it has been cut back.

I know that Senator Macdonald likewise is concerned for the weather shops and the Bureau of Meteorology services in Queensland. He earlier today highlighted that there have been cuts in Townsville and staff cuts in Cairns, that Mount Isa services now have only one person operating and that services in Rockhampton have been cut back. So you can see that future services of the weather shop in Launceston may be in doubt. We have it on the record that there ‘are no plans’. Does that mean that there are no current plans, and that they will change their mind in the days and months ahead?

The Tasmanian Liberal Senate team will stand firm and fight for that weather shop. It was established under the Howard Liberal government. It was established because the community wanted it and supported it—and it still does. We want a member in Bass who is prepared to stand up and say no to decisions like that, when the weather shop could be axed. We will fight tooth and nail to keep that weather shop open in Launceston. It is appreciated. It is an important service. And I call on the current federal member to be pre-
pared to stand up and say no when the axe is threatened with respect to that fantastic service. So, on behalf of the people of northern Tasmania, I say we want to keep that weather shop and we call on the government to make the commitment that those services will remain.

Senator IAN MACDONALD (Queensland) (6.06 pm)—I also rise to speak on the Bureau of Meteorology Report for 2007-08. At question time today I raised with Minister Wong whether it could possibly be true that the Townsville weather office in North Queensland was getting staff cuts of 50 per cent for forecasters and 25 per cent for observers. I asked the minister if it was true that this would mean that this meteorological office in Townsville, in North Queensland, would not now be able to operate a 24-hour service. I asked these questions during a week when a category 5 cyclone has been running right down the coast of Queensland. It started up north of Cairns and went right down the coast and it is still there. In this week when we have had the most severe tropical cyclone you could ever get, we highlight the fact that the government is shutting down the Bureau of Meteorology offices in a part of the world which desperately needs the services of a weather bureau.

I also asked the minister if it was true that the staff of the Cairns office of the Bureau of Meteorology was being reduced by two, that the Mount Isa office was being reduced to a one-man show, that the number of staff at the Rockhampton office—which just in February the Prime Minister promised in the other place would keep going at the same rate—was being reduced as well, and that in Mackay the staff was falling from three to one. How can you run a weather office 24 hours a day with one person? I asked the minister about this. Because it was Minister Wong, naturally we did not get an answer. But we knew the answers from Senate estimates, and I wanted her to confirm or deny them. I had hoped that following this exposure at Senate estimates she and Mr Garrett would have instructed the weather bureau that they were not to reduce services in this part of Queensland, which is prone to severe weather conditions—but no.

That in itself is bad enough, and I have been doing what I can, along with a lot of other people in North Queensland, to highlight how services are being reduced in the part of Australia that is most prone to severe weather conditions—

Senator Brandis—You’re the only voice North Queensland has in the Senate, Senator Macdonald.

Senator IAN MACDONALD—Thank you, Senator Brandis; it is very generous of you to say that, but there have been a lot of other people joining with me in trying to highlight this cutback in services.

I asked the minister today what had the Queensland government done, what had Premier Bligh done, to lobby Mr Rudd over the slashing of services by this vital institution. I wanted to know what Premier Bligh and the current Queensland government had done to demand of Mr Rudd that North Queensland continue to be protected with a 24-hour a day weather service in Townsville and adequate services everywhere else in North Queensland. Mr Acting Deputy President Hutchins, do you know what the answer was? There was absolute silence, which means that Premier Bligh did not lift a finger to tell her mate Kevin Rudd—and they are mates—that those services need to be saved in North Queensland. I am absolutely disgusted that Premier Bligh could have so little interest in or concern for the safety of all of us people who live up there, all of those businesses and indeed all of those people who come to North Queensland for tourism.
activities. They are not going to be protected by these very, very professional—

Senator Brandis interjecting—

Senator IAN MACDONALD—excellent services. And, as Senator Brandis says, Senator Wong keeps telling us climate change is going to get worse—what is she doing to help us with the worsening of the climate? She is shutting down Bureau of Meteorology offices and slashing staff numbers in them so that we do not have those services.

I had hoped that Premier Bligh and the Queensland government would have joined me in this crusade to keep those services in the north, but, alas—not a word from Premier Bligh or anyone in the current Queensland government. That is disgusting. I certainly hope Premier Bligh will at this last minute take some action.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (6.11 pm)—I also rise to speak on the Bureau of Meteorology Report for 2007-08. I want to endorse the comments made by the previous two speakers. It is high time this government took more seriously the excellent services that are provided by the Bureau of Meteorology, especially in a time of climate change. As the last speaker, Senator Ian Macdonald, noted, the bureau is tracking the cyclone off the coast at the moment and providing enormously important services. Just a few days ago there was the prospect of that cyclone crossing the coast, with a potential death toll and damage toll that would have exceeded anything in the last century. The cyclone has now turned in its tracks and is heading north again, into warmer waters, but the possibility of it intensifying and crossing the coast is still with us. And here we have the minister for the environment, the minister responsible for this bureau, Mr Garrett, cutting services. It is incredible that this could be happening.

By the way, the tracking of that cyclone down the coast ought to have been enough to ensure that a ship laden with chemicals was not heading into the path of that cyclone—certainly not off the coast of the third most populous city in Australia and a coast with high ecological values. Yet that has happened. Who in the federal government has gone to sleep here? Is it Mr Garrett? Is it the minister responsible for coastal transport? Is it the minister who is responsible for disaster services? Whatever happened—and this will no doubt be the subject of close scrutiny by the press if not by the Labor governments in Brisbane and here in Canberra—the highly dangerous and, as it turned out, disastrous passage of a ship laden with ammonium nitrate, of all things, was allowed, heading north from Newcastle into an oncoming cyclone. The consequences are some 30 containers of that chemical being somewhere in the ocean and the potential mixture of that chemical with oil from the ship, due to the ship’s ejection of large amounts of oil now on the coastline of Moreton Bay and the Sunshine Coast. It is an environmental calamity. On the face of it, it was highly irresponsible that that ship could have been able to head into an ocean affected by Cyclone Hamish.

I call on the Prime Minister to institute an urgent independent inquiry into this set of circumstances, because there is negligence afoot and the consequences are grave. There simply cannot be shoulders shaken by the Rudd government or by the Bligh government in Queensland. This is a spectacular failure of provenance and of due care and due diligence by the authorities in Brisbane, if not in Canberra. I would expect that we would have a statement to the parliament by Monday from the Rudd government as to how this could have occurred, what is being done by rapid Commonwealth action to reduce the impact of this oil and chemical spill
and what action the government has taken to ensure that it does not happen again.

Debate (on motion by Senator Ian Macdonald) adjourned.

Infrastructure, Transport, Regional Development and Local Government

Debate resumed from 13 November 2008, on motion by Senator Williams:

That the Senate take note of the document.

Senator BRANDIS (Queensland) (6.16 pm)—I rise to speak on the annual report of the Department of Infrastructure, Transport, Regional Development and Local Government for 2007-08. I want to draw the Senate’s attention, if I may, to output 3.2.1, Local government policy and programs, on page 205 and following of that report. That output reports, amongst other things, the payments made to Queensland local authorities in the 2007-08 year, which in the initial months included the last months of the previous Howard government. Those moneys were in addition to the moneys funded under the GST arrangements.

The decision by the previous government to provide direct grant funding to local government and thereby relieve the burden on the Queensland state government—if I may deal specifically with the matters arising in my own state—took a huge debt off the public finances of the state of Queensland, a huge debt off the state budget. But what have we seen in the time since? What we have seen is the entire benefit of that relief of the burden of local government financing being lost by the mismanagement of the state’s budget by the Bligh Labor state government, so much so that two weeks ago we learnt that Queensland had lost its AAA credit rating and had been downgraded to AA-plus. Queensland now has a lower credit rating than the basket case state of New South Wales.

The consequence of that, arising from $74 billion of public debt, has been to increase the interest on that public debt by 0.4 of one per cent. That might not sound a lot, but, on the $74 billion of debt which the Bligh Labor government’s mismanagement has accrued, the downgrading in my state’s credit rating will cost the Queensland taxpayer $296 million this year. That is not through any additional expenditure but merely because the bondholders have so little confidence in the capacity of the state Labor government to manage the state’s finances, are so concerned at the $74 billion of public debt run up by the Bligh Labor government, that they have downgraded the state. So, with the stroke of a pen, Queensland taxpayers have been exposed to $296 million extra debt. By comparison, that is more than the total funding, as reported in this report, which I am considering, of local government in Queensland in the 2007-08 year.

That comes on top of the appalling news that we learned of earlier today: Queensland’s unemployment has gone up to 4.5 per cent. That is an increase, since August of last year—in only seven months—of 1.1 per cent. Only seven months ago our unemployment was below 3½ per cent. Now it is up to 4.5 per cent—an increase of more than one per cent in seven months. So this is the state of the budget in Queensland: $74 billion of debt, in one state more than 80 per cent of the value of the debt racked up for the Commonwealth by the Hawke and Keating governments; the downgrading of Queensland’s credit rating from AAA to AA-plus, a worse credit rating than that of New South Wales, which has exposed Queensland taxpayers to—

Senator Mason—Unbelievable!

Senator BRANDIS—It is unbelievable, Senator Mason. I am astonished. I would not have thought that even a Labor government
could have managed an economy so badly. But it has exposed Queensland taxpayers to $296 million of extra debt service cost, and now unemployment has increased by 1.1 per cent in only seven months.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Order! Senator Brandis, your time has expired.

Senator Brandis—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004

Senator MASON (Queensland) (6.22 pm)—I move:

That the Senate take note of the document.

The Report on financial assistance granted to each state in respect of 2007 provides a detailed breakdown of expenditure in 2007 from funds appropriated by the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004 and a brief description of how funding is allocated in line with the objectives for Australian government programs for schools. It mentions on page 12 the national projects in relation to literacy, numeracy and special learning needs. The prime objective of the national projects element of this program is to support strategic national research projects and initiatives aimed at improving the learning outcomes of educationally disadvantaged children and school students.

The sad story is that we now know that the literacy and numeracy results of Queensland students are the worst in this country. It is a disgrace and it is one hell of a shame. Successive Labor education ministers in Queensland have failed young Queenslanders. We now have the worst standards in this country. The Queensland Premier herself, Ms Bligh, was an education minister. She also failed. She has announced this week, in a hype of audacity, a program for $72 million to help tackle the crisis in literacy and numeracy in Queensland, a crisis that of course she helped to create.

Senator Brandis—This is the audacity of hype.

Senator MASON—Quite right, Senator Brandis. There was $72 million announced, but guess how much the Queensland government is putting forward—only $5 million of that $72 million. Why? Because there is no more money to go around. Why is that? Because, as Senator Brandis has just outlined, the Queensland budget is a shambles. The state is in debt to $74 billion.

I cannot believe—and I mentioned this earlier in the chamber—that Queensland debt is now $74 billion. This has occurred in boom times: when Queensland had record receipts from mining royalties and record receipts from property taxes and associated taxes with hundreds of thousands of people moving to Queensland. More importantly than all that, since the implementation of the GST, billions of extra dollars have gone into the Queensland state government coffers that otherwise would not have gone in. Despite all of that—despite the best economy in Queensland's history, the best economy since Federation, the best conditions, the mining boom and the greatest land and tax receipts—the Queensland state government has landed the people of Queensland with $74 billion of debt.

There was $96 billion of debt after the last Labor federal government. We and the Australian people were rightly outraged about $96 billion of debt, but there is $74 billion of state debt for only one-fifth of the nation's population. It is an absolute and utter disgrace. How much is that costing? The interest bill alone is about $10 million per day. It will have cost $35,000 in interest in the five
minutes of this address to the Senate. That is how much it is costing the people of Queensland.

Those kids in Queensland have the poorest literacy and numeracy results in the country because the standards and the schools have been run down. Why? Because the government can no longer afford to pay for schools and programs. It is an absolute disgrace. Queensland was the first state in this country to get a AAA rating and now it is the first to lose it. The interest bill is enormous and it is going to be four or five times per Queenslander what it was per Australian at the end of the Keating government. It is an absolute disgrace and yet Ms Bligh still seems to think that there should not be a change of government, that she is doing okay and that the LNP are hopeless. She has placed Queensland in a debt rut because Labor is addicted to debt. She has failed the children of Queensland. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Telstra

Senator IAN MACDONALD (Queensland) (6.27 pm)—I move:

That the Senate take note of the document.

The Telstra Sale Co. Ltd Report for 2007-08 reminds us of the failed National Broadband Network proposal of the current federal Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Telstra has said that had the OPEL contract gone ahead it would have been operational by now. That means that people in the vast state of Queensland currently do not have the ability to access broadband services to the extent they would have if the OPEL contract had gone ahead.

Senator Brandis—Has Labor failed Queensland, Senator Macdonald?

Senator IAN MACDONALD—I think that is fairly obvious, Senator Brandis, certainly at the federal level. I am distressed to say that the Queensland government have not put the sort of pressure on Senator Conroy that they should have to ensure that we have an adequate service in Queensland. I would have liked to have seen the Queensland government pick up the phone to their Labor mates. You know Premier Bligh has very close connections with both the Prime Minister and the Treasurer. She could have got in touch with them, or Senator Conroy, and said: ‘For the good of the Queensland economy, we must have a decent broadband system and it must be there urgently. Never mind about the long-term process that Senator Conroy has embarked upon which will not end up delivering services in rural and regional Queensland; let’s go with the OPEL project. Let’s ensure that there is service available to Queenslanders at the earliest possible time.’

I feel ashamed that my state government, led by Ms Bligh, has not stood up for us, has not had the backbone and the fortitude to get in there and fight for Queenslanders. As Senator Mason just said, the economy of our state is falling behind, and it is going to fall more behind the rest of Australia because we do not have an adequate broadband service, particularly for rural and regional Australia.

Senator Brandis—Labor doesn’t care!

Senator IAN MACDONALD—Labor simply does not care; you are quite right, Senator Brandis. It is becoming more and more apparent in any way you look: across the spectrum of state or federal government actions, Queensland is up there. Mr Rudd thinks it is a safe area for him. Premier Bligh thinks it is a safe area for him. Mr Rudd has a huge majority and thinks she will walk it in again. They simply do not care about all of those things that are so important to Queenslanders.
We have spoken today about the emissions trading scheme, how that will decimate Queensland. Senator Mason has just spoken—

**Senator Arbib**—Mr Acting Deputy Speaker, I rise on a point of order going to relevance. I fail to see how the speech that Senator Macdonald is giving in relation to the Queensland election campaign has anything to do with the sale of Telstra report for 2007-08. I ask you to pull him into accord.

**Senator Brandis**—Mr Acting Deputy Speaker, on the point of order: as you know—although as Senator Arbib is a very new senator, perhaps he does not fully appreciate this—there is wide latitude given in these debates in relation to matters germane to the document. What Senator Macdonald is addressing is the Telstra sale report, which, if you look at it, and I am sure we have all studied this document with care, does deal with regional services in Queensland. The point Senator Macdonald is making is, if I may submit with respect, a relevant point—that is, the failure of the Queensland state Labor government to use whatever influence it may have over the Rudd federal Labor government, and particularly the communications minister, has materially diminished the interests of the people in regional Queensland who rely upon these telecommunication services.

**Senator Arbib**—With all due respect to Senator Brandis, and I do admit that he has been here much longer than I have, and has much more knowledge about the procedures—

**The ACTING DEPUTY PRESIDENT (Senator Barnett)**—Senator Arbib, what is your point of order?

**Senator Arbib**—My point of order is that Senator Macdonald is no longer talking about Telstra, no longer talking about communications. He has moved on to the Carbon Pollution Reduction Scheme, which has no relevance whatsoever to the report.

**Senator IAN MACDONALD**—Mr Acting Deputy President, just on the point of order, I am disappointed that Senator Arbib has taken this point of order, which has effectively guillotined my speech pointing out how Queensland was being short-changed. I can understand why the Labor Party do not want me to talk about this—they do not want those listening to this debate to understand how awful the government has been in Queensland—but I was germane to the subject. I was talking about broadband and how, if we have an ETS, it would impact upon regional Queensland as regional Queensland is also impacted upon by the broadband network. That is the connection.

**The ACTING DEPUTY PRESIDENT**—Senator Macdonald, thank you for that. I am prepared to rule on the matter. I have been listening carefully to Senator Macdonald, and I will continue to listen carefully to Senator Macdonald. You can speak broadly to the report. I think you have been acting in that manner and, accordingly, there is no point of order.

**Senator IAN MACDONALD**—Thank you, Mr Acting Deputy President. The Telstra sale document that we are talking about really highlights what Telstra has done in the broadband area, but what more could have been done for Queensland had the OPEL contract gone ahead? It would have been up and running by now. While Senator Arbib and others do not like me saying this, what I am distressed about is that the Queensland government, which should be looking after Queenslanders, has not lifted a finger to try to make sure that the national broadband network—the OPEL contract, which would have provided that by now—is going ahead. I am embarrassed, I am stressed as a Queenslander, that we have not had the sort of
leadership from our state government, the sort of get in there and have a go, fighting Premier who will stand up for Queensland. We have not had that.

Question agreed to.

Consideration

The following orders of the day were considered:

Australian Nuclear Science and Technology Organisation (ANSTO)—Report for 2007-08. Motion of Senator Williams to take note of document agreed to.

Land and Water Resources Research and Development Corporation (Land & Water Australia)—Report for 2007-08. Motion of Senator Williams to take note of document agreed to.

Australian Centre for International Agricultural Research—Report for 2007-08. Motion of Senator Williams to take note of document agreed to.

Australian Communications and Media Authority—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Airservices Australia—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Macdonald debate was adjourned till Thursday at general business.

Wet Tropics Management Authority—Report for 2007-08, including State of the Wet Tropics report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Australian Trade Commission (Aus-trade)—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Australian Customs Service—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Department of Resources, Energy and Tourism—Report for the period 3 December 2007 to 30 June 2008. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Department of the Environment, Water, Heritage and the Arts—Reports for 2007-08—

Volume 1—Department of the Environment, Water, Heritage and the Arts.

Volume 2—Legislation.

—Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

National Transport Commission (NTC Australia)—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Australian Bureau of Statistics—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Commonwealth Ombudsman—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Australian Institute of Health and Welfare—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Australian Institute for Teaching and School Leadership Limited (Teaching Aus-
tralia)—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Australian Electoral Commission (AEC)—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Human Rights and Equal Opportunity Commission—Report for 2007-08. Motion of Senator Williams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Australian Fair Pay Commission—Report for 2007-08. Motion of Senator Adams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.

Australian Fair Pay Commission Secretariat—Report for 2007-08. Motion of Senator Adams to take note of document called on. On the motion of Senator Parry debate was adjourned till Thursday at general business.


National Health and Medical Research Council (NHMRC)—Report for 2007-08. Motion to take note of document moved by Senator Parry. Debate adjourned till Thursday at general business, Senator Parry in continuation.


Audio-Visual Copyright Society Limited (Screenrights)—Report for 2007-08. Motion to take note of document moved by Senator Parry. Debate adjourned till Thursday at general business, Senator Parry in continuation.


Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 481/08 to 491/08—Government response to Commonwealth Ombudsman’s reports. Motion to take note of document moved by Senator Parry. Debate adjourned till Thursday at general business, Senator Parry in continuation.

Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 481/08 to 491/08—Commonwealth Ombudsman’s reports. Motion to take note of document moved by Senator Parry. Debate adjourned till Thursday at general business, Senator Parry in continuation.
**Crimes Act 1914—Authorisations for the acquisition and use of assumed identities—Report for 2007-08—Australian Crime Commission. Motion to take note of document moved by Senator Parry. Debate adjourned till Thursday at general business, Senator Parry in continuation.**

**National Rural Advisory Council—Report for 2007-08. Motion to take note of document moved by Senator Parry. Debate adjourned till Thursday at general business, Senator Parry in continuation.**

**Australian Fisheries Management Authority—Report for 2007-08. Motion to take note of document moved by Senator Parry. Debate adjourned till Thursday at general business, Senator Parry in continuation.**

**Australian Public Service Commission—State of the service—Report for 2007-08. Motion to take note of document moved by Senator Parry. Debate adjourned till Thursday at general business, Senator Parry in continuation.**

COMMITTEES

**Rural and Regional Affairs and Transport Committee**

**Report**

Debate resumed from 4 December 2008, on motion by Senator Crossin:

That the Senate take note of the report.

**Senator IAN MACDONALD (Queensland) (6.36 pm)—I want to speak on the report of the Standing Committee on Rural and Regional Affairs and Transport, on *Climate change and the Australian agricultural sector*. This is a very important report of the committee. It highlights what this ill-thought-through emissions trading scheme will do to Australia generally, and, can I say as a parochial Queenslander, to my home state specifically. One of the very significant parts of the Queensland economy is the beef cattle industry. Under the Rudd government’s proposal on emissions trading that industry will be excluded until 2015, but then there is no indication of what happens after that.

People in that industry are petrified that the beef cattle industry will be brought into the emissions trading scheme at that time. As someone said at a Senate inquiry which I was attending, this could well turn Australia into a nation of vegetarians because we will simply not be able to afford red meat if it is going to be taxed at the rate that a lot of people in that industry envisage when the Minister for Climate Change and Water, Senator Wong, has her way with an emissions trading scheme. The beef cattle industry in Queensland is very significant. It employs hundreds of meat workers, and I cannot understand why the meat workers union advocates on the other side of the chamber are not standing up with me demanding that some certainty be given to the Queensland beef cattle industry today, not in 2015—so tell them today what they have got to plan for and that fills those people with horror.

The beef cattle industry employs thousands of unionists in meatworks throughout my state of Queensland and they are likely to be thrown on the unemployment scrapheap. What do we hear from the so-called saviours of the working man who sit opposite us in the chamber? Absolute silence—fall over and get in behind Mr Rudd. If you want a job in the government that brings power and money, do what he says and forget about the workers that you are supposed to be representing. All of those meatworkers should really have a look at what is going to happen to the beef cattle industry in 2015—and it is not just Rockhampton and Townsville; it is all of those places in the north and north-west of Queensland that rely on the world’s best beef cattle industry for a living.

This report of the standing committee deals with other industries as well. What becomes clear is that the emissions trading
scheme will be a tax on many things. It will be a tax on fuel. It will be a tax on electricity. It will be a tax on manufacturing.

Senator Williams—Fertiliser.

Senator IAN MACDONALD—It will be a tax on fertiliser—thank you, Senator Williams.

Senator Williams—Transport.

Senator IAN MACDONALD—Transport—most decidedly. All of the things that support agricultural industries in Australia will be taxed and will be subject to the direct and indirect impacts of the Rudd government’s ill-thought-through emissions trading scheme.

We could all say: ‘Yes, if we’ve got to, we’ll bear some pain to save the world. We don’t like it, and perhaps we could do it a better way’—and I am sure we could—‘but we’ll have a second thought about it.’ But what we are going to do is export all the jobs in Australian meatworks and agriculture to foreign countries that will not have an ETS. We know Indonesia is not going to have an ETS. We know South America is not going to have an ETS. Who knows what the United States is going to do? We have heard a lot of heroic words from President Obama, but we will see what happens there. The Indian and Chinese economies are not going to be subject to the taxes that Australian industries will be, so Australian industries will simply become unprofitable.

And what of all those good members of the AWU, with Big Bill Ludwig and the AWU leadership up in Queensland supposedly looking after them? Why aren’t they out there? I do not want to malign Mr Bill Ludwig, who has said a few things about this. Didn’t he call Professor Garnaut a wacko?

Senator Williams interjecting—
the state government in Queensland is doing everything in its power to stop the development of agricultural industries in the north of Queensland. There are very sound proposals for water storage on the Flinders River up near Richmond and Hughenden. They could open up vast new areas of productive agricultural land and they would be guaranteed water as the north gets wetter. But what does the Queensland government do? What sort of vision and leadership does Premier Anna Bligh show? Absolutely nothing—stop any thought, stop any proposal and stop any activity that might look at the sustainable use of water storage along the Flinders River near Richmond and Hughenden. That would provide food not only for Australia but for those 80 million new people that are coming into the world every year, mostly in Third World and underdeveloped countries, and who desperately need our food. We are getting no leadership from the Queensland government on this and we are getting little support from the federal Labor government. The report of this committee does highlight some of those activities that will affect the agricultural industries with climate change. (Time expired)

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Legal and Constitutional Affairs—Standing Committee—Report—Disability Discrimination and Other Human Rights Legislation Amendment Bill 2008. Motion of Senator Barnett to take note of report called on. On the motion of Senator Parry debate was adjourned till the next day of sitting.


Scrutiny of Bills—Standing Committee—First report of 2009. Motion of the chairman of the committee (Senator Coonan) to take note of report agreed to.

Education, Employment and Workplace Relations—Standing Committee—Report—Allegations of academic bias in universities and schools. Motion of Senator Crossin to take note of report agreed to.

Economics—Standing Committee—Report—Disclosure regimes for charities and not-for-profit organisations. Motion of Senator Crossin to take note of report called on. On the motion of Senator Parry debate was adjourned till the next day of sitting.

Community Affairs—Standing Committee—Report—Government expenditure on Indigenous affairs and social services in the Northern Territory. Motion of Senator Crossin to take note of report called on. On the motion of Senator Parry debate was adjourned till the next day of sitting.

Economics—Standing Committee—Report—Matters relating to the gas explosion at Varanus Island, Western Australia. Motion of Senator Cameron to take note of report agreed to.

Economics—Standing Committee—Report—Joint marketing arrangements on the North West Shelf project. Motion of Senator McEwen to take note of report agreed to.

Corporations and Financial Services—Joint Statutory Committee—Report—Opportunity not opportunism: Improving conduct in Australian franchising. Motion of Senator Williams to take note of report called on. On the motion of Senator Parry debate was adjourned till the next day of sitting.

National Broadband Network—Select Committee—Interim report. Motion of Senator Parry to take note of report called on. Debate adjourned till the next day of sitting, Senator Parry in continuation.

Finance and Public Administration—Standing Committee—Report—Item
16525 in Part 3 of Schedule 1 to the Health Insurance (General Medical Services Table) Regulations 2007. Motion of the chair of the committee (Senator Polley) to take note of report agreed to.


Community Affairs—Standing Committee—Report—Towards recovery: Mental health services in Australia. Motion of the chair of the committee (Senator Moore) to take note of report called on. On the motion of Senator Parry debate was adjourned till the next day of sitting.

AUDITOR-GENERAL’S REPORTS

Consideration

The following orders of the day relating to reports of the Auditor-General were considered:

Auditor-General—Australian National Audit Office—Report for 2007-08. Motion of Senator Boyce to take note of document agreed to.

Auditor-General—Audit report no. 11 of 2008-09—Performance audit—Disability employment services—Department of Families, Housing, Community Services and Indigenous Affairs; Department of Education, Employment and Workplace Relations. Motion to take note of document moved by Senator Parry. Debate adjourned till the next of sitting, Senator Parry in continuation.

Orders of the day nos 2 to 4 and 6 to 18 relating to reports of the Auditor-General were called on but no motion was moved.

STANDING ORDERS

The PRESIDENT (6.48 pm)—Earlier this evening, Senator Bob Brown asked that a ruling made by Senator Forshaw as Acting Deputy President be referred to me for adjudication. Senator Forshaw ruled that a motion moved by Senator Siewert ‘that the question be now put’ was not in order because Senator Siewert had already spoken in the debate. Standing order 199(3) provides: A motion that the question be now put may not be moved by a senator, other than a minister, who has spoken in the debate or who has previously moved that motion.

Standing order 199(3) is a parallel provision to standing order 201(6), which provides that a motion to adjourn debate may also not be moved by a senator, other than a minister, who has spoken in the debate or previously moved the motion. While in practice senators have been allowed to make a few explanatory remarks before moving the closure or the adjournment of debate, Senator Siewert’s substantive contribution to the second reading debate on the Protecting Children from Junk Food Advertising (Broadcasting Amendment) Bill 2008 could not be regarded as a few explanatory remarks. It was therefore not open to her to move the closure. Senator Forshaw’s ruling is entirely correct.

ADJOURNMENT

The PRESIDENT—Order! There being no further consideration of committee reports, government responses and Auditor-General’s reports, I propose the question:

That the Senate do now adjourn.

Radyo Pilipino

Senator FARRELL (South Australia) (6.50 pm)—I rise this evening to congratulate Adelaide’s Radyo Pilipino on celebrating its 30th anniversary, which occurred last year. Perhaps I can be forgiven for my tardiness as I only entered the Senate last year and gave my maiden speech in early September, so this is the first real opportunity that I have had to mark this occasion. At the turn of 1900s there were barely 700 Filipinos
in Australia, with most outside of my home state of South Australia. However, since the early 1970s there has been a dramatic growth in the Filipino population. In South Australia alone the number has risen from barely 50 in 1971 to almost 6,000 today. They play a vital role in my state and work in a variety of areas, from the law through to engineering, teaching, medicine, health and hospitals, architecture, food and hospitality, and a number of trades. Of course, many are mothers who care for their children full time. As the number has increased, so too has the need for these most welcome people to have their own radio station, and this came into being in 1978 with the founding of Radyo Pilipino. The birth of Radyo Pilipino owes a great deal to the feasibility study by Dr Dante Juanta and a fellow community volunteer, Mr Ramon Cruz, who had technical knowledge on the use of radio mixers and consoles. The maiden broadcast was aired on 18 June 1978 over radio 5UV through the University of Adelaide. It was a 30-minute program called *Oras Pilipino*, broadcast at seven o’clock on Sunday mornings, and was the first Filipino language program in Australia. In 1980 the program started to broadcast from its present radio home, 5EBI 103.1 FM at 10 Byron Place, Adelaide.

In the early days, program presenters used any broadcast material they could lay their hands on, including private collections of records and tapes. Interestingly, the Filipino news that they provided to listeners in Adelaide and to outlying areas reached by the program was obtained from Manila newspapers brought in by Filipinos touring South Australia and by Filipinos returning from short holidays in the Philippines.

Dr Juanta and Mr Cruz were soon joined by other volunteer broadcasters. To equip announcers with knowledge about Australian law and technical skills in radio broadcasting, the volunteers went through the radio operator training programs offered by 5EBI-FM. Some stayed active in broadcasting and others drifted away because of jobs interstate or other commitments and interests. Those who stayed took turns in producing and presenting weekly programs. The programs are prepared judiciously and delivered sensitively by the producers and local presenters. Community volunteers assist with gathering news, including local and international Philippine news. Radyo Pilipino is particularly grateful to Celia Guillermo, Cora Juanta and Marita Macalalad for providing this essential service.

Listeners get regular news from the Philippines and, whenever possible and appropriate, Philippine visitors staying in Adelaide, such as diplomats, government officials, businesspeople, educators and other professionals, are invited onto the program. Community announcements are constantly aired to keep people abreast of activities by various community groups including cultural, social, religious, health and sporting organisations. Interviews are held and snippets of Philippine history, including extracts from literature including poetry, folktales, proverbs and legends, all come in handy on special occasions. On the personal side, family members are greeted and complimented on birthdays, weddings, wedding anniversaries and the birth of children.

The success of Radyo Pilipino lies in the faith and support of the people it serves. Listener feedback is constantly sought, and this assists in gauging community interest and program quality in terms of content, ethics, balance and diversity. Radyo Pilipino has long-established links through consultation and exchange of information with Australian and Philippine government agencies, as well as with non-government entities, on issues relating to the general interests and welfare of Filipinos in Australia. Radyo Filipino has
maintained direct access to the services of the South Australian Office of Multicultural and Ethnic Affairs, the Australian immigration office in Adelaide, the Department of Social Security migrant health unit, the Commission on the Ageing, the South Australian Migrant Resource Centre, the Multicultural Communities Council of South Australia, Ethnic Broadcasters Incorporated, the Commission on Filipinos Overseas and the Philippine Embassy, Canberra. Four members of the executive committee have also served terms on the board of management of EBI: Mrs Amy Bartjes, Dr Dante Juanta, Mrs Miriam Cocking and Mrs Norma Hennessy.

The executive committee of Radyo Pilipino Incorporated embarked on historical documentation in 2007 outside the broadcast studios. Three historical records, now referred to as A Trilogy of Historical Documentation Projects, about migration, settlement and the contribution of Filipinos in the cultural, social, educational and economic development of South Australia, were produced and published. The first was a cast-iron Filipino memorial plaque installed on 8 December 2007 in the Migration Museum of South Australia, at Kintore Avenue, Adelaide. It was in remembrance of, and in tribute to, Filipino pioneers and migrants who contributed to the life of the state their respective industry, service, education and culture. The historical marker was officially launched by the Attorney-General and Minister for Multicultural Affairs, the Hon. Michael Atkinson.

On 21 June 2008, the second element in the trilogy was launched by the Lieutenant Governor of South Australia and Chairman of the South Australian Multicultural and Ethnic Affairs Commission, Mr Hieu Van Le. This consisted of three pieces: a 130-page narrative book titled Radyo Pilipino—30 Years of Service in Adelaide, South Australia 1978-2008, edited by Dr Juanta, Norma Hennessy and Erlinda Calabio; a 20-minute documentary film in DVD format with the same title; and an audio cassette tape with seven original Filipino songs, with lyrics and music by Benjamin Juanta. The production and launch of the three-piece package was essentially a product of collaboration and a team effort by the officers and announcers of Radyo Pilipino and a significant number of community volunteers.

The president and the secretary of Radyo Pilipino were tasked by the executive committee with the third and final part of the trilogy. Their effort led to the production of another book, entitled Of Guts, Grit and Dreams—Early Filipino Migration Experiences in South Australia 1950-1989. The Governor of South Australia, His Excellency Kevin Scarce AC, formally launched the book on 15 November 2008 to an enthusiastic audience including members and officers of ethnic communities and non-government agencies, religious dignitaries, members of federal and state parliaments, and immigration and city council officials.

The book was the result of a survey conducted by Dr Juanta and Mrs Hennessy on early migration experiences of Filipinos in South Australia post the Second World War, 1950 to 1989. A questionnaire and interviews drew from participants their recollections of experiences when they first arrived in Australia, about subsequent encounters during settlement and about life there today. Australia was apparently the preferred country for most respondents to this survey, who described it as the land of opportunity—although many of their children under the age of eight wrongly assumed they were flying to America. One woman visited a post office within hours of her arrival in Adelaide and sent the following telegram back to her parents Manila: ‘Australia is beautiful! No pollution, everywhere clean!’
Typical of the first impressions experienced by early arrivals was that many were apparently amazed that so many Australian males were called ‘Mike’, until they better understood the Australian accent and discovered they were called ‘mate’. In the main, the vast majority of Filipinos made the adjustment to the Australian way of life, although for some it took some time. One 16-year-old Filipino girl, who arrived in Adelaide when she was six, wrote in a school essay in 1982 about what it means to be a Filipino living in Australia. I would like to congratulate all those people who have been associated with Radyo Pilipino. (Time expired)

Ethical Banking

Senator WILLIAMS (New South Wales) (7.00 pm)—I would like to back up what my predecessor, Senator Farrell, has said in relation to Filipinos. A very good friend of mine is Dr Joe Adriano, our parish priest in Inverell, a very decent man. I got to know him when he first came here from the Philippines. He is very welcome back in Inverell after a couple of years in Alaska.

I rise tonight to talk about what I consider to be the greatest oxymoron in Australia at the moment—that is, ethical banking. I wish to relate some of my experiences during the early 1980s when my family were involved in a foreign currency loan in Swiss francs. We drew down the loan in January 1985. Shortly after that, we saw the depreciation of the Australian dollar. There was only one way to protect yourself from those loans and that was to hedge your loan. I went to my bank manager, Peter Neale—a good man who lives out here near Goulburn these days—and requested that I hedge my loan. He informed me that I could not, that that would change our currency and you could do that only at rollover periods. The rest is history because Mr Neale was wrong. The bank had not trained their staff properly and it led to me and my brother losing five generations of farming and a long, drawn-out battle in the courts as I pleaded with the banks to come to some agreement. Of course, they were not one bit prepared.

As I lodged claims in the court, we came to mediation with Sir Laurence Street. Prior to that mediation, my solicitor informed me that I had to write the whole truth and nothing but the truth of the history of the experience I had through the foreign currency loan—which I did, some 12 pages. The banks also had to forward statements to Sir Laurence Street and to me about their experiences. I was quite amazed when I got Peter Neale’s statement from the bank’s solicitor, one Bob Jones, who worked for LE Taylor, an in-house soliciting company for the Commonwealth Bank. I wondered why it was so brief and after the mediation—not before—I rang Peter Neale and said, ‘Why did you not tell the truth and give the whole story in mediation?’ He said, ‘Is my signature at the bottom of that page?’ I said: ‘No. Your name is printed here on a document headed “Statement of Peter Neale”.’ He said, ‘Until my signature is on it, it is not my statement.’ That was exactly the situation. The bank’s solicitor forwarded a statement to me and to my solicitors, and to Sir Laurence Street, knowing full well that the person they had written it for had refused to sign the very same statement.

I come back to the issue of ethical banking. We should ask the question: why is the world economy now on its knees? The answer comes back to reckless, foolish, greedy, stupid banking. The subprime fiasco in America has now flown around the world we live in today where we see people lose their jobs, their livelihoods. I have documents which have been presented to me by a former senator in this place. Those documents highlight the fraud of one major bank in Australia. It is not my opinion that the bank
committed fraud; it is the opinion of their own solicitors—Allen, Allen and Hemsley. People around this place might wonder why I wanted a banking and financial inquiry. It is because I want to bring out the truth. I know we cannot do anything about the past but we can set standards so that in the future Australians can once again have confidence in our banking system. When I left school in the 1970s, it was an absolute honour to sit at the bar in a hotel after a day’s shearing with Peter Lepordivan, manager of the National Australia Bank in Jonestown, a decent bloke who commanded an enormous amount of respect in the community—as were all bank managers in those days. They were the people you went to for advice, they were the people you could trust; they are probably the last people you would go to today to ask for the same thing.

I want to look at what is happening now. Australian taxpayers, through the Rudd government, are underwriting investments in our banks. We all know that. When they went to do it, they underwrote those financial institutions that come under APRA—banks, building societies and credit unions. I asked in this chamber, ‘What about those companies that come under ASIC, such as debenture issuing companies, which were not underwritten by this government?’ What has happened? We have seen 50-year-old Bidgee Finance at Mildura go broke and 40 jobs go. We have seen South Eastern Secured Investments go into receivership. Since I have been out in the media on this very issue, I have received calls about many others who are in trouble. It was a major error of this parliament to underwrite those banks and not the other institutions because, simply, if you have money invested in an institution that is underwritten by the government and taxpayers rather than in that other group, surely during turbulent economic times people are going to withdraw their funds out of that group and put it in the underwritten institutions for safety reasons. The result is now showing up. I warned the parliament and I warned the ministers. Exactly what I warned them of is now happening and I find that disgraceful.

I now find myself on the Parliamentary Joint Committee on Corporations and Financial Services. I am proud to be on it. It is chaired by Bernie Ripoll. Today I thank my colleague Senator Ian Macdonald, who has lodged notice in this Senate to broaden the terms of reference. The Storm fiasco, which we are going to investigate, gives me nothing but bad news. I was first to address the people at Redcliffe near Brisbane in January. I had to stand up in front of 350 people and see that they were going through what I had to go through in the 1980s and the 1990s—losing everything you have worked for, that you have tried to protect for your children. Now, after a recent trip to Cairns to address another group, we are going to investigate one hell of a mess.

I want to know who has been part of it and who was responsible for it et cetera. No doubt answers will come out in the investigation. I questioned ASIC during estimates: ‘Who was responsible for monitoring these debts? Why did someone who was worth $1 million end up with a debt of $1.3 million with all equity gone?’ Their answer was, ‘The client, the broker and the banks.’ Surely the banks had the biggest interest in monitoring those levels of debts, because they were the ones going to lose when their customers and clients ran out of equity. I look forward to getting the answers to those questions. In the committee we have sent out the invitations. It will be an interesting six months until we report on 23 November.

I am gobsmacked at what has been feeding into my office. Today I got an email from a lady who was very concerned about her mother. Her mother borrowed $300,000-odd
from the National Australia Bank and used the money to go into a marginal loan with Storm Financial. Plenty of people did that. There was just one difference here. Her mother was 91 years of age when she took out the loan last year. Her daughter contacted the National Australia Bank and asked: ‘Why did you lend my mother, at that age, that amount of money? How is she going to pay it back?’ The bank’s reply, as it has been fed into my office, was, ‘She was investing in Storm,’ as though it was all fine. What sort of pressure are people at that age under when they face being thrown out of their houses and onto the street? This is their life savings, their life’s earnings. I met people in Melbourne who immigrated from Greece. They worked hard on a cane farm up in the north of Queensland. They came here with nothing and they worked hard. They were 62- and 64-years-old respectively. Now they face living on the street. What sort of a mess is this and who brought it on? Who was responsible? Who stress-tested the whole loan issue and asked, ‘What if this turns bad?’

We need a whole new attitude in our banking system, not only in Australia but right around the world. I know banks are an essential part of our economy, an essential part of our life. None of us would have anything without a bank. We have all borrowed money. I would not have a house today if it were not for the bank or financial institution that lent me the money to buy it. We have to go back to the days of conservative banking, where we did not have risk lending. There is the greed of banks in search of more profit. They have safe, secure loans for land, property, bricks and mortar. Then, when that market is saturated, they go off into the risk area and they start throwing money at people. The next thing is that it turns sour and they have write-downs of their loans. Who loses then? The people who lose are the ordinary working Australian families, those with the superannuation that everyone has. I condoned the Labor government years ago for bringing in compulsory super. These are the people who lose because of banks striving for profits, for a few extra dollars. They want to make profits for any reason whatsoever.

Just today I was told a fee increase by the Commonwealth Bank will be coming in on 8 May. The previous fee was $1.25. It will be 1.25 per cent for cash advances. That is an increase of almost 1,000 per cent. Who in Australia or around the world, in this economic climate, can increase their charges by 1,000 per cent? This is a big issue. I am not going to let it lay down. I look forward to this inquiry. (Time expired)

**Navy: Ceremonial Fleet Entry**

**Senator FEENEY** (Victoria) (7.10 pm)—I seek leave to incorporate Senator Forshaw’s speech.

Leave granted.

**Senator FORSHAW** (New South Wales) (7.10 pm)—The incorporated speech read as follows—

I draw the attention of the Senate to significant events occurring on 13 and 14 March 2009 in the city of Sydney.

On Friday 13 March the Royal Australian Navy will conduct a ceremonial fleet entry into Sydney Harbour featuring up to 16 warships. This number of naval vessels has not been seen in Sydney Harbour since the 1988 Bicentennial celebrations.

It will be the culmination of the Fleet Concentration period, one of the navy’s largest exercises conducted off the coast over recent week.

There will also be a flypast of navy helicopters and the RAAF.

The Commander of the Australian Fleet Rear Admiral Nigel Coates AM, RAN will conduct a ceremonial inspection of the ships at anchor.
The Fleet Entry will be a feature of Sydney Harbour Week and a huge armada of small vessels is expected to turn out for this rare event. Thousands more Sydneysiders will watch the morning’s proceedings from vantage points on the shoreline.

The following day, Saturday 14 March, the Royal Australian Navy will exercise its rights to the Freedom of the City of Sydney. This will be the first time this has occurred in over 20 years. Following ceremonial activities a parade will commence at 10am. Up to 4000 Navy personnel supported by Naval Cadets will take part in the march and will be the largest parade of naval personnel since World War II with over one third of the Royal Australian Navy’s personnel participating. It will indeed be a big weekend for the City of Sydney.

Australians and overseas visitors tend to see Australia as the wide brown land, the bush and the outback. They do not see this country as a maritime nation. Yet that is what it is. Australia has over twenty thousand kilometres of coastline and if we add the offshore islands we find we are caretakers of one of the largest maritime economic zones in the world. Ninety seven per cent of the volume of all our imports and exports travel by sea.

Any military movements by or against Australia depend very much on the use of the sea. As a consequence of this our naval forces are a crucial part of our nation’s defences.

As early as the 1830’s Sydney was an important British naval base and even more so by the 1860’s when a fear of Russian ventures into the Pacific was in the public mind.

However in the 1870’s there was a growing concern about the defence of the Australian colonies from naval attack and commerce raiders. Colonies paid a subsidy to London to support a British naval presence, the strength of which however was often questioned.

Some colonies purchased their own naval vessels and all had coastal defence (or artillery) units. Indeed colonial naval forces saw service in the Boer War and the Boxer Rebellion.

After Federation the pioneer legislators of our island continent became increasingly concerned about Australia’s naval defence for which they were subscribing an annual subsidy to Britain. This was brought about by the appearance of strong German naval units in the north Pacific and the emergence of a strong Japanese Navy. Australians feared that in time of a European conflict Britain would not have the naval resources to defend the antipodes, the most remote outpost of the Empire.

This belief proved to be well founded in two world wars. Australia was becoming aware of its isolation on what was even then a shrinking planet.

In the early 20th century there were calls for a small Australian fleet operating in home waters. It was an important political issue with the general public.

Although politicians argued about the exact nature and funding of naval defence there was cross party support for establishment of an Australian Fleet - our own small navy.

And so it was that in 1911, King George V granted the title of Royal Australian Navy and the acronym HMAS. On 4 October 1913 Sydneysiders in their thousands witnessed an impressive sight as the new Australian fleet led by its flagship the battle cruiser HMAS Australia followed by the cruisers Sydney and Melbourne steamed into our nation’s greatest harbour.

Almost a century later similar crowds of Sydneysiders will witness the entry of a much more modern fleet on 13 March this year. The Royal Australian Navy has distinguished itself in the 98 years of the history. It has served in two world wars, numerous regional conflicts, peace keeping missions and disaster relief operations. Its ships have seen service in all the oceans and most of the world’s seas.

The history of the Royal Australian Navy is filled with great stories and adventures, victories and
tragedies, hardships and achievements in the face of adversity.
It is now a service which depends on and utilises some of the latest technology in day to day operations.
The Navy has always been a highly specialised profession which carries on its activities without fanfare or fuss.
And much of this occurs beyond the horizon, out of sight of most Australians.
Most Australians would probably not relish the idea of going to sea for long and lonely periods as do our sailors but of course we have an admiration for the men - and women - who go down to the sea in ships.
Admiral Sir Louis Hamilton, Chief of Naval Staff in 1948 said:
“… a navy does not drop from the clouds. It is a miraculous and delicate instrument, a creation of nerves as well as steel, united with blood as well as rivets, it is in many ways the greatest expression of a nation’s genius.”
All too often though, unless you live near a major harbour the navy is the least visible of our services.
On 13 and 14th March the people of Sydney will be reminded of the importance of the navy and the men and women who serve in it and will welcome them to the harbour city accordingly.

United Nations Parliamentary Association
Senator FEENEY (Victoria) (7.10 pm)—Yesterday I had the pleasure of attending the first meeting of the United Nations Parliamentary Association, a new parliamentary group designed to deepen and extend the relationship between this parliament and the United Nations. The chair of this new body is Ms Melissa Parke, the member for Fremantle, and the deputy chair is our colleague Senator Trood. I for my sins have assumed the duties of secretary.
We were very pleased and honoured that the Minister for Foreign Affairs, the Hon. Stephen Smith MP, came to our inaugural meeting yesterday and there addressed us on the importance of Australia’s relationship with the UN. The minister pointed out that Australia was a founding member of the UN and has always played an active role in the organisation. He particularly highlighted the role of Dr HV Evatt, Minister for External Affairs in the Curtin and Chifley Labor governments from 1941 to 1949. It is well known that Dr Evatt was one of the most outspoken advocates of the rights of small and medium sized countries at the UN founding conference in San Francisco and was President of the UN General Assembly in 1948-49. I recall that Doc Evatt, as he was known, used to boast that he had been president of the world! It is less well known that he was responsible for article 56 of the United Nations Charter, which pledges the UN to work for:
… higher standards of living, full employment and conditions of economic and social progress and development …
In recognition of Evatt’s contribution this became known as the ‘Australian pledge’—a matter of great pride, I am sure, to all of us.
Australia’s commitment to the UN was continued by successive governments, and Australia responded to UN calls for our troops in conflicts from the Korean War to the Gulf War of 1991. It is sad to note that, during the term of Mr Downer as foreign minister, that commitment declined as the Howard government fell under the influence of the UN-scepticism then championed by what is known as the ‘neocon’ faction in the Bush administration in Washington. This culminated in Australia’s support for the US-led invasion of Iraq—and, of course, the rest is history. We also saw scepticism about the value of the UN and our commitment to multilateral arrangements generally, with the refusal to sign the Kyoto protocol on climate change.
Under the Rudd government, however, we are seeing a revival of Australia’s commitment to the UN and a return, I might say, to our historical normalcy with respect to the United Nations. Even before he became Prime Minister, Kevin Rudd outlined what he saw as the three pillars of Australia’s foreign policy under a Labor government. These were the US alliance, engagement with the countries of our own region and support for international law and the UN system. Since the election of the Rudd government, Australia has moved to strengthen all three of these elements. One of Mr Rudd’s first acts of government was to travel to Bali to sign the instrument of ratification of the Kyoto protocol. This enabled Australia to become actively engaged in what was then the next round of international climate change negotiations. Last September Mr Rudd and Mr Smith attended the 63rd session of the United Nations General Assembly. This year Australia will assume the chairmanship of the donor support group of the UN Office for the Coordination of Humanitarian Affairs. Australia is also seeking a seat on the UN Security Council for the period 2013-14. These acts all send a signal to the world that Australia is resuming its rightful role as an active participant in the UN system and seeking to again affirm its commitment to multilateral arrangements.

Australia’s commitment to the UN has been financial as well as symbolic. In last year’s budget the government announced an additional $200 million over four years in dedicated funding to UN agencies, such as UNICEF and the Office for the Coordination of Humanitarian Affairs. On International Women’s Day this year, Mr Smith joined with the Hon. Tanya Plibersek, Minister for the Status of Women, to commit over $17 million from this additional funding to UNIFEM to address issues of gender inequality.

At our inaugural meeting yesterday, Mr Smith announced a further allocation of $68 million over four years with which to support the work of the United Nations Development Program, the UNDP, to help tackle poverty and achieve the Millennium Development Goals. Australia is now working closely with the UNDP in the Asia-Pacific region, promoting democratic governance, human rights and crisis prevention. This work will become increasingly important as the global financial crisis affects the prosperity and stability of some states in our region, particularly the smaller and economically weaker island states. I note here the present inquiry being undertaken by the Senate Standing Committee on Foreign Affairs, Defence and Trade.

While I am enthusiastic about the work of the United Nations Parliamentary Association, and while I fully support the Rudd government’s policy of renewed participation in and engagement with the UN system, that does not mean that all of us in the parliamentary group believe the UN is perfect. The forum is one for debate and consideration about the future of the UN and future directions for multilateralism. The UN is far from perfect; it is a human institution. I believe that Australia should continue to play an active role in the movement to reform some aspects of the UN’s functions and operations. I was therefore very pleased to hear Mr Smith restate Australia’s commitment to improving the effectiveness, efficiency and accountability of UN operations, and to hear him say that we are actively supporting the new Secretary-General, Ban Ki-Moon, in his structural reform efforts.

I want to conclude tonight by mentioning the second UN World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerance, commonly known as Durban II, due to be held in April, in Geneva. This conference is supposed to further the UN’s agenda of combating racism and
supporting human rights, as did the original Durban conference in 2001. Unfortunately, as currently structured, the conference is highly unlikely to make any worthwhile contribution to these worthwhile objectives. A conference on human rights whose organising committee includes Cuba, Iran and Libya strikes me, as it does many other supporters of the UN, as bizarre and perhaps even offensive. These are three of the most oppressive regimes in the world. Australia and the other Western democracies no doubt have many failings too, but we do not need to be lectured on them by characters such as the Castro brothers, Colonel Gaddafi or President Ahmadinejad of Iran.

Despite the hopes that Durban II would be a better and more useful forum than Durban I, sadly all the signs point to the fact that it will be yet another pointless, expensive festival of anti-Western and particularly Israel-bashing rhetoric from a range of governments whose own human rights records are often very inferior to those of the US, Israel or Australia. It will also provide another platform for some extreme governments to call for restrictions on freedom of speech and freedom of religion in other countries, under the banner of ‘opposing hatred of Islam’. This is why President Obama and Secretary of State Clinton have decided that the US will not be participating in Durban II. The US delegation at the conference’s preparatory talks has reported that ‘the anti-Israel and anti-Western tendencies were too deeply entrenched to excise’, and that the planned outcome document had ‘gone from bad to worse’, and was ‘not salvageable’. The State Department concluded:

A conference based on this text would be a missed opportunity to speak clearly about the persistent problem of racism.

Israel, Canada and Italy will also not be attending the conference, and the UK, France, the Netherlands and Denmark are presently considering withdrawing.

I believe that Australia should give very serious consideration to what interests we would be serving by dignifying this conference with our presence. So I was pleased to hear that, in question time today, the Foreign Minister said that Australia will only participate if there is a marked improvement in the draft document. Mr Smith said:

If we form the view that the text is going to lead to nothing more than an anti-Jewish, anti-Semitic harangue and anti-Jewish propaganda exercise, then Australia will not be in attendance.

I would be very surprised if such an improvement in the draft document were able to come about. That, of course, is a great pity, and it shows that the process of UN reform still has a long way to go. I look forward to Australia playing a leading role in that process, and I look forward to debating these important issues in a useful way in our parliamentary association.

Diabetes

Senator BARNETT (Tasmania) (7.19 pm)—Tonight I stand to congratulate Diabetes Tasmania on a fourth consecutive successful Tasmanian Pollie Pedal. A special thank you tonight goes to Caroline Wells, the CEO of Diabetes Tasmania, who is once again providing excellent leadership. Caroline was supported this year, as in past years, by Leanne Clark. Thanks also to Jonathan Jones, our photographer and all-round supporter, and to the whole team at Diabetes Tasmania for making this such a successful event. The event is organised by Diabetes Tasmania in conjunction with my office, and I would specifically like to thank my personal assistant Caroline Donaghy for the work that she has done in assisting to make this event another successful Pollie Pedal.

I am pleased to advise that this year the event raised over $35,000 for community
awareness and education about diabetes for people in Tasmania. The funds will also be used to support camps for children with type 1 diabetes. Those camps are really appreciated. I have been to the camps, and I know how much value they have for the children who attend them.

This is the fourth occasion that the Pollie Pedal has been held in Tasmania. The first was on the north-west coast. The second was on the east coast, from Saint Helens down to Hobart. The third was from the north, from Launceston to Evandale, through to the north-east of Tasmania, to Georgetown and back to Launceston. It was an approximately 100-kilometre a day ride, mixed with wonderful scenery and a great time and camaraderie between all the pollie pedallers. It was also an opportunity to partake of some of the highlights of Tasmania, including wineries, cheese factories, chocolate factories and the like.

Firstly, before I acknowledge the pollie pedallers who were involved, I want to thank our generous sponsors, without whom this event could not have occurred and without whose support so many funds would not have been raised. I thank the gold sponsors, Sanofi Aventis and GSK, or GlaxoSmithKline, for their wonderful support. The silver sponsor was Medtronic—and I know that Medtronic will be presenting an address to the Parliamentary Diabetes Support Group outside Parliament House here in Canberra next week, and they are regular supporters of events for people with diabetes. In fact, I use one of the Medtronic insulin pumps and it works well. One of the bronze sponsors was MAIB, the Motor Accidents Insurance Board, in Tasmania. I thank them for their support, together with Norgine and Eli Lilly, who were also bronze sponsors.

This year we had a diverse group of riders, including the Hon. Tony Abbott, who once again provided his invaluable support. He has supported us in past Tasmanian pollie pedals and he has done it again this year. He in fact launched the Tasmanian Pollie Pedal this year at Bellerive Primary School. This year, unfortunately, Pat Farmer was not able to join us. He had to pull out at the last moment, as did the Hon. Judi Moylan, who is the chairperson of the Parliamentary Diabetes Support Group. She was unfortunately ill in the week preceding the Tasmanian Pollie Pedal. I know they would have loved to have been there. There was also Greg Hall MLC, the member for Western Tiers in the Tasmanian upper house; Alderman Helen Burnet from the Hobart City Council, who is responsible at least in large part for ensuring that we were there in Hobart this year and in the south of Tasmania—thanks to Helen for her influence in making that happen; Mayor Mark Shelton from the Meander Valley, a fine rider, a great person and, more recently, a Liberal candidate for the state election in the electorate of Lyons—good luck, Mark; Mayor Graham Bury from the Kingborough municipality; and Mayor Bertrand Cadart, who was known as ‘Clunk’. He participated in the original Mad Max movie. One of the evenings we were together we watched the Mad Max movie and saw Bertrand Cadart on his motorcycle in his entree into movie making. This year he was on a motorcycle and he assisted in leading and backing up the pollie pedallers. We appreciated Mayor Cadart’s support.

I should mention that Tony Abbott has been in more than 10 national pollie pedals. This year it is going from Brisbane to Sydney, and I think it starts on 27 April. It is raising money for a wonderful charity in Sydney. So well done, Tony Abbott, and all the best with that national Pollie Pedal. Also on the list of riders was Paul Lindsay, who is a regular supporter, and this year he did not get lost on his bicycle. To Jez Moulding and
Astrid Macassey, thank you for your support. There was also John O’May, who is organising the Great Western Tiers Cycle Challenge in the next couple of weeks in Tasmania, Greg Hall MLC, Grant Young from the MAIB, Helen Burnet; Tom Kleyn and Simon Cocker from Unions Tasmania. We have a whole range of people from across parties, and Simon Cocker from Unions Tasmania is a good supporter of the Pollie Pedal. He won the award as being the most upright rider in this year’s Pollie Pedal.

Also riding was Caroline Burridge, who like me has type 1 diabetes, and just last weekend she ran the Paris Half Marathon. Congratulations to her on her endurance and determination—a wonderful example she is to many. Craig Williams, Andrea Darcy and Marco Fragiacomono also joined us. Marco also joined us on the Kokoda JDRF trek last Anzac Day, together with 17 other walkers—what a great experience that was—as well as climbing Mount Kosciusko on World Diabetes Day. Marco is a good friend and a great supporter. To Tony Narkowicz and Andrea Schiwy, thank you for your support and efforts to make it all happen. There was also Hugh Mackinnon, who keeps coming back and supporting the Pollie Pedal; Mayor Mark Shelton; Roy Gatenby; Stephen Redpath; Mark Tate; Mayor Graham Bury and his wife, Ken MacRitchie, who has been on all of the pollie pedals and is a great support; Jehangira Sidhwa from Eli Lilly; Louise Gibson; and Mayor Bertrand Cadart.

I would also like to thank the following supporters for making the Pollie Pedal a success: Steven Hay, Principal of Bellerive Primary School; Mayor Jock Campbell from the Clarence City Council, who launched the Pollie Pedal; Denise Long, who is the Principal of St John’s in Richmond; Mayor Carmel Torenius, who gave us support at the Sorell Council; and Angela Barker, who gave us wonderful support, interpretation and education at Barilla Bay—a wonderful highlight. Barilla Bay oysters are a must for all who travel to Tasmania. I would also like to thank the Pear Ridge Cafe. On day 2 we travelled south into the Huon Valley. I would also like to thank Krystal Anderson at Peppermint Bay—thank you for a wonderful lunch. I also thank Barry Lange and David Turley, CEO and President of Huon Eldercare. The Huon Valley is definitely one of the most scenic parts of the four pollie pedals that we have been on and a great credit to that area. We really appreciated that, especially after getting to Huon Eldercare. It is an aged-care facility, and some of us perhaps felt that we might end up there not just for the day but for a longer period. Day 2 was a big day.

On day 3 we headed north into the beautiful Derwent Valley. To Andrew Stack at Moorilla, thank you for your hospitality. To David Walsh, who is undertaking an $80 million museum development at Moorilla, that is a fantastic effort. We congratulate you on that and look forward to the final outcome. To Mayor Tony Nicholson, who hosted us in the Derwent Valley on the Derwent River, as Mayor of the Derwent Valley Council, thank you for your hospitality. Thanks also to Monique Lubiana at the Stefano Lubiana Vineyard, a wonderful facility and a great place for tourists and great wine. Finally, thank you to Lord Mayor Rob Valentine, Lord Mayor of the Hobart City Council, who welcomed us into Hobart on our final effort after day 3.

Senator O’Brien—Was there a booze bus?

Senator Barnett—There was no booze bus. It was not required. We rode within the law. There were a few scratches and bumps along the way, but everybody was safe, healthy and well. We were treated to the beautiful scenery of the Derwent,
Huon and Coal River valleys. As I have indicated, it was a wonderful success. Once again, thanks to Diabetes Tasmania for the Pollie Pedal. It was a great success and I would like to convey my thanks to all those who helped organise it, who participated in it and who supported us on this wonderful initiative.

**Senate adjourned at 7.30 pm**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

Higher Education Support Act—Funding Agreements under section 30-25, in respect of grant years—

2008, dated 15 December 2008—Edit Cowan University [revised].

2008, 2009 and 2010, dated—

12 December 2008—

Avondale College.

Charles Darwin University.

Charles Sturt University.

Deakin University.

Royal Melbourne Institute of Technology.

Tabor College Adelaide.

Tabor College Victoria.

The University of Sydney.

University of Newcastle.

University of Technology, Sydney.

University of Wollongong.

15 December 2008—

Griffith University.

Murdoch University.

The University of Adelaide.

The University of Melbourne.

The University of Queensland.

The University of Western Australia.

University of Ballarat.

University of Canberra.

University of Southern Queensland.

University of Tasmania.

University of the Sunshine Coast.

18 December 2008—

Central Queensland University.

Christian Heritage College.

Swinburne University of Technology.

The Australian National University.

The University of New South Wales.

University of New England.

Victoria University.

19 December 2008—University of Western Sydney.

23 December 2008—James Cook University.

2009, 2010 and 2011, dated—

12 December 2008—

Batchelor Institute of Indigenous Tertiary Education.

Curtin University of Technology.

Edith Cowan University.

Macquarie University.

Monash University.

La Trobe University.

University of South Australia.

15 December 2008—

Australian Catholic University.

Southern Cross University.

The Flinders University of South Australia.

Queensland University of Technology.

18 December 2008—The University of Notre Dame Australia.
Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2008—Statements of compliance—

Attorney-General’s portfolio agencies.
Australian Public Service Commission.
Australian Taxation Office.
Commonwealth Ombudsman.
Department of the Prime Minister and Cabinet.
Human Services portfolio agencies.
Immigration and Citizenship portfolio agencies.
National Archives of Australia.
Office of the Privacy Commissioner.
Old Parliament House.
Treasury portfolio agencies.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Beijing Olympic Games
(Question No. 656)

Senator Minchin asked the Minister for Immigration and Citizenship, upon notice, on 25 August 2008:

1. Did the Minister or Parliamentary Secretary within the Minister’s portfolio attend any event at the Beijing Olympic Games; if so, which events did the Minister/Parliamentary Secretary attend.
2. Was the Minister/Parliamentary Secretary accompanied by: (a) family; (b) personal staff; and (c) departmental officials; if so, how many.
3. Did any officials from the department attend the Beijing Olympic Games in their capacity as an employee of the Australian Government; if so, how many and in what capacity did they attend.
4. In regard to the attendance by the Minister/Parliamentary Secretary and/or departmental officials at the Beijing Olympic Games, what was the total cost of: (a) travel; (b) accommodation; and (c) any other expenses.

Senator Chris Evans—The answer to the honourable senator’s question is as follows:

1. No.
2. N/A.
3. Yes; two departmental officials attended a Beijing Olympic Games basketball event as representatives of the Australian Embassy in Beijing.
4. Nil.

Proposed Pulp Mill
(Question No. 768)

Senator Milne asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 7 November 2008:

In regard to condition 26 and modules B and C of the Environmental Impact Management Plan for the Gunns Limited pulp mill in Tasmania:

1. What is ‘zero tolerance’ and how will it be achieved.
2. How and within what area/locale will existing threatened and endangered species populations be recorded, documented and compared against the construction impact of the pulp mill.
3. What is the radius in kilometres from the mill site for ‘zero tolerance’.
4. Does ‘zero tolerance’ extend to construction crew traffic including, but not limited to, four-wheel drive and private vehicles.
5. Is the ‘zero tolerance’ assessment self-regulating.
6. If road kill is found and it is a threatened or endangered species, are there any mitigation mechanisms in place; if so, what.
7. Taking into consideration those employees that will come from interstate, overseas and Tasmania: how will all employees recognise a threatened or endangered species.
8. (a) How is compliance and non-compliance to be monitored and reported; and (b) what penalties are in place for non-compliance in regard to threatened and endangered species.
(9) Considering that Gunns Limited did not complete the road kill module B, (condition 26) as directed by the Chief Scientist Dr Jim Peacock, has the Minister lowered the bar with implementing ‘zero tolerance’ and abandoned the Government’s commitment to a ‘most rigorous’ assessment process.

(10) Does the Government’s current threatened and endangered species assessment process satisfy the intent of the Chief Scientist.

(11) Given that apparently only one study has been performed and acknowledged at Low Head near the pipeline outfall, and given that the Minister for Climate Change and Water has assured Parliament that research identifying habitat/population locations of the threatened green and gold frog have been performed along the proposed pipeline route: where, when and who performed the other studies.

(12) What measures are in place for newly identified green and gold frog populations if they are found near the pulp mill site or associated infrastructure (i.e. pipeline).

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:
(1) Neither the approval conditions, nor the Environmental Impact Management Plan (EIMP) refer to “zero tolerance”. Condition 26(b) of the pulp mill approval requires response strategies to be established within the EIMP if the number of road killed mammals exceeds trigger levels. Gunns have adopted a “zero trigger level” for roadkill, and in accordance with the EIMP, Gunns will implement certain agreed response strategies after the commencement of construction, without the need for any level of roadkill to be exceeded.

(2) For the reason given above, apart from the baseline survey required by Condition 26 of the Gunns Limited pulp mill approval, there are no requirements for Gunns to conduct further species population studies.

(3) The response strategies in relation to the zero trigger level for roadkill will operate in relation to construction traffic on the East Tamar Highway between Launceston and George Town, and also to the internal site roads of the mill.

(4) The zero trigger level and related response strategies refer to all construction worker traffic, which is the majority of the traffic generated by the construction of the mill.

(5) Gunns must submit quarterly reports concerning traffic movements to the department in line with the commitments made in Module C of the EIMP.

(6) There are eight commitments outlined on pages 18-22 in Module C of the EIMP, which are designed to mitigate the impact of construction on roadkill, regardless of the status of the species (threatened or common). These commitments must be implemented as soon as construction commences.

(7) Module C requires that all employees working on mill construction undergo a site induction which will include information on the types of fauna species and what times of the day they may be encountered, as well as avoidance strategies.

(8) The Independent Site Supervisor will monitor compliance with the EIMP. Gunns are required to implement all of the commitments in the EIMP as well as the approval conditions. There are penalties under the EPBC Act for breaches of approval conditions regardless of the impact on a particular listed threatened species.

(9) Gunns completed the baseline survey required by Condition 26(a) of the approval conditions and this was accepted by the IEG as meeting the requirements of the conditions. I have neither lowered standards nor abandoned any government commitments.

(10) The task of the Chief Scientist was to consider the scientific aspects of the then Department of the Environment and Water Resources’ recommendation report and relevant supporting documentation.
and public comments on Gunns Limited Pulp Mill proposal (EPBC 2007/3385) in Tasmania and to advise the former Minister, who set approval conditions having regard to the advice of the Chief Scientist.

My duty as Minister is to implement the approval conditions set by the former Minister under the EPBC Act. I will continue to discharge my duty in full.

(11) My previous answer to Question No 558 concerning the Green and Gold Frog did not say that such research had been conducted along the proposed pipeline route.

(12) If a Green and Gold Frog, or potential frog habitat, is found within the pipeline construction corridor, in accordance with the EIMP, the pipeline will be microsited to avoid that habitat as required by Condition 21 of the approval. In addition, Modules FGHK of the EIMP, approved on 5 January 2009, require a hygiene management procedure to be implemented to minimise the risk of the amphibian chytrid fungus \textit{Batrachochytrium dendrobatidis}.

\textbf{Tasmania: Frogs (Question No. 774)}

\textbf{Senator Milne} asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 7 November 2008:

(1) Further to the answer to question on notice no. 558 (\textit{Senate Hansard}, 27 August 2008, p. 3 975), concerning the Gunns Limited pipeline and populations of the green and gold frog, the department’s response indicated that the frog survey has been conducted and completed: can the Minister now confirm the presence of green and gold frogs (\textit{Litoria raniformis}) in the Dilston and Windermere areas.

(2) (a) Has the green and gold frog survey been completed to the Minister’s satisfaction as directed by the Chief Scientist; and (b) what were the dates, locality and times of the surveys, and who conducted each one.

(3) In the absence of data, can the Minister confirm that the Dilston, Windermere, Hillwood and Landfall areas will be suitably surveyed for the presence of the green and gold frog.

(4) In the absence of data, can the Minister confirm that the entire region proposed for the length of the Gunns Limited pipeline will be surveyed for green and gold frog populations and other threatened species.

(5) Can the Minister give an assurance that the area to be affected by the Gunns Limited pipeline and the East Tamar Highway Dilston bypass will be surveyed for the amphibian Chytrid fungus prior to any formal approval or the commencement of actual development work.

\textbf{Senator Wong}—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) My response to Senate Question No. 558 was in reference to the listing of the Green and Gold Frog (\textit{Litoria raniformis}) which is a species found widely across South-eastern Australia.

My department’s information indicates that potential habitat for the Green and Gold Frog (\textit{Litoria raniformis}) is likely to occur in the Dilston and Windermere areas.

(2) A Green and Gold Frog (\textit{Litoria raniformis}) survey was not required by the Chief Scientist (see \textit{Chief Scientist’s report on the scientific aspects of the Department of the Environment and Water Resources recommendation report, relevant supporting documentation and public comments on the Gunns Limited pulp mill proposal (EPBC 2007/3385) in Tasmania}, September 2007). The Chief Scientist’s concerns related to the risks associated with the amphibian chytrid fungus. See answer to (5) below.

(3) Please refer to response provided in Question 2.
(4) As part of the pulp mill assessment and approval process, surveys for the presence of nationally listed threatened species have been conducted of the mill project areas including the pipeline route. My Department was advised that *Litoria raniformis* was not recorded in the project area during this process. Two areas of potential habitat were identified. Notwithstanding this, to avoid significant impacts on members of this species that may be present, the federal approval conditions for the proposed Gunns pulp mill provide mitigation measures for the protection of the Green and Gold Frog.

(5) Under condition 21 of the approval granted by the previous minister in respect of the proposed pulp mill, to minimise impacts on potential habitat for the Green and Gold Frog (*Litoria raniformis*) and to manage risks associated with the amphibian chytrid fungus, the pipeline must be microsited to avoid habitat for the frog within the pulp mill pipeline construction corridor. Modules FGHK of the EIMP, approved on 5 January 2009 require that a hygiene management procedure be implemented to minimise the risk of the amphibian chytrid fungus *Batrachochytrium dendrobatidis*.

The construction activity connected with the East Tamar Highway Dilston Bypass is not part of the pulp mill action.

**Defence: Media Monitoring**
*(Question No. 904)*

**Senator Ronaldson** asked the Minister representing the Minister for Defence, upon notice, on 24 November 2008:

What is the aggregate amount spent by the department on media monitoring during the 2008 calendar year.

**Senator Faulkner**—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) $444,427.

**Finance and Deregulation: Consultancies**
*(Question No. 925)*

**Senator Ronaldson** asked the Special Minister of State, upon notice, on 24 November 2008:

For the 2008 calendar year, can details be provided of the start date, duration, cost and nature (direct source or open source) of tender for each individual consultancy contract with the department dealing with: (a) media relations; (b) public relations; (c) public events management; (d) communications; and (e) communications strategy.

**Senator Faulkner**—The answer to the honourable senator’s question is as follows:

Please refer to Minister Tanner’s response to Question No. 930.

**Defence: Consultancies**
*(Question No. 927)*

**Senator Ronaldson** asked the Minister representing the Minister for Defence, upon notice, on 24 November 2008:

For the 2008 calendar year, can details be provided of the start date, duration, cost and nature (direct source or open source) of tender for each individual consultancy contract with the department dealing with: (a) media relations; (b) public relations; (c) public events management; (d) communications; and (e) communications strategy.
Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

This information is published in the Defence annual report. The first half of 2008 is published in the *Defence Annual Report 2007-08*. The second half will be published in the *Defence Annual Report 2008-09*, scheduled to be tabled in Parliament by 31 October 2009.

**Finance and Deregulation: Consultancies**  
(Question No. 930)

Senator Ronaldson asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 24 November 2008:

For the 2008 calendar year, can details be provided of the start date, duration, cost and nature (direct source or open source) of tender for each individual consultancy contract with the department dealing with: (a) media relations; (b) public relations; (c) public events management; (d) communications; and (e) communications strategy.

Senator Sherry—The Minister for Finance and Deregulation has provided the following answer to the honourable senator’s question:

During the 2008 calendar year, the Department of Finance and Deregulation, has not tendered for, or entered into, individual consultancy contracts in any of the areas relating to (a) media relations; (b) public relations; (c) public events management; (d) communications; and (e) communications strategy.