INTERNET
The Journals for the Senate are available at

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

For searching purposes use
http://parlinfoweb.aph.gov.au

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>3, 4, 5, 9, 10, 11, 12</td>
</tr>
<tr>
<td>March</td>
<td>10, 11, 12, 16, 17, 18, 19</td>
</tr>
<tr>
<td>May</td>
<td>12, 13, 14</td>
</tr>
<tr>
<td>June</td>
<td>15, 16, 17, 18, 22, 23, 24, 25</td>
</tr>
<tr>
<td>August</td>
<td>11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>September</td>
<td>7, 8, 9, 10, 14, 15, 16, 17</td>
</tr>
<tr>
<td>October</td>
<td>26, 27, 28, 29</td>
</tr>
<tr>
<td>November</td>
<td>16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
</tbody>
</table>

RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on ABC NewsRadio in the capital cities on:

- ADELAIDE 972AM
- BRISBANE 936AM
- CANBERRA 103.9FM
- DARWIN 102.5FM
- HOBART 747AM
- MELBOURNE 1026AM
- PERTH 585AM
- SYDNEY 630AM

For information regarding frequencies in other locations please visit
http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-SECOND PARLIAMENT
FIRST SESSION—FIFTH 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

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Adams, Judith Anne</td>
<td>WA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Arbib, Mark Victor</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Back, Christopher John (1)</td>
<td>WA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Barnett, Guy</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Bernardi, Cory</td>
<td>SA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Bilyk, Catriona Louise</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Birmingham, Simon John</td>
<td>SA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Thomas Mark</td>
<td>WA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Boswell, Hon. Ronald Leslie Doyle</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>NATS</td>
</tr>
<tr>
<td>Boyce, Suzanne Kay</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Brandis, Hon. George Henry, SC</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Brown, Carol Louise</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Brown, Robert James</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Bushby, David Christopher</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Cameron, Douglas Niven</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Carr, Hon. Kim John</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Cash, Michaelia Clare</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Colbeck, Hon. Richard Mansell</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Collins, Jacinta Mary Ann</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Conroy, Hon. Stephen Michael</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Coonan, Hon. Helen Lloyd</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Cormann, Mathias Hubert Paul (2)</td>
<td>WA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Crossin, Patricia Margaret (4)</td>
<td>NT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Eggleston, Alan</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Evans, Hon. Christopher Vaughan</td>
<td>WA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Farrell, Donald Edward</td>
<td>SA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Faulkner, Hon. John Philip</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Feeney, David Ian</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Hon. Alan Baird</td>
<td>SA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Fielding, Steve</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>FF</td>
</tr>
<tr>
<td>Fierravanti-Wells, Concetta Anna</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Fifield, Mitchell Peter</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Fisher, Mary Jo (1)</td>
<td>SA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Forschaw, Michael George</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Furner, Mark Lionel</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Hanson-Young, Sarah Coral</td>
<td>SA</td>
<td>30.6.2014</td>
<td>AG</td>
</tr>
<tr>
<td>Hefferman, Hon. William Daniel</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Hogg, Hon. John Joseph</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Humphries, Gary John Joseph (4)</td>
<td>ACT</td>
<td></td>
<td>LP</td>
</tr>
<tr>
<td>Hurley, Annette Kay</td>
<td>SA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Hutchins, Stephen Patrick</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Johnston, Hon. David Albert Lloyd</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Joyce, Barnaby Thomas Gerard</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>NATS</td>
</tr>
<tr>
<td>Kroger, Helen</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Ludlam, Scott</td>
<td>WA</td>
<td>30.6.2014</td>
<td>AG</td>
</tr>
<tr>
<td>Lundy, Kate Alexandra (3)</td>
<td>ACT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Senator</td>
<td>State or Territory</td>
<td>Term expires</td>
<td>Party</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>--------------------</td>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Macdonald, Hon. Ian Douglas</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>McEwen, Anne</td>
<td>SA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>McGauran, Julian John James</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>McLucas, Hon. Jan Elizabeth</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Marshall, Gavin Mark</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Mason, Hon. Brett John</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Milne, Christine Anne</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>AG</td>
</tr>
<tr>
<td>Minchin, Hon. Nicholas Hugh</td>
<td>SA</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Moore, Claire Mary</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Nash, Fiona Joy</td>
<td>NSW</td>
<td>30.6.2011</td>
<td>NATS</td>
</tr>
<tr>
<td>O’Brien, Kerry Williams Kelso</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Parry, Stephen Shane</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Payne, Marise Ann</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Polley, Helen Beatrice</td>
<td>TAS</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Pratt, Louise Clare</td>
<td>WA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Ronaldson, Hon. Michael</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Ryan, Scott Michael</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Scullion, Hon. Nigel Gregory (4)</td>
<td>NT</td>
<td>30.6.2014</td>
<td>CLP</td>
</tr>
<tr>
<td>Sherry, Hon. Nicholas John</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Sievert, Rachel Mary</td>
<td>WA</td>
<td>30.6.2011</td>
<td>AG</td>
</tr>
<tr>
<td>Stephens, Hon. Ursula Mary</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Sterle, Glenn</td>
<td>WA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Troeth, Hon. Judith Mary</td>
<td>VIC</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Trood, Russell Bruneell</td>
<td>QLD</td>
<td>30.6.2011</td>
<td>LP</td>
</tr>
<tr>
<td>Williams, John Reginald</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>NATS</td>
</tr>
<tr>
<td>Wong, Hon. Penelope Ying Yen</td>
<td>SA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Wortley, Dana Johanna</td>
<td>SA</td>
<td>30.6.2011</td>
<td>ALP</td>
</tr>
<tr>
<td>Xenophon, Nicholas</td>
<td>SA</td>
<td>30.6.2014</td>
<td>IND</td>
</tr>
</tbody>
</table>

(1) Chosen by the Parliament of South Australia to fill a casual vacancy vice Amanda Eloise Vanstone, resigned.
(2) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Ian Campbell, resigned.
(3) 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]
<table>
<thead>
<tr>
<th>Minister Role</th>
<th>Minister Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Home Affairs</td>
<td>Hon. Bob Debus MP</td>
</tr>
<tr>
<td>Assistant Treasurer and Minister for Competition</td>
<td>Hon. Chris Bowen MP</td>
</tr>
<tr>
<td>Policy and Consumer Affairs</td>
<td></td>
</tr>
<tr>
<td>Minister for Veterans' Affairs</td>
<td>Hon. Alan Griffin MP</td>
</tr>
<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
</tr>
<tr>
<td>Minister for Employment Participation</td>
<td>Hon. Brendan O'Connor MP</td>
</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
</tr>
<tr>
<td>Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation</td>
<td>Hon. Dr Craig Emerson MP</td>
</tr>
<tr>
<td>Minister for Superannuation and Corporate Law</td>
<td>Senator Hon. Nick Sherry</td>
</tr>
<tr>
<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
</tr>
<tr>
<td>Minister for Youth and Minister for Sport</td>
<td>Hon. Kate Ellis MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
<td>Hon. Maxine McKew MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Climate Change</td>
<td>Hon. Greg Combet AM, MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
<td>Hon. Bill Shorten MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade</td>
<td>Hon. Anthony Byrne MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector</td>
<td>Senator Hon. Ursula Stephens</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>Senator Hon. Jan McLucas</td>
</tr>
<tr>
<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Government Service Delivery</td>
<td>Senator Hon. Mark Arbib</td>
</tr>
</tbody>
</table>
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
CONTENTS

THURSDAY, 14 MAY

Chamber
Petitions—
Seniors Health Card.................................................................2789
Seniors Health Card.................................................................2789
Notices—
Presentation .............................................................................2790
Business—
Rearrangement.........................................................................2790
Rearrangement.........................................................................2790
Nuclear Nonproliferation............................................................2790
Environment Protection (Beverage Container Deposit and Recovery
Scheme) Bill 2009—
First Reading ...........................................................................2791
Second Reading .........................................................................2791
Committees—
Rural and Regional Affairs and Transport Legislation Committee—
Extension of Time .................................................................2796
Economics Committee—Extension of Time ..............................2796
Economics Legislation Committee—Meeting ..........................2797
Business—
Consideration of Legislation ....................................................2797
National Sorry Day ....................................................................2797
Sports Culture ...........................................................................2797
Tasmanian Department Of Environment, Parks, Heritage And The Arts 2798
Notices—
Postponement .........................................................................2799
Parliamentary Superannuation Amendment (Removal of Excessive
Super) Bill 2009—
First Reading ...........................................................................2799
Second Reading .........................................................................2799
Committees—
National Broadband Committee—Resolution of Appointment 2800
Committees—
Legislation and References Committees—Reference ................2802
Wetlands ....................................................................................2802
Committees—
Finance and Public Administration References Committee—
Reference ................................................................................2802
Membership ............................................................................2803
Community Affairs Committee—Additional Information ......2807
Publications Committee—Report .............................................2807
Nation-building Funds Amendment Bill 2009—
First Reading ...........................................................................2807
Second Reading .........................................................................2807
National Health Amendment (Pharmaceutical and Other Benefits—
Cost Recovery) Bill 2008 [No. 2]—
First Reading ...........................................................................2808
Second Reading .........................................................................2808
Remuneration Tribunal Determination—
  Motion for Disallowance ................................................................. 2810
Committees—
  Economics Legislation Committee—Reference ................................. 2815
  Environment, Communications and the Arts Committee—Report .... 2835
Budget—
  Consideration by Estimates Committees—Additional Information ... 2837
Business—
  Rearrangement.................................................................................. 2838
Social Security and Family Assistance Legislation Amendment (2009 Budget
Measures) Bill 2009—
  Second Reading ............................................................................... 2838
  Third Reading.................................................................................. 2840
Business—
  Rearrangement.................................................................................. 2840
Financial Assistance Legislation Amendment Bill 2009—
  Second Reading ............................................................................... 2840
  Third Reading.................................................................................. 2844
Employment and Workplace Relations Amendment Bill 2008—
  Second Reading ............................................................................... 2844
  In Committee ................................................................................... 2844
Customs Legislation Amendment (Name Change) Bill 2009—
  Second Reading ............................................................................... 2847
  Third Reading.................................................................................. 2847
Customs Amendment (Enhanced Border Controls and Other Measures) Bill 2008—
  Second Reading ............................................................................... 2847
  Third Reading.................................................................................. 2847
Business—
  Rearrangement.................................................................................. 2847
Telecommunications Interception Legislation Amendment Bill (No. 2) 2008—
  Second Reading ............................................................................... 2847
  Third Reading.................................................................................. 2849
Australian Business Investment Partnership Bill 2009 and
Australian Business Investment Partnership (Consequential Amendment) Bill 2009—
  In Committee ................................................................................... 2849
Tax Laws Amendment (Small Business and General Business Tax Break) Bill 2009—
  First Reading ................................................................................... 2853
  Second Reading ............................................................................... 2853
  Third Reading.................................................................................. 2854
Australian Business Investment Partnership Bill 2009 and
Australian Business Investment Partnership (Consequential Amendment) Bill 2009—
  In Committee ................................................................................... 2854
Tax Laws Amendment (Small Business and General Business Tax Break) Legislation.... 2857
Australian Business Investment Partnership Bill 2009 and
Australian Business Investment Partnership (Consequential Amendment) Bill 2009—
  In Committee ................................................................................... 2858
Questions Without Notice—
  Budget .............................................................................................. 2862
  Budget .............................................................................................. 2863
  Budget .............................................................................................. 2865
CONTENTS—continued

Budget ........................................................................................................................................ 2866
Budget ........................................................................................................................................ 2867
Budget ........................................................................................................................................ 2868
Broadband .................................................................................................................................... 2870
Budget ........................................................................................................................................ 2872
Asylum Seekers ............................................................................................................................ 2873
Higher Education .......................................................................................................................... 2874
Budget ........................................................................................................................................ 2874

Questions Without Notice: Additional Answers—
Asylum Seekers ......................................................................................................................... 2876
Budget ........................................................................................................................................ 2876
Swine Influenza ............................................................................................................................ 2877
Budget ........................................................................................................................................ 2877

Questions Without Notice: Take Note of Answers—
Budget ........................................................................................................................................ 2877

Personal Explanations .................................................................................................................... 2883

Committees—
Community Affairs Committee—Report: Government Response ............................................ 2884
Appropriations and Staffing Committee—Report ........................................................................ 2888

Budget—
Portfolio Budget Statements ...................................................................................................... 2888

Committees—
Selection of Bills Committee—Report ....................................................................................... 2888

Documents—
Tabling ......................................................................................................................................... 2888

Committees—
Membership ............................................................................................................................... 2888

Customs Tariff Validation Bill 2009 and Excise Tariff Validation Bill 2009—
Assent .......................................................................................................................................... 2890
Economy ......................................................................................................................................... 2890
Business—
Rearrangement ............................................................................................................................ 2917

Employment and Workplace Relations Amendment Bill 2008—
Returned from the House of Representatives .............................................................................. 2917
Third Reading ............................................................................................................................... 2918

Budget—
Statement and Documents ........................................................................................................... 2918

Adjournment—
Breast Cancer .............................................................................................................................. 2936
Mrs Francesca Gwyther ............................................................................................................... 2936
Mrs Barbara Tweed Payne ........................................................................................................... 2937
Sir Geoffrey James Foot ................................................................................................................ 2937
Australian Wine Industry ............................................................................................................ 2940
Sudan ........................................................................................................................................... 2942

Documents—
Department and Agency Appointments ...................................................................................... 2945
Department and Agency Grants .................................................................................................. 2945

Questions On Notice
Kyoto Protocol—(Question No. 1301) .......................................................................................... 2946
CONTENTS—continued

Finance and Deregulation: Vehicle Leasing—(Question No. 1302) ........................................ 2946
Dr Geoff Mulgan—(Question No. 1303) .................................................................................. 2954
Deputy Director-General of the Australian Secret Intelligence Service—
(Question No. 1304) ........................................................................................................ 2955
Defence: Staffing—(Question No. 1305) .................................................................................. 2956
Defence: Staffing—(Question No. 1306) .................................................................................. 2957
Defence: Submarines—(Question No. 1307) ........................................................................ 2957
Defence: Frigates—(Question No. 1308) ................................................................................ 2958
Defence: Budget—(Question Nos 1309 and 1310) ................................................................. 2958
Defence: Program Funding—(Question Nos 1311 and 1312) .............................................. 2959
Defence: Communications Program Funding—(Question Nos 1315 and 1316) .............. 2959
Minister for Defence and Parliamentary Secretary: Overseas Travel—
(Question Nos 1321 and 1322) ......................................................................................... 2960
Defence: Freedom of Information Requests—(Question Nos 1323 and 1324) .................. 2961
Minister for Defence: Community Cabinet Meetings—
(Question Nos 1327 and 1328) .............................................................................................. 2961
Defence: Reviews—(Question Nos 1329 and 1330) .............................................................. 2962
Defence: Programs Funding—(Question Nos 1331 and 1332) .......................................... 2962
Health: Community Service Obligation—(Question No. 1358) ........................................ 2963
Community Pharmacy Agreement—(Question No. 1359) .................................................. 2963
Pharmaceutical Benefits Scheme—(Question No. 1360) ...................................................... 2963
Chemotherapy Drugs—(Question No. 1361) .................................................................... 2964
Wheat Exports Australia—(Question No. 1362) ................................................................. 2965
Health: Bringing Nurses Back into the Workforce—(Question No. 1363) ......................... 2966
Health: Prescription Medicines—(Question No. 1364) ...................................................... 2967
Health: Mersey Community Hospital—(Question No. 1365) ............................................ 2967
Private Health Insurance—(Question No. 1366) ................................................................. 2968
Private Health Insurance—(Question No. 1369) ................................................................. 2969
Aged Care—(Question No. 1371) ......................................................................................... 2970
Private Health Insurance—(Question No. 1373) ................................................................. 2970
National Health and Hospitals Reform Commission—(Question No. 1375) .................. 2971
Aged Care—(Question No. 1376) ......................................................................................... 2974
Health: Public Hospitals—(Question No. 1377) ................................................................. 2975
Aged Care—(Question No. 1378) ......................................................................................... 2975
Australian Federal Police—(Question No. 1379) ............................................................... 2976
Open Pool Australian Lightwater—(Question No. 1380) .................................................... 2976
Export Finance and Insurance Corporation—(Question No. 1381) ................................ 2982
Export Finance and Insurance Corporation—(Question No. 1382) ................................ 2983
Export Finance and Insurance Corporation—(Question No. 1383) ................................ 2983
Export Finance and Insurance Corporation—(Question No. 1384) ................................ 2984
Medicare Australia—(Question No. 1385) ........................................................................ 2985
Tasmania: Richmond Bridge—(Question No. 1389) ............................................................ 2985
Chiang Mai Night Safari Zoo—(Question No. 1390) ............................................................ 2986
Prime Minister and Cabinet: Consultancies—(Question No. 1391) .................................... 2987
Treasury: Consultancies—(Question Nos 1395, 1415, 1416 and 1423) ......................... 2987
Immigration and Citizenship: Consultancies—(Question No. 1396) ................................ 2988
Finance and Deregulation: Consultancies—(Question No. 1397) ................................ churn 2988
Foreign Affairs and Trade: Consultancies—(Question Nos 1398 and 1399) ................. 2988
Defence: Consultancies—(Question Nos 1400 and 1421) ................................................. 2988
Health and Ageing: Consultancies—(Question Nos 1401, 1424 and 1426) ................. 2989
Families, Housing, Community Services and Indigenous Affairs:
Consultancies—(Question No. 1402)................................................................. 2989
Finance and Deregulation: Consultancies—(Question No. 1403)......................... 2989
Infrastructure, Transport, Regional Development and Local Government:
Consultancies—(Question No. 1404)......................................................................... 2989
Broadband, Communications and the Digital Economy: Consultancies—
(Question No. 1405)................................................................................................. 2990
Innovation, Industry, Science and Research: Consultancies—(Question No. 1406)..... 2990
Environment, Heritage and the Arts: Consultancies—(Question No. 1408)............. 2990
Attorney-General and Home Affairs: Consultancies—
(Question Nos 1409 and 1414).................................................................................... 2990
Human Services: Consultancies—(Question No. 1410)............................................. 2991
Agriculture, Fisheries and Forestry: Consultancies—(Question No. 1411).............. 2991
Resources, Energy and Tourism: Consultancies—(Question Nos 1412 and 1413)...... 2991
Veterans’ Affairs: Consultancies—(Question No. 1417)............................................ 2992
Families, Housing, Community Services and Indigenous Affairs:
Consultancies—(Question Nos 1418 and 1419)....................................................... 2992
Innovation, Industry, Science and Research: Consultancies—(Question No. 1422).... 2992
Superannuation—(Question No. 1432).................................................................... 2992
Australian Industrial Relations Commission—(Question No. 1433)...................... 2994
Kimberley Broadband Solutions Project—(Question No. 1434)............................... 2995
Tax Bonus Payment—(Question No. 1435)............................................................. 2996
Near-Earth Objects—(Question No. 1436).............................................................. 2997
Northern Bay Pty Ltd—(Question No. 1437)............................................................ 2997
Defence: Programs—(Question No. 1438)............................................................... 2998
Minister for Defence: Overseas Travel—(Question No. 1439)................................. 3000
Sea Shepherd Conservation Society—(Question No. 1441)..................................... 3001
Influenza—(Question No. 1442).............................................................................. 3002
Superannuation—(Question No. 1443).................................................................... 3004
Nuclear Power—(Question No. 1444)..................................................................... 3005
Australian Electoral Commission—(Question No. 1446)........................................ 3006
Treasurer: Overseas Travel—(Question No. 1447)..................................................... 3008
Defence Materiel Organisation—(Question No. 1448)............................................. 3009
Australian Quarantine and Inspection Service: Pet Food Products—
(Question No. 1449)................................................................................................. 3012
Cane Toads on Defence Bases in East Timor—(Question No. 1452)....................... 3013
Superannuation—(Question No. 1453).................................................................... 3014
Superannuation—(Question No. 1454).................................................................... 3014
The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9.30 am and read prayers.

PETITIONS

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

Seniors Health Card

The petition of the undersigned shows: The Association of Independent Retirees (A.I.R.) Limited is the peak body representing the views of self-funded retirees, people who have made and continue to make a significant contribution to this nation’s well-being as taxpayers, volunteers and citizens.

This petition concerns the proposed inclusion of previously taxed money from superannuation (both income streams and lump sums) in the income threshold for the Commonwealth Seniors Health Card.

The Social Security and veterans Entitlements Amendment Commonwealth Seniors Health Card Bill 2009 will have the same effect as lowering the income threshold for CSHC eligibility for those Seniors with superannuation payments as, in an unprecedented move, money from superannuation which has already been either fully or partly taxed, will now for the first time be included in the adjusted taxable income to determine eligibility for the Health Card.

The current threshold has not been increased since 2001. Not only has it not been indexed since then, but now, if this legislation is passed, it will therefore be effectively lowered for those retired people reliant on their savings, depriving many of concessional pharmaceuticals, utilities allowance, Seniors Bonus, phone allowance and discretionary bulk-billing for GP services.

At no time during the last federal election campaign was the issue of changing the eligibility criteria for the CSHC raised by the Labor Party. This proposed legislation, introduced in the first Labor Budget, therefore seeks to change these criteria without a mandate from the people.

Your petitioners ask that the Senate:

(a) amend the social security and veterans Entitlement (Commonwealth Seniors Health Card) Bill 2009 to exclude already taxed superannuation monies from the taxable income threshold used to determine eligibility for the commonwealth Seniors Health Card.

or

(b) failing that, reject the Bill in its current form.

by Senator Boyce (from 177 citizens)

Seniors Health Card

The petition of the undersigned shows: The Association of Independent Retirees (A.I.R.) Limited is the peak body representing the views of self-funded retirees, people who have made and continue to make a significant contribution to this nation’s well-being as taxpayers, volunteers and citizens.

This petition concerns the proposed inclusion of previously taxed money from superannuation (both income streams and lump sums) in the income threshold for the Commonwealth Seniors Health Card.

The Social Security and veterans Entitlements Amendment (Commonwealth Seniors Health Card) Bill 2009 will have the same effect as lowering the income threshold for CSHC eligibility for those Seniors with superannuation payments as, in an unprecedented move, money from superannuation which has already been either fully or partly taxed, will now for the first time be included in the adjusted taxable income to determine eligibility for the Health Card.

The current threshold has not been increased since 2001. Not only has it not been indexed since then, but now, if this legislation is passed, it will therefore be effectively lowered for those retired people reliant on their savings, depriving many of concessional pharmaceuticals, utilities allowance, Seniors Bonus, phone allowance and discretionary bulk-billing for GP services.
At no time during the last federal election campaign was the issue of changing the eligibility criteria for the CSHC raised by the Labor Party. This proposed legislation, introduced in the first Labor Budget, therefore seeks to change these criteria without a mandate from the people.

Your petitioners ask that the Senate:

either

(a) amend the social security and veterans Entitlement (Commonwealth Seniors Health Card) Bill 2009 to exclude already taxed superannuation monies from the taxable income threshold used to determine eligibility for the Commonwealth Seniors Health Card.

or

(b) failing that, reject the Bill in its current form.

by Senator McGauran (from 19 citizens)

Petitions received.

NOTICES

Presentation

Senator Minchin to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Infrastructure Australia Act 2008 to ensure proper assessment of the proposed National Broadband Network and other projects, and for related purposes. Infrastructure Australia Amendment (National Broadband Network and Other Projects) Bill 2009.

BUSINESS

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.31 am)—I move:

That the following government business orders of the day be considered from 12.45 pm till not later than 2 pm today:

Tax Laws Amendment (Small Business and General Business Tax Break) Bill 2009.

No. 6 Customs Legislation Amendment (Name Change) Bill 2009.

No. 7 Customs Amendment (Enhanced Border Controls and Other Measures) Bill 2008.

No. 8 Law and Justice Legislation Amendment (Identity Crimes and Other Measures) Bill 2008.

No. 9 Telecommunications Interception Legislation Amendment Bill (No. 2) 2008.

Question agreed to.

Rearrangement

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.31 am)—by leave—I move:

That a motion relating to the 2009-10 Budget be considered during general business today.

Question agreed to.

NUCLEAR NONPROLIFERATION

Senator LUDLAM (Western Australia) (9.32 am)—I move:

That the Senate—

(a) notes:

(i) the efforts of the Australian and Japanese governments to advance the nuclear disarmament and non-proliferation agenda through the formation of the International Commission on Nuclear Non-proliferation and Disarmament,

(ii) that the third session of the Preparatory Committee for the 2010 Non-Proliferation Treaty Review Conference (the Review Conference) is currently taking place in New York,

(iii) the participation of numerous parliamentarians in the meeting, and the increased engagement of parliamentarians in nuclear non-proliferation and disarmament initiatives, and

(iv) Australia’s statements that currently it is experiencing the highest level of political will on nuclear disarmament and non-proliferation in decades, and that all states have responsibilities to seize the moment to strengthen the implementation of the Treaty on the Non-Proliferation of Nuclear Weapons (the Treaty); and

CHAMBER
(b) calls on the government to take every effort to ensure that the Preparatory Committee forwards consensus recommendations to the Review Conference, to provide sufficient guidance for its substantive work, and to signal the commitment of all states that are parties to the Treaty.

Question agreed to.

ENVIRONMENT PROTECTION (BEVERAGE CONTAINER DEPOSIT AND RECOVERY SCHEME) BILL 2009

First Reading

Senator LUDLAM (Western Australia) (9.34 am)—I move:

That the following bill be introduced: A Bill for an Act to provide for environmentally sustainable use of resources and best practice in waste management by establishing a national beverage container deposit and recovery scheme, and for related purposes.

Question agreed to.

Senator LUDLAM (Western Australia) (9.34 am)—I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator LUDLAM (Western Australia) (9.34 am)—I move:

That this bill be now read a second time.

I seek leave to table the explanatory memorandum and have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

Australia needs a national container deposit scheme. This Bill proposes a 10 cent deposit on bottles, cans and cartons, and a national scheme to help us recycle much more of the waste that we are creating.

In 2008 I participated in an inquiry into CDL in which all the benefits were canvassed, evidence put on the table and quite a strong report produced. The recommendation was however to send the idea to COAG; specifically to the EPHC, from where very little has been heard ever since. That was a year ago. Since then, Australians have consumed over 11 billion containers in the last year – 3.8 billion glass bottles, 69 million steel cans, 3.2 billion aluminium cans, 2.6 billion polyethylene terephylene (PET) bottles, and 1.4 billion high density polyethylene (HDPE) bottles. Currently, 512,000 tonnes of containers winds up in landfill.

Other countries have shown how effective container deposit schemes can be in creating jobs, reducing litter, saving water and achieving behaviour change. Valuable lessons have also been learned from the South Australian scheme, which has been in operation since 1977 and works in conjunction with kerbside schemes.

South Australia has achieved a recovery rate of over 80% of containers, with 1.5 tonnes per person recycled per year. Some South Australian councils have reported incomes of up to $90,000 per year from the scheme, and community organisations that operate collection depots fund their numerous activities, with the Scouts earning approximately $9 million per year from recycling containers. This year, the South Australian environment minister was able to announce on Clean Up Australia Day an increase of 19 million containers returned in three months, compared to the same three months the previous year.

Other jurisdictions have also recognised the merit of a container deposit scheme. The labour government in Northern Territory has recently announced it will introduce a scheme - their Chief Minister said he was sick of waiting for a national scheme. He said “I’m taking the lead and hope that other states will follow”. Now there are Australian Greens’ private members bills in progress in Victoria and NSW. Almost all the community sector and industry have indicated that a national scheme will provide significant efficiency gains over individual state schemes and provide uniform market conditions across the country. With this in mind, The Greens believe that we need national leadership to provide some consistency and direction on waste and recycling.

The greens, have ran out of patience watching the
bungling and inaction that has characterised Minister Garrett’s tenure of the ‘so called’ Environment Protection & Heritage Council which has been unable to deliver on promises to phase out plastic bags, reduce packaging resources lost to landfill, and start to tackle growing mountains of e-waste. If the Environment Minister won’t act on an issue that over 90% of the Australian population wants and is prepared to pay for, the greens will.

A ten cent deposit means that we attach a value to a drink container, so it isn’t rubbish. And if someone does litter a 10 cent container, someone else will pick it up. This represents a radical change from how we view rubbish and recycling. A 10 cent deposit on bottles, cans and cartons turns people who litter into recyclers. It changes how they view the empty bottle in their hand. They are about to throw it out the car window, but they paid 10 cents for it. It is worth something, so it isn’t rubbish. You wouldn’t toss a silver coin onto the ground.

There are tangible economic, social and environmental benefits of the scheme. It will create a fund that will meet all of the government’s costs in the scheme, with money left over to promote recycling. It will create hundreds of new jobs. It will save ratepayers over $44.8 million annually. Every single municipality will benefit financially. Litter in our park, beaches and roadsides will decrease by 12-15%, recycling of drink containers will increase from around 50% to over 80%, and over 512,000 tonnes of reusable materials will be diverted from landfill.

This container deposit scheme will reduce Australia’s greenhouse gas emissions, reduce water use and improve air quality. Recycling container deposits will reduce our greenhouse gas emissions by nearly 1 million tonnes of CO2 per year – the equivalent of switching 135,000 homes to 100% renewable energy. The scheme will save enough water to permanently supply over 30,000 Australian homes. It will deliver the air quality improvements equivalent to taking 56,000 cars off the road.

These aren’t just figures pulled out of the air. They were calculated using government and industry sources.

The greatest boost in recycling from a container deposit system is that it creates away-from-home recycling. About half of our drink containers are used away from home, at cafes and food courts, at restaurants, in our public parks, at sports grounds, at the beach, and in offices. A container deposit system works in well with kerbside recycling. It decreases the volume of drink containers in the bin, but increases the value of those containers. This makes kerbside recycling more profitable.

In California, container deposit systems financially underpin kerbside by US $50 million per year. In Canada, kerbside collection and container deposits work side by side.

The public recognise that a container deposit scheme will mean payment of an upfront deposit. A 2004 Newspoll indicated a very high willingness to pay: 96% were prepared to pay 5 cents, 89% were prepared to pay 10 cents, and 75% were prepared to pay 20 cents. According to a 2006 Newspoll, 94% of Victorians want a container deposit system. Even when people don’t seek to redeem the deposit – they support it in principle. Most people who have attended community meetings organised by the Greens on container deposits want to donate their refund to charity.

It would appear that several very powerful packaging companies and drink companies do not want a container deposit scheme. While these are very powerful lobbies, who have been so powerful as to delay something sensible like this for a long time, they do not represent over 90% of the population.

The packaging industry makes alarmist statements about the price hike on a slab of beer, yet beer drinkers also care about the environment and know they can get the deposit back, or they can donate it to the local footy club. For such a tiny up-front investment, the benefits are profound.

Across the country there is support for the concept of container deposits, and not only from environment groups, but from Probus clubs, the Scouts and many others. Local government also supports the idea of container deposit schemes and across party lines too. Everyone supports it, except packaging companies, and drink companies like Fosters, Schweppes and Coca Cola, and their highly paid lobbyists.
The more comprehensive a scheme is, the better it works. Historically, schemes were set up by the beverage industry, and they naturally only wanted to capture the most profitable materials for resale, or their own materials. This makes the scheme confusing for the public to use, and as time moves on, those schemes need updating.

In this scheme, the intention is to capture all bottles, cans and cartons of drink. This means everything from a plastic water bottle, to a glass whisky bottle, to a carton of soy milk. It means every kind of fizzy drink, wine bottles and juice poppers.

The recent update in New York State is a good example. When their container deposit scheme was introduced, bottled water was a rarity, so it wasn’t included. It has taken years of campaigning to get the Bigger Better Bottle Bill through their legislature to include bottled water. In the Australian scheme proposed in this Bill, every container under 4 litres — that is, every bottle, can, carton or composite container - is included by default.

The benefit of the Department of the Environment, Water, Heritage and the Arts holding the purse strings is that they will retain funds from unredeemed deposits which can be used to self-fund the scheme’s administrative costs as well as public education materials to promote recycling and increase awareness of its benefits. The scheme is self-funding, and the unredeemed deposit fund is one of three main funding sources. It also enables levy funds to be used for supporting kerbside recycling services, offsetting the collection industry costs for the operation of the Scheme, product development to improve the recyclability and reusability of beverage containers, and so on.

In California, the unredeemed deposit fund is administered by the state. The Californian unredeemed deposits fund pays for the container deposit scheme. It also underpins their kerbside collection to the tune of US $50 million dollars a year. The Governor’s budget also includes funding from the unredeemed deposit fund for education programs on recycling. They are even talking about expanding the scheme, so it will include food containers, and even non-food containers, like shampoo.

In New York, by contrast, they have a more old fashioned scheme, which is run by the beverage companies. Their recent legislation — the Bigger Better Bottle Bill — requires 80% of those unredeemed deposits to be given to the state. This has modernised their scheme.

The South Australian system uses a similar system to that in New York, where the beverage companies own the unredeemed deposits.

If we are setting up a new scheme, it should be in line with the best practice around the world. It should pay for itself, including all administrative costs, so there is no burden on the state.

A lot of the on-ground administration is handled by the largest recycling enterprises in the scheme. They are called authorised transfer stations in the Bill. That is a good description, because many existing transfer stations will adapt to a container deposit scheme without skipping a beat.

The transfer stations will do a lot of the on-ground administration of the scheme. They liaise with the authorised depots and the other large collectors, and they keep the Department’s administrative function to a minimum.

The transfer stations will make arrangements to pay transaction fees to the depots, and disburse refunds to the other large collectors, such as local councils, commercial and industrial and large community collectors, who would bring their containers directly to the Hub rather than via a depot.

Those commercial arrangements are not prescribed in this Bill.

The transfer stations also sell the recyclate — that is, the plastic, aluminium, glass, liquid paperboard and so on. The sale of recyclate is the second of the three funding streams for the scheme.

Every month, the transfer stations make a report to the Department on the number and types of empty beverage containers received and processed. The reports from Authorised Transfer Stations will provide the Department with the data it needs to report to the Minister.
The establishment of these transfer stations will have consequences far beyond beverage containers.

Once we have the transfer stations established, in time they can be expanded to service other extended producer responsibility schemes for TVs, computers, compact fluorescent lights, car batteries, and tyres. All the so-called priority wastes that the Environment Protection & Heritage Council, chaired by Minister Garrett has repeatedly promised to address, but continually fail to address.

The Department will approve premises to be an authorised collection depot, and the Bill sets out these arrangements, but after that, it is basically hands-off. The depots run themselves, and report to the transfer stations. The transfer stations will pay depots a transaction fee per item.

The Department reimburses the depots for all the 10 cent refunds they have paid out, but the scheme is flexible enough that the Department may choose to make arrangements for the transfer stations to perform that function, when they pay for the containers.

Depots are where people will take their used containers to get a refund. They will be everywhere. Business owners are keen to establish depots, at no cost to the ratepayer.

We need a drink container deposit scheme to create the transfer stations and make them profitable. Environment Victoria’s Green Jobs Report quotes the United States EPA: 2

“A commonly used rule of thumb is that ‘incinerating 10,000 tonnes of waste creates one job; landfilling 10,000 tonnes of waste creates six jobs; and recycling 10,000 tonnes of waste creates 36 jobs’”

Using that rule of thumb, this scheme would create around 2,600 jobs by diverting hundreds of thousands of tonnes of drink containers from landfill to recycling. The Boomerang Alliance estimates that collection and sorting alone will create at least 1,000 new jobs.

The Australian Council of Recyclers and the Boomerang Alliance’s new estimates that every tonne of waste and reprocessed in Australia creates another $775 in new economic value along the recycling supply chain. Using these calculations this bill has the potential to deliver some $573 million of economic growth – a substantial contribution to Australia economic recovery.3

In this Bill, the Importer or Producer of a beverage container is liable to pay the beverage container environmental levy, unless they are granted an exemption. The penalty for not doing so is high. It is equivalent to the penalties for works approval offences, waste discharge offences, licence offences and pollution abatement notice offences under the Act.

In this Bill, drink container deposits are worth 10 cents. It enables a higher amount to be set by regulation. Ten cents is consistent with the 10 cent levy in the South Australian container deposit scheme. It is the levy amount announced by the Northern Territory Government on 11 March this year.

Manufacturers or importers must pay the levy in a timely manner, once the drink has been put onto the market. This enables the levies to be received by the Department’s Fund before refunds are reimbursed to authorised depots and transfer stations.

This Bill ensures that all beverage containers sold in Australia must be labelled as refundable. The labelling requirements are similar to those required by the South Australian beverage container scheme. The intention is that there are no new difficult labelling requirements. Grab an empty container off the street – there are plenty lying around – and you will see a label saying “10c refund when purchased in SA”. They could simply delete “when purchased in SA”.

Many depots will be Reverse Vending Machines – particularly in metropolitan areas.

Reverse Vending Machines are exactly what they sound like. You put in an empty container, push a button, and it gives you 10 cents. They read a bar-code, which tells them all about the product. They crush and sort the container, even separating them into individual colours significantly lifting the value of the recyclate. They deliver the containers and the data to the Hub, in return for a transaction fee.

They will be in the food court of your shopping centre, or in the car park. They will be in a strip
shopping centre. They will be next to the general store. They will be at the service station. They will be at the beach.

South Australia is trialling reverse vending machines and NSW recycling company, Enviro-Bank, recently announced they would be trialling 300 machines in schools and shopping centres across Australia.

Shopping centres and retailers are enthusiastic about the idea. Reverse vending machines are brilliant advertising. Everyone wants to associate their product with good environmental outcomes. They want to offer incentives and vouchers, as part of their advertising. Advertising and business incentives form part of the funding source for the reverse vending machines – it is the third of the three funding sources for the Scheme.

These machines can also be in schools, where they will reduce school cleaning and rubbish costs. The student puts in a container and presses the button and earns a point for their team in the school recycling competition. They may choose a voucher for the school cafeteria, or donate the refund to the school library or a charity supported by the school, and. The screen can then play a message – for example, about the Kidsafe helpline, or road safety.

The Department makes the initial agreement with all depots, so they can restrict the types of messages or vouchers allowed on reverse vending machines in schools.

Reverse vending machines can give out cash money, or a voucher. In reality, they will give out vouchers, and manual depots will make cash refunds. Once you have your container in the machine, you push a button to indicate whether you want a voucher, or whether you want to donate your 10 cents to charity. Then you will choose on the touch-screen which store you want a voucher for, or which charity. In this way, local sports clubs, environment groups or social justice groups can earn donations without even touching the containers.

Reverse vending machines are the polar opposite of pokies. Pokies make money out of misery and heart-ache, from family break-ups and addiction, from suicide and from crime. Fifty three cents out of every dollar stolen from not-for-profit groups in Australia and New Zealand goes to fund problem gambling. By contrast, Reverse vending machines reduce litter and create donations for community groups.

Reverse vending machine depots may reject containers which are returned in a condition which prevents the machine from reading the label. We know that the machines can read a label that is a bit damaged, or containers that are a bit crushed. The Department would review the amount of the refund value at least once every 5 years and must have regard to the minimum refund value necessary to maintain the appropriate level of incentive to reuse or recycle, ensure high rates of recovery, reduce litter and litter-related costs, reduce waste, disposal and recycling costs and conserve resources.

There are exemptions for some drinks not to be part of the scheme and would apply to companies such as Re-Wine that charge a premium for a reusable bottle, then refill it. Those bottles are reusable, which is better for the environment than melting down single use containers.

Reverse vending machine depots may reject containers which are returned in a condition which prevents the machine from reading the label. We know that the machines can read a label that is a bit damaged, or containers that are a bit crushed. The Department would review the amount of the refund value at least once every 5 years and must have regard to the minimum refund value necessary to maintain the appropriate level of incentive to reuse or recycle, ensure high rates of recovery, reduce litter and litter-related costs, reduce waste, disposal and recycling costs and conserve resources.

There are exemptions for some drinks not to be part of the scheme and would apply to companies such as Re-Wine that charge a premium for a reusable bottle, then refill it. Those bottles are reusable, which is better for the environment than melting down single use containers.

A phase-in period for the scheme is provided for in the Bill – drinks that are already in the shops may be sold without a levy, but new ones arriving on the shelves must have the label and the levy.

There is some opposition to this type of scheme. The Nolan-ITU study published by the Victorian EPA in 2003 is often cited. Its findings have been seriously questioned in peer reviews by Perchards and Marsden Jacobs Associates.

The Nolan-ITU report assumes the containers will be returned to the point of sale. That is, taken back to supermarkets, where the costs of retail space and retail staff time are prohibitively expensive. That is not the case in the scheme set out in this Bill. Secondly, it assumes that business runs the scheme, and that refunds will be paid by brand-owners. This has nothing in common with this Bill.

There are some hidden benefits relating to Advanced Waste Technology plants, which deal with organic waste. These plants that recover organic materials from mixed waste, and turn it into soil products are sometimes called wet MRFs. A container deposit system will simply make Advanced Waste Technology plants more efficient and cost-
effective. It will pre-sort most of the waste, and create a separate stream of higher quality “dry” recycled materials.

Drink container contamination is a problem for Advanced Waste Technology plants. Glass bottles are a particular problem. Single use bottles are designed to be light-weight, so more than half of them shatter as they come into the plant, and it’s impossible to separate all the broken pieces out of the mix. There is an attempt to remove the broken glass pieces using a de-stoner, and the glass grinds against the expensive machinery, wearing it out.

The Australian Standards for compost, mulch and soil products only allow 0.5% glass. It is difficult for a plant receiving material with a 3-5% contamination to achieve that standard. There is also the issue that glass, plastic and paperboard pieces look like industrial waste. This limits the market for the final product.

There are many positive benefits of organic material being diverted out of landfill, towards agricultural land. It decreases the methane emissions from tips. It improves agricultural soil, so there’s less need for chemical fertilizers. But when the product is contaminated with glass, plastic and metal pieces from drink containers, these stay on the surface after the organic matter is absorbed into the soil. They don’t break down. Over time, they build up.

There would be fewer drink containers to remove from the mix and those containers that are removed would be worth 10 cents each – an incentive. The end product would cost less to produce, and would be of a higher quality.

Finally it is important to note that the fund will be entirely self funding – we estimate that the sale of recyclate will generate some $243 million in revenues to offset costs and unredeemed deposits (the fees people forfeit if they don’t return their containers) will generate another $179 million per annum – funding the roll out of 400 collections depots and around 2,000 convenience drop off points using RVMs.

On our estimates, the system will leave government with a surplus of some $89million a year. Money that can be spent towards assisting the roll out of new recycling and reprocessing facilities to deliver new jobs, new economic growth and a massive reduction in waste to landfill.

We, along with many other stakeholders from the community sector and across state and territory governments, have had enough of waiting around for the Commonwealth to get its act together and implement such a scheme. It is time we just got on with it – it may seem like a small step when considered against the vast legacy of waste that we are creating, but we have to start somewhere. Starting with CDL will have flow on benefits for organic wastes as I’ve described and will set down the foundation infrastructure for collection of many other categories of waste. There’s no better place to start than with container deposit legislation.

1 Jay Weatherill, SA Environment and Conservation Minister, Press Release, 1 March 2009
2 EVIDENCE report p.37
3 ABC National News – National recycling Initiative April 3, 2009
4 BDO Not-for-Profit Fraud Survey 2008, p.54

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

Leave granted; debate adjourned.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Extension of Time

Senator O’BRIEN (Tasmania) (9.34 am)—At the request of the Chair of the Senate Rural and Regional Affairs and Transport Legislation Committee, Senator Sterle, I move:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Committee on the import risk analysis for the importation of Cavendish bananas from the Philippines be extended to 22 May 2009.

Question agreed to.

Economics Legislation Committee

Extension of Time

Senator O’BRIEN (Tasmania) (9.34 am)—At the request of the Chair of the Sen-
ate Economics Legislation Committee, Senator Hurley, I move:

That the time for the presentation of the report of the Economics Committee on the 2009-10 Budget estimates be extended to 25 June 2009.

Question agreed to.

Economics Legislation Committee Meeting

Senator O’BRIEN (Tasmania) (9.34 am)—At the request of the Chair of the Senate Economics Legislation Committee, Senator Hurley, I move:

That the Economics Committee be authorised to hold a public meeting during the sitting of the Senate on Monday, 22 June 2009, from 12.30 pm, to take evidence on matters arising from consideration of the 2009-10 Budget estimates.

Question agreed to.

BUSINESS

Consideration of Legislation

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.35 am)—I move:

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

Financial Assistance Legislation Amendment Bill 2009

Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Bill 2009

Tax Laws Amendment (Small Business and General Business Tax Break) Bill 2009.

Question agreed to.

Senator PARRY (Tasmania) (9.35 am)—by leave—Whilst we have granted our consent to the cut-off provisions for these bills and support them, we just want to explain that we understand the nature of some of the bills that need to be granted exemption but on this occasion we feel as though there are some—in particular, the legislation that is not urgent—that have been with the government for some time and could have been managed in a far more effective manner. Having said that, whilst we have facilitated the government on this occasion, as we have done in the past, we are not just going to agree willy-nilly to exemptions to the cut-off on every occasion without further debate.

NATIONAL SORRY DAY

Senator CROSSIN (Northern Territory) (9.36 am)—I move:

That, as recommended in the Bringing them home report tabled in the Senate on 26 May 1997, the Senate recognises that 26 May is National Sorry Day, a day of remembrance each year to commemorate the history of forcible removal of Aboriginal and Torres Strait Islander children and its effects on individuals, families and communities.

Question agreed to.

SPORTS CULTURE

Senator HANSON-YOUNG (South Australia) (9.36 am)—I move:

That the Senate

(a) recognises:

(i) the need for cultural change within some sporting organisations relating to problems including violence and attitudes towards women, and

(ii) the high regard in which professional sportspeople are held in this country, and the role model status that they hold for young Australians; and

(b) calls on the Government to:

(i) facilitate dialogue of representatives from all sporting codes to discuss best practice in managing behaviour, and the possibility of establishing a universal code of conduct in professional sport, and

(ii) invest in educational programs to promote more positive behaviours and attitudes.

Question agreed to.
Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.37 am)—I, and also on behalf of Senator Milne, move:

That the Senate calls on the Tasmanian Government not to disband the Department of Environment, Parks, Heritage and the Arts, which was originally established by the Bethune Liberal Government in 1972.

Question put.

The Senate divided. [9.41 am]

(The President—Senator the Hon. JJ Hogg)

Ayes…………. 6
Noes…………. 51
Majority…….. 45

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

NOES
Adams, J. Arbib, M.V.
Back, C.J. Barnett, G.
Bernardi, C. Bilyk, C.L.
Birmingham, S. Bishop, T.M.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Brown, C.L.
Cameron, D.N. Cash, M.C.
Collins, J. Cormann, M.H.P.
Crossin, P.M. Derryn Hinch, B.
Feeley, D. Ferguson, A.B.
Fielding, S. Fifield, M.P.
Fisher, M.J. Forshaw, M.G.
Furner, M.L. Hogg, J.J.
Humphries, G. Hurley, A.
Hutchins, S.P. Joyce, B.
Kroger, H. Ludwig, J.W.
Macdonald, I. McEwen, A.
McGauran, J.J. McLachlan, S.
Minchin, N.H. Moore, C.
Nash, F. O’Brien, K.W.K.
Parry, S. * Payne, M.A.
Polley, H. Rass Allison, M.
Ryan, S.M. Scullion, N.G.
Sterle, G. Trood, R.B.
Williams, J.R. Wong, P.
Wortley, D. * denotes teller

Question negatived.

Senator PARRY (Tasmania) (9.44 am)—I seek leave to make a short statement in relation to the motion which has just been negatived.

Leave granted.

Senator PARRY—I just want to state the case for the opposition. We oppose this motion on the basis that we will not support the federal parliament instructing state parliaments in any matter in relation to their jurisdiction and how they run their finances and administration. We fully support governments conducting their businesses efficiently to ensure the maximum return for their respective electors but in this place we cannot instruct another level of government on how to operate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.45 am)—I also seek leave to make a brief statement.

Leave granted.

Senator BOB BROWN—The Tasmanian Parks and Wildlife Service, actually called the national parks and wildlife service originally, was set up by the Bethune Liberal government in 1972 at the time of the furore over the destruction of Lake Pedder National Park by the Hydro-Electric Commission of Tasmania. That Liberal government was preceded and then followed by the Reece Labor government, which did indeed destroy Lake Pedder. It was the second national parks department in Australia after New South Wales and it has served the state well. We heard the Premier of Tasmania just last night saying that 45 per cent of Tasmania is, to quote him, ‘locked up’. The fact is that if you have 45
per cent of any state under protection then you absolutely, logically and sensibly, will have a protection agency to deal with the half a million to one million visitors a year coming to Tasmania because of that superb natural asset. It is a far bigger job creator than the destruction of forests in Tasmania. It is absolutely incredible and an indictment of the Labor government in Tasmania that they are abolishing the Department of Environment, Parks, Heritage and the Arts. It is almost as if there is a hate for the beauty of Tasmania abroad amongst some of the old thinkers in the Labor Party. Far from instructing, as Senator Perry said, the Tasmanian government to do anything, this Senate has a responsibility, no less than that of the Labor government in Tasmania, to look after World Heritage areas and national heritage areas. *(Time expired)*

NOTICES

Postponement

Senator XENOPHON (South Australia) (9.47 am)—by leave—I move:

That business of the Senate notice of motion no. 1, standing in my name for today, proposing a reference to the Standing Committee of Senators’ Interests, be postponed to the next day of sittings.

Question agreed to.

PARLIAMENTARY SUPERANNUATION AMENDMENT (REMOVAL OF EXCESSIVE SUPER) BILL 2009

First Reading

Senator FIELDMING (Victoria—Leader of the Family First Party) (9.48 am)—I move:

That the following bill be introduced: A Bill for an Act to amend the Parliamentary Contributory Superannuation Act 1948 to remove excessive superannuation arrangements for federal politicians, and for related purposes.

Question agreed to.
Hegarty enjoyed a retirement payment of $8.35 million, 642 percent of his base salary. These stratospheric figures seem almost surreal.

However, it is not only in the private sphere that such obscene payments exist. More than 120 politicians, including the Prime Minister and his Treasurer, are in line to receive a golden handshake upon their retirement. Only last week, it was reported that about a further 700 Australians are expected to lose their jobs in the Department of Immigration while their boss, Minister for Immigration Chris Evans, sits comfortably in the knowledge that he is one day entitled to a massive superannuation payout.

In 2004, the Howard Government finally put an end to the outrageous superannuation payments to new federal politicians, bringing them into line with more acceptable standards. This was an action too long in coming and one that did not go far enough.

Because politicians elected before 2004 continue to remain eligible for excessive superannuation payouts on their retirement.

There are 120 politicians in this place from both sides of the political fence who secretly rub their hands with glee knowing they got in before the cut-off point.

They sneakily kept the rort going so they wouldn’t miss out on their big golden handshake.

Family First believes we should abolish this two-tiered scheme completely. No politician in this place should get a truckload of cash at the end of their service.

To serve the Australian public as their elected representative is privilege enough. And when so many Australians are doing it tough—really struggling to keep the basics together—for politicians to be protecting their own interests in this manner is contemptible.

Australians are tightening their belts and its time politicians did the same. The Government must surely lead by example. Just as the Government is now looking to tighten those payments for fat cats who make their termination payments on the backs of hard-working Australians, so too must the same standards apply to politicians.

It is hypocritical for the Rudd Government to expect Australians to accept enormous government cuts in spending on vital services whilst they themselves remain immune to this pain. The first cuts in spending should be in pollies’ super.

The next time the Government asserts that it is unable to adequately fund important community projects, they ought to look in their own backyard for this money.

This Bill will send a powerful message to Australians that their elected representatives are not feathering their own nest. I know that myself and many of my colleagues here are genuinely passionate about the financial security and welfare of Australians. This Bill offers those politicians who believe in a fair go for all and who genuinely want to improve the lives of their fellow Australians the opportunity to demonstrate this through their actions and not just through their words.

I commend the Bill to the Senate.

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

Leave granted; debate adjourned.

COMMITTEES

National Broadband Committee

Resolution of Appointment

Senator FISHER (South Australia) (9.49 am)—I move:

That the resolution of the Senate of 25 June 2008, as amended, appointing the Select Committee on the National Broadband Network, be amended as follows:

(1) That the time for the presentation of the report of the committee be extended to 26 November 2009.

(2) Omit paragraphs (1) and (2), substitute:

(a) the Government’s decision to establish a company to build and operate a National Broadband Network (NBN) to:

(i) connect 90 per cent of all Australian homes, schools and workplaces with optical fibre to the premise (FTTP) to enable broadband services with speeds of 100 megabits per second,
(ii) connect all other premises in Australia with next generation wireless and satellite technologies to deliver broadband speeds of 12 megabits per second or more, and

(iii) directly support up to 25,000 local jobs every year, on average, over the 8 year life of the project; and

(b) the implications of the NBN for consumers and taxpayers in terms of:

(i) service availability, choice and costs,

(ii) competition in telecommunications and broadband services, and

(iii) likely consequences for national productivity, investment, economic growth, cost of living and social capital.

(2) That the committee’s investigation include, but not be limited to:

(a) any economic and cost/benefit analysis underpinning the NBN;

(b) the ownership, governance and operating arrangements of the NBN company and any NBN related entities;

(c) any use of bonds to fund the NBN;

(d) any regulations or legislation pertaining to the NBN;

(e) the availability, price, level of innovation and service characteristics of broadband products presently available, the extent to which those services are delivered by established and emerging providers, and the prospects for future improvements in broadband infrastructure and services (including through private investment);

(f) the effects of the NBN on the availability, price, choice, level of innovation and service characteristics of broadband products in metropolitan, outer-metropolitan, semi-rural and rural and regional areas and towns;

(g) the extent of demand for currently available broadband services, the factors influencing consumer choice for broadband products and the effect on demand if the Government’s FTTP proposal proceeds;

(h) any technical, economic, commercial, regulatory, social or other barriers that may impede attaining the Government’s stated goal for broadband availability and performance in the specified time frame;

(i) the appropriate public policy goals for communications in Australia and the nature of any necessary regulatory settings to continue to develop competitive market conditions, improved services, lower prices and innovation;

(j) the role of government and its relationship with the private sector and existing private investment in the telecommunications sector;

(k) the effect of the NBN on the delivery of Universal Service Obligations services; and

(l) whether, and if so to what extent, the former Government’s OPEL initiative would have assisted making higher speed and more affordable broadband services available.

Senator LUDLAM (Western Australia) (9.50 am)—I seek leave to move an amendment to that motion, as circulated and as discussed, which changes the reporting date from 26 November to 23 November.

Leave granted.

Senator LUDLAM—I move:

Paragraph (1), omit “26 November 2009”, substitute “23 November 2009”.

Question agreed to.

Original question, as amended, agreed to.
COMMITTEES
Legislation and References Committees
Reference

Senator PARRY (Tasmania—Manager of Opposition Business in the Senate) (9.51 am)—I move:

That—

(1) To ensure appropriate consideration of budget-related bills by Senate committees without undue delay, the provisions of all bills introduced into the Parliament after 12 May 2009 and before 5 June 2009 that are proposed to commence prior to 11 August 2009 are, contingent upon their introduction into the Parliament, referred to committees for inquiry and report by 16 June 2009.

(2) The committee to which each bill is referred shall be determined in accordance with the order of 13 February 2008 allocating departments and agencies to standing committees.

(3) This order may be superseded in relation to any bill by:

(a) a subsequent order of the Senate, including the adoption of a recommendation of the Selection of Bills Committee that the bill not be referred or be referred on different terms; and

(b) a recommendation of the Selection of Bills Committee reported to the President when the Senate is not sitting that the bill not be referred or be referred on different terms.

(4) A committee to which a bill has been referred may determine that there are no substantive matters that require examination and may report that fact to the Senate.

(5) This order does not apply in relation to bills which contain no provisions other than provisions appropriating revenue or moneys (appropriation bills).

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.51 am)—by leave—For the purposes of clarity, I move the following government amendment:

Paragraph (1), omit “all”, substitute “these”.

Question agreed to.

Original question, as amended, agreed to.

WETLANDS

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.52 am)—I move:

That the Senate supports the moves by the Minister for the Environment, Heritage and the Arts (Mr Garrett) to protect New South Wales wetlands which are the habitat of the vulnerable superb parrot from the dangers of logging.

Question agreed to.

COMMITTEES
Finance and Public Administration References Committee
Reference

Senator SCULLION (Northern Territory) (9.53 am)—I move:

That—

(a) the relationship between the Central Land Council and Centrecorp Aboriginal Investment Corporation Pty Ltd (‘Centrecorp’) be referred to the Finance and Public Administration References Committee for inquiry and report by 11 August 2009;

(b) the committee must inquire into and report upon:

(i) the financial and management relationship between the Central Land Council and Centrecorp, including (without limitation) any equitable relationship between those entities,

(ii) whether taxpayers’ funds have been paid or transferred to Centrecorp and how those monies have been treated in the accounts of the Central Land Council and Centrecorp,

(iii) the nature and extent of Centrecorp’s business activities,

(iv) Centrecorp’s sources of revenue,
(v) the beneficiaries of Centrecorp business and other activities and any additional revenue it receives,
(vi) the nature and extent of Centrecorp disbursements to any charitable trusts or like entities,
(vii) the extent to which any Centrecorp beneficiaries and the Central Land Council are informed of Centrecorp’s business activities,
(viii) how Aboriginal Australians living in the Central Australia region benefit from Centrecorp’s business and charitable operations, and
(ix) all other matters considered necessary by the committee; and
(c) the committee must hear evidence inter alia from:
(i) the Central Land Council,
(ii) the Auditor-General, and
(iii) Centrecorp.

Question put.

The Senate divided. [9.58 am]

(The President—Senator the Hon. JJ Hogg)

Ayes………….. 33
Noes………….. 31
Majority…….. 2

AYES
Abetz, E. Adams, J.
Back, C.J. Barnett, G.
Bernardi, C. Birmingham, S.
Boswell, R.L.D. Boyce, S.
Cash, M.C. Colbeck, R.
Cormann, M.H.P. Ebleston, A.
Fielding, S. Fieravanti-Wells, C.
Fifield, M.P. Fisher, M.J.
Heffernan, W. Humphries, G.
Johnston, D. Joyce, B.
Kroger, H. Macdonald, I.
Mason, B.J. McGauran, J.J.J.
Nash, F. Parry, S.*
Payne, M.A. Ryan, S.M.
Scullion, N.G. Troeth, J.M.
Trood, R.B. Williams, J.R.

Xenophon, N.

NOES
Arbib, M.V. Bilyk, C.L.
Bishop, T.M. Brown, B.J.
Brown, C.L. Cameron, D.N.
Carr, K.J. Collins, J.
Crossin, P.M. Farrell, D.E.
Feneley, D. Forshaw, M.G.
Furner, M.L. Hanson-Young, S.C.
Hogg, J.J. Hurley, A.
Hutcheson, S.P. Ludlam, S.
Ludwig, J.W. Marshall, G.
McEwen, A. McLucas, J.E.
Milne, C. Moore, C.
O’Brien, K.W.K.* Sherry, N.J.
Sherry, N.J. Siewert, R.
Sterle, G. Polley, H.
Wortley, D. Wong, P.

* denotes teller

Question agreed to.

Membership

The PRESIDENT—Order! I have received letters from party leaders appointing members to committees.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (10.01 am)—by leave—I move:

That senators be appointed to committees as follows:

Community Affairs Legislation Committee—

Appointed—
 Senators Adams, Boyce, Carol Brown, Furner, Moore, Siewert
Ronaldson, Ryan, Scullion, Sterle, Troeth, Trood, Williams, Wortley

Community Affairs References Committee—
Appointed—
Senators Adams, Boyce, Carol Brown, Moore, Siewert, Williams

Economics Legislation Committee—
Appointed—
Senators Cameron, Eggleston, Hurley, Joyce, Pratt

Economics References Committee—
Appointed—
Senators Bushby, Eggleston, Hurley, Joyce, Pratt

Education, Employment and Workplace Relations Legislation Committee—
Appointed—
Senators Bilyk, Cash, Collins, Hanson-Young, Humphries, Marshall

Education, Employment and Workplace Relations References Committee—
Appointed—
Senators Back, Cash, Collins, Hanson-Young, Humphries, Marshall
<table>
<thead>
<tr>
<th>Committee Name</th>
<th>Senators Assigned</th>
<th>Participating Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment, Communications and the Arts Legislation Committee</td>
<td>Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Troeth, Trood, Williams, Wortley</td>
<td>Senators Bernardi, Cameron, Collins, Polley, Ryan, Siewert</td>
</tr>
<tr>
<td>Environment, Communications and the Arts References Committee</td>
<td>Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Trood, Williams</td>
<td>Senators Bernardi, Cameron, Parry, Polley, Ryan, Siewert</td>
</tr>
<tr>
<td>Finance and Public Administration Legislation Committee</td>
<td>Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Trood, Williams</td>
<td>Senators Bernardi, Cameron, Collins, Polley, Ryan, Siewert</td>
</tr>
<tr>
<td>Finance and Public Administration References Committee</td>
<td>Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Trood, Williams</td>
<td>Senators Bernardi, Cameron, Parry, Polley, Ryan, Siewert</td>
</tr>
<tr>
<td>Foreign Affairs, Defence and Trade Legislation Committee</td>
<td>Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Trood, Williams</td>
<td>Senators Bernardi, Cameron, Parry, Polley, Ryan, Siewert</td>
</tr>
</tbody>
</table>

**Foreign Affairs, Defence and Trade References Committee**—

Appointed—

Senators Bishop, Ferguson, Forshaw, Kroger, Ludlam, Trood


**Legal and Constitutional Affairs Legislation Committee**—

Appointed—

Senators Barnett, Crossin, Feeney, Fisher, Ludlam, Marshall


**Legal and Constitutional Affairs References Committee**—

Appointed—

Senators Barnett, Crossin, Feeney, Fisher, Ludlam, Trood


**Rural and Regional Affairs and Transport Legislation Committee**—

Appointed—

Senators Heffernan, Hutchins, Nash, O’Brien, Siewert, Sterle


**Rural and Regional Affairs and Transport References Committee**—

Appointed—

Senators Heffernan, McGauran, Milne, Nash, O’Brien, Sterle
Bill read a first time.

Second Reading

Senator LUDWIG (Queensland—Minister for Human Services) (10.03 am)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

Nation-Building Funds Amendment Bill 2009 (the Bill) is required to give effect to the infrastructure spending announced in the Government’s 2009-10 Budget.

To provide funding for these priorities, the Bill repeals the crediting of $2.5 billion from the 2007-08 budget surplus to the Education Investment Fund that was to occur by 30 June 2009. This amount will be made available for the new Clean Energy Initiative.

The Clean Energy Initiative will encourage further research and innovation in clean energy generation and low emissions technologies. The Government will use the Clean Energy Initiative to help accelerate the development and deployment of carbon capture and storage, solar energy and other forms of renewable energy. These technologies will play an important role in Australia’s transition to a low pollution economy.

There will still be more than $6.5 billion in the Education Investment Fund for education and research infrastructure, of which $4.1 billion has been committed in the 2009-10 Budget and in the nation-building package announced by the Prime Minister on 12 December 2008. The balance of $2.4 billion plus investment earnings, estimated to be around $630 million over the forward estimates, will be available for future education and research projects.

The Government’s nation-building investments will help support economic activity in the short term and expand growth potential in the medium to long term.

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

**NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL AND OTHER BENEFITS—COST RECOVERY) BILL 2008 [No. 2]**

**First Reading**

Bill received from the House of Representatives.

Senator LUDWIG (Queensland—Minister for Human Services) (10.03 am)—I move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

Senator LUDWIG (Queensland—Minister for Human Services) (10.04 am)—I move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 amends the National Health Act 1953 to provide authority for the cost recovery of services provided by the Commonwealth in relation to submissions for the listing, or amendment to a listing, of medicines, vaccines and other products on the Pharmaceutical Benefits Scheme (PBS) and the National Immunisation Program (NIP).

These amendments ensure that applicants, mostly pharmaceutical companies, may be charged fees when they seek services provided by the Commonwealth in relation to the exercise of a power by the Minister under section 9B of the Act relevant to the designation of a vaccine on the National Immunisation Program or, under a provision in Part VII relating to listings or a change to listings for a medicine or other product on the PBS.

This Bill has been subject to considerable review by the Senate Community Affairs Committee, which has held two inquiries into the proposed cost recovery measure. Evidence was heard from stakeholders who have a genuine interest in the sustainability and future of the PBS. The result of both inquiries was that the Committee recommended that the Bill proceed in its current form.

The Committee’s first report was issued on 22 August 2008. The inquiry reported on the likely impact of PBS cost recovery measures on access to medicines, its impact on the pharmaceutical industry, new products and innovation and the independence of the Pharmaceutical Benefits Advisory Committee. After careful scrutiny of the evidence presented, the Committee recommended that the Bill proceed.

However, in spite of this Committee recommendation the Senate failed to allow further debate on the Bill and negatived the Government’s motion to allow the Bill to be read a second time.

In a move to allay concerns voiced over the practical operation of PBS cost recovery, the Government moved to refer the draft PBS cost recovery regulations to the Committee for a second inquiry, this time into the regulations. The draft regulations were considered to ensure that small population patient groups and patients needing access to low volume medicines would not be disadvantaged by the introduction of PBS cost recovery.

This was an extraordinary step as it has not been practice for draft regulations to be presented for scrutiny at this stage in the parliamentary process by government. In its second report on 2 October 2008, the Committee considered that concerns over ensuring necessary PBS access for small population patient groups and continued availability of low volume medicines have been adequately addressed in the draft regulations and recommended the Bill proceed.

After due consideration of the Committee’s findings and stakeholder input to the Committee, and in light of the Senate’s failure to pass the Bill, the Government has decided to re-present the Bill to this House for re-consideration.
The failure of the Senate to allow this Bill to progress — including the somewhat ironic opposition to the measure by the Coalition, who never withdrew their own PBS cost recovery measure when in government nor told anyone that they had changed their minds, has meant that the Government has forgone all revenue expected in 2008-09, around $9.4 million. The Government is giving those opposite an opportunity to reconsider their hypocrisy and economic irresponsibility, to avoid a similar fate for the anticipated $14 million in annual revenue this measure will raise.

The Bill provides for a commencement date of 1 July 2008. The Government has no intention of introducing the cost recovery regime to allow for the retrospective collection of fees.

It will be the regulations made under the power provided in the Bill, which will specify the actual date from which cost recovery fees will commence. No fees can be imposed until the regulations are made by the Governor-General. The regulations will be subject to Parliamentary scrutiny and disallowance.

I understand and appreciate that delays in passage of the Bill has led to uncertainty in the industry and disrupted ongoing discussions between my Department and industry stakeholders. Following passage of the Bill, and the clear message to the industry that cost recovery will be coming into operation, I will announce the commencement date after there has been meaningful dialogue with the industry about implementation issues.

In the Senate, those that sit on the cross benches have been constructive in their thinking on this Bill. Issues were raised in evidence during both Senate Inquiries, such as the potential impact of fees upon access to PBS listed products for small patient population groups, such as medicines for Aboriginal and Torres Strait Islander communities, and for people needing palliative or paediatric care medicines. The Government will ensure that the introduction of cost recovery will not alter the access to or processes around PBS listings for drugs, vaccines or other medicinal products for these groups.

In the model put forward by the Government, the independence of the PBAC is guaranteed. The Senate Inquiry found, and the Government affirms that, the expertise, integrity and sense of propriety that PBAC members bring to their task will not be compromised as a result of the Government’s approach to cost recovery. The PBAC will continue to provide expert advice on medicines, independent of Government and industry. The arrangements for funding the PBAC directly through the Budget will continue and the PBAC will have no role in setting fees and will take no part in discussions with companies over fees.

The opponents of this measure may argue the time is not right with the global financial crisis and worldwide pharmaceutical industry restructuring. The Government notes that the Australian pharmaceutical industry has been characterised by significant domestic merger and acquisition activity in recent years and the sector remains relatively healthy. No doubt, this is in part due to the financial certainty of PBS subsidy payments to the companies.

The Committee Inquiry heard evidence that the proposed cost recovery fees, fees that will recover around $14 million a year from industry, would impose an undue financial burden on industry. This is an industry that the Department of Innovation, Industry, Science and Research cites as having an annual turnover of over $20 billion in 2007-08, and, which spends the annual equivalent of over $64 million in Australia alone on ‘educational events’ for doctors and pharmacists.

Pharmaceutical companies receive much by way of benefits from the Australian taxpayer, once products are listed on the PBS. It is not unreasonable that they contribute toward maintaining the architecture of the PBS. Achieving a product listing on the PBS provides a high level of commercial certainty to a company in relation to that product’s sales.

As a continuation of consultation on this measure, I will ask the Department of Health and Ageing to meet with stakeholders again to refresh them on the details of this Bill and its associated regulations. The Government has also asked the Department to liaise with industry before finalising an implementation date. I will announce that date as soon as practicable to allow industry time to prepare.

Given this was the Liberal’s measure in the first place, it’s reasonable to ask why they continue to oppose it. Is it another example of opposition for
opposition’s sake; or just the Opposition choosing to once again support big business over the interests of the Australian people?
I will leave the honourable member opposite to answer this question. What is certain, is that this is more evidence of economic irresponsibility from the Opposition. In the midst of the worst global economic conditions since the 1930s, the Coalition has already happily thrown away over $10 million dollars.
If the legislation is not passed in the Senate, over $51.4 million in revenue over four years will be lost – or, more accurately, left it in the deep pockets of the pharmaceutical industry.

Debate (on motion by Senator Ludwig) adjourned.

REMUNERATION TRIBUNAL DETERMINATION
Motion for Disallowance

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.05 am)—I move:

That Part 3 (clauses 3.1 to 3.3) of Determination 2009/04: Remuneration and Allowances for Holders of Public Office; and Members of Parliament – Entitlements and Office Holders Additional Salary, made pursuant to subsections 7(1), 7(3) and 7(4) of the Remuneration Tribunal Act 1973, be disapproved.

This motion is to disallow the regulation by which the members of parliament would get an extra $4,900 a year, or $90 a week, in electorate allowance. As all members of the chamber are aware, that allowance is to enable us to extend our services to our electorates. However, there is no mandating of that and it may be that members who do not spend the money on the electorate are able to use it as personal income; in which case, of course, it is taxable income. The problem with this decision by the Remuneration Tribunal is that it has apparently been taken in the absence of recognition by the tribunal—which is quite extraordinary in itself—that we are in a recession. There has been no increase in this allocation in real terms since 2002, and throughout all the boom years since then the Remuneration Tribunal made no decision to increase the amount. But it waits until we are in the middle of the worst recession, arguably, since the Great Depression and announces that members of parliament should be getting an extra $4,900 a year in electorate allowances. It is simply up to us to rectify that and we should be rejecting this proposal.

The budget that was announced the night before last had in it an increase for single pensioners of $32.49 a week, which they have been waiting for since 1993. I think it is untoward and unacceptable that we members of parliament should be getting three times that amount without any of the difficulties that pensioners find themselves in. In fact, for pensioner couples the increase is $10 a week, but MPs would be effectively getting $90 a week.

The Prime Minister had the wisdom last year to turn down the Remuneration Tribunal’s recommendation that members of parliament get quite a hike in the base salary that we receive. That was generally given a good reception—at least outside parliament. If this rise goes into the purses and wallets of MPs, it will be seen simply as a backdoor way of receiving that increase, and it has been seen in that way. I think that we have to be able to show the electorate that MPs are capable of some belt-tightening at a time when people are hurting. Hundreds of thousands of Australians are losing their jobs altogether or are having their small businesses closed down, and they are finding times very difficult indeed.

I think that the electorate at large would welcome MPs applying some restraint until this recession is over. Therefore, the Greens have decided to move for disallowance of a recommendation that, in my view, would
never have come from the Remuneration Tribunal if it were living in the real world, if it had its eye on where society is and the relevant position of MPs, and, indeed, if it had any nous at all about the economic circumstances of this nation. Apparently, the three independent members of the Remuneration Tribunal live in some isolated world where news of economic events, if not other events, does not get to them. They should have taken into account the circumstances in which all Australians find themselves in a recession, and they should have made sure that their decision on this matter was commensurate with the existing circumstances in society. This rise is not commensurate with existing circumstances, and we should have the good sense that the Remuneration Tribunal did not have and reject the recommendation that electoral allowances increase by $4,900 a year. I commend this disallowance motion to the Senate.

Senator XENOPHON (South Australia) (10.10 am)—I rise to commend Senator Brown for this motion and indicate my support for it. Senator Bob Brown is right. It is never a good time, in the public’s eyes, for an increase in the remuneration for politicians; but this is a particularly bad time, given the economic circumstances. I think it begs some broader questions about the structure and role of the Remuneration Tribunal and whether there ought to be a greater degree of transparency and accountability with respect to it. I think it is important for this to be considered as part of a broader reform, and I for one join with Senator Brown and the Greens in opposing this rise.

During my time in state parliament a survey was undertaken, which I participated in—not all members participated in it—from the state equivalent of the Remuneration Tribunal. It asked what MPs spent their electoral allowances on. I was more than happy to participate in that, and I could demonstrate back then that I spent more than my electoral allowance on matters that were properly the subject of an electoral allowance. I think that is something that should be looked at by the Remuneration Tribunal or any new body in the future. I do not think it is unreasonable for the public to expect a degree of transparency and accountability in relation to this, and I agree with Senator Brown that there is a criticism that the Remuneration Tribunal just does not live in the real world in the context of this decision. I have said, and Senator Brown has said, that this could be seen as a backdoor pay rise, because there is no obligation to spend this money for electoral allowance purposes. That is one of the flaws.

If the structure of the allowance were different, then maybe there could be different arguments in relation to it. But, having said that, my plea is that there ought to be broad bipartisan reform of the whole system of politicians’ remuneration so that there can be some community input. I think it would stand us in good stead in terms of our reputation as politicians if it were broadened out. Right now I do not think there is that level of public trust and confidence in the system. I think that the Remuneration Tribunal moves in mysterious ways, and I think that it adds to the cynicism that the public feel towards their elected representatives. I think we can do a lot to fix that, and supporting this motion is one small step. I am looking forward to further substantive reform in relation to the whole issue of politicians’ remuneration and entitlements, how they are determined and the level of community input.

Senator FIELDING (Victoria—Leader of the Family First Party) (10.13 am)—Family First support this motion to disapprove part 3 of the Remuneration Tribunal’s determination 2009/04. At the heart of this is that we have the Rudd government telling us that we need to tighten our belts and that everybody has got to do their bit. We heard
that same mantra being espoused in the budget that has recently come through. But how does having an increase to the electoral allowance mean that pollies are tightening their belts? How does that go hand in hand? How could anyone in this chamber not support this motion? We are calling on Australians to do their bit, to pull in their belts a bit, and telling them we are all going to do our bit and do our part, but here we have pollies doing the reverse. They are expanding their benefits. This is sending all of the wrong signals to the Australian public. At a time when times are tough, increasing the electoral allowance does not make sense.

The Remuneration Tribunal has a job—it makes recommendations for parliamentarians to approve or disapprove—so let us not hide behind the fact that it is an independent body. It is, and it has done what we have asked it to do—that is, to make a recommendation. But it is up to the politicians in this chamber today to use their conscience, to look the Australian public in the eye and honestly ask themselves if they can sleep at night knowing that if they do not support this disallowance motion today then they are telling the Australian public that it is okay for us to spend more. We are asking the community to do their bit, but politicians are exempt.

If you look at the budget that was put forward on Tuesday night, the only people the budget did not have an impact on were pollies. The Department of the Prime Minister and Cabinet has 60 more staff, $13 million more a year, but the poor couple pensioners are doing it tough. I appeal to both sides of the chamber to think about this. Should politicians expand their electoral allowances at this point in time? We would not hide behind the argument that it has not increased for many years. That argument can be put aside given that we are asking Australians to pull their belts in and do their bit while politicians get away with nearly murder in this regard. You cannot, if you are genuine, allow this increase to go through. I appeal to both sides of the chamber today to rethink what they are going to do on this vote. This is a very important vote. This is a telling time as to whether pollies are going to pull their own belts in and not have them expand.

The electoral allowance is all well and good, and the argument that it has not been increased for a number of years is a decent argument. But these are tough times, and as Kevin Rudd pulls the lever of the GFC—it reminds me of a bucket of KFC; every time you have a problem, it is the GFC. And here is an example: the global financial crisis means you should not be making an increase to the electoral allowance and today you should ensure that increase is not taken by politicians. I appeal to both sides of the chamber to support this motion here before us.

Senator LUDWIG (Queensland—Minister for Human Services) (10.18 am)—The government does recognise that the issue of parliamentarians’ allowances does get raised in the community. It is a strong position that has been recognised in this chamber over a long period of time—that is, that people, particularly in this chamber, should not be setting their own pay and conditions. It is recognised that there is a perennial argument about what politicians should be paid. It does get raised by both sides of the chamber and the minor parties and the community. In acknowledging that debate, it is a sensible proposition to say that there is and should be an independent system that operates, which sets up a system whereby decisions are made by an independent tribunal. It is a sensible position. The alternative would be that individuals themselves might set up pay and conditions, and that would lessen the position that we are in now.
This is a proposition that seeks to disallow a Remuneration Tribunal decision. The government does not support that position. The Remuneration Tribunal is an independent statutory authority and its remuneration decisions are made accordingly. The electoral allowance for federal parliamentarians has not been increased since January 2000. The Remuneration Tribunal recently completed a review of the electoral allowance for federal parliamentarians. This is the first time that a review of the electoral allowance has been conducted since late 2002. As a result of the 2009 review, the Remuneration Tribunal decided to increase the allowance by 17 per cent to approximately $32,000 per year. This increase is outlined in the determination 2009/04.

On behalf of the government, I would like to take this opportunity to assure the chamber that the purpose of this allowance is to reimburse members of parliament for costs necessarily incurred in providing services to their constituents. I recognise that Senator Bob Brown raised the issue that went to base salaries—that is, the base salaries of federal politicians are determined by the Prime Minister, who decided that they would be frozen for the 2008-09 financial year. In determining the base salary of federal parliamentarians, the Prime Minister does take the advice of the Remuneration Tribunal. The Prime Minister decided to freeze the base salaries of federal parliamentarians at $127,000 for the 2008-09 financial year.

In contrast to base salary determinations, subsections 7(1), 7(2) and 7(4) of the Remuneration Tribunal Act 1973 provide the Remuneration Tribunal with the power to determine a range of entitlements and allowances for senators and members of the federal parliament. The major allowances determined by the tribunal include travel allowances, travel allowance rates and travel related provisions, the electoral allowance, the qualifying period for a life gold pass, severance travel and certain other office facilities.

As senators in this chamber will know, all Remuneration Tribunal determinations are disallowable by the parliament. In handing down its decision on electoral allowances, the Remuneration Tribunal made a statement about the nature of the electoral allowance. For the information of the Senate I might go to the content of that statement:

Federal parliamentarians (both Senators and Members of the House of Representatives) have been in receipt of an electorate allowance since 1952.

The purpose of the allowance is to provide funding to members to cover a range of expenses involved in servicing their electorates. The allowance comprises a base amount plus supplementary amounts for those Members whose electorates exceed 2000 square kilometres in size. At the end of each financial year any part of the allowance which is not expended on genuine electorate expenses to the satisfaction of the Australian Tax Office is regarded as personal income and taxed accordingly. Rates of similar allowances available to members of parliaments and assemblies around Australia vary widely.

The allowance enables members to make modest provision for expenditure at their discretion to address differing needs in their respective electorates. Previous reviews have noted that members spend the allowance in widely varying ways in servicing their electorates.

The Remuneration Tribunal determines the amount of the allowance. There is no automatic mechanism for adjusting it each year and the Tribunal has not varied the amount since January 2000. The Consumer Price Index has since increased by more than 30 per cent; that is, more than 3 per cent annually.

The tribunal has taken into account the costs to members of meeting the commitments to which their allowances are directed and has recognised that they have increased over the same period. Accordingly the tribunal made...
a decision to lift the base allowance to take into account the diminution of that amount for that period.

It is long established that the independence of the tribunal and its decision making in these areas should be recognised. I think the alternative is something that the government would consider—that is, politicians setting pay and conditions themselves. In this instance I recognise Senator Brown’s concern and the concern that is raised in the community about these matters. However, the use of a disallowance motion is recognised as quite a blunt instrument in this instance. I note the comments made by Senator Xenophon about transparency. The Remuneration Tribunal is a statutory office, it is transparent and is able to provide information upon request to any senator or member who wishes to seek further information. Of course in this instance the tribunal, as I have said, has come to an independent decision in respect of allowances.

Senator RONALDSON (Victoria) (10.25 am)—Sometimes with these types of debates it is tempting to question what is principle and what is politics. Putting that to one side, there is actually a principle at stake in relation to this whole issue. The principle is—and this is the issue that the opposition has with this disallowance motion—do politicians determine their own salaries and other add-ons or do we rely on an independent umpire? By the context of this motion it might be seen that we will take over from the independent umpire. But what happens in this place in 12 months, five years or 10 years time when the nature of the place might change? We might have a group of MPs who are actually desperate to determine far higher terms of engagement for themselves.

So, if you are serious about the principle, the principle must be that we are not the ones who are best placed to determine our own terms and conditions. In fact I think it is an outrageous notion that members of parliament should be determining their own terms and conditions. The opposition has made it very, very clear that the Remuneration Tribunal is an independent umpire who makes these decisions. Whether we like the outcomes or not, and whether some members of the community like them or do not like them, is not the issue. It is the principle of the fact that we should not be determining our own terms and conditions.

Quite frankly I think we owe it to the community for them to know that there is an independent umpire and that it is not politicians making determinations about their own terms and conditions. If anything, maybe the argument should be that we increase the independence of the Remuneration Tribunal so that there is a far bigger gap between us and the independent umpire. This debate today is about who makes the determinations. We disagree with Senator Brown that politicians are the ones who should be determining their own terms and conditions, and we passionately believe that should remain the domain of an independent umpire.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.28 am)—I thank senators for their contribution. The argument from both the government and the opposition falls flat when we remember that just last year the Prime Minister ruled out a pay increase recommended by the Remuneration Tribunal.

Senator Parry—We want more independence, not less.

Senator BOB BROWN—I do not know what that interjection means, but it did not help much. The fact is that the Prime Minister overruled the Remuneration Tribunal, and members in this place raised no debate about it. Now we have this extraordinary $4,900
recommendation coming from the tribunal and members are saying that we must not intervene on that because it is an independent tribunal.

I ask this: is there any member present who was consulted about this increase, about the burden of electorate costs on us? If you ask me, the Remuneration Tribunal is working out of thin air. I do not know how they came to their deliberation, I do not know where the inquiry was, I do not know who was called before them and I certainly do not know who made the reference. Why on earth would a tribunal wait through eight good years and make no recommendation on increasing the electorate allowance and then, in the middle of a recession when everybody is pulling their belts in and hundreds of thousands of Australians are finding themselves with no job income at all, recommend that politicians get an extra $4,900, not to be necessarily directed to the electorate but to spend as they will? That is the other point here. It is to spend as politicians will, and some do not spend it on the electorate. I do not know; I think the Remuneration Tribunal itself needs looking at. I commend this disallowance motion to the Senate.

Question put:
That the motion (Senator Bob Brown’s) be agreed to.

The Senate divided. [10.34 am]
(The President—Senator the Hon. J J Hogg)

Ayes............ 7
Noes............ 38
Majority........ 31

AYES

Brown, B.J.  Fielding, S.
Hanson-Young, S.C.  Ludlam, S.
Milne, C.  Stiewert, R. *
Xenophon, N.

NOES

Abetz, E.  Adams, J.
Back, C.J.  Bernardi, C.
Birmingham, S.  Bishop, T.M.
Boswell, R.L.D.  Brown, C.L.
Cameron, D.N.  Cash, M.C.
Colbeck, R.  Farrell, D.E.
Faulkner, J.P.  Feeney, D.
Fifield, M.P.  Fisher, M.J.
Furner, M.L.  Hogg, J.J.
Humphries, G.  Hurley, A.
Hutchins, S.P.  Ludwig, J.W.
Macdonald, I.  Marshall, G.
McEwen, A.  Moore, C.
O’Brien, K.W.K.  Parry, S. *
Payne, M.A.  Ronaldson, M.
Scullion, N.G.  Sherry, N.J.
Sterle, G.  Troeth, J.M.
Trood, R.B.  Williams, J.R.
Wong, P.  Wortley, D.

* denotes teller

Question negatived.

COMMITTEES

Economics Legislation Committee
Reference

Senator WONG (South Australia—Minister for Climate Change and Water) (10.40 am)—I move:

That on the introduction of any of the following bills into the House of Representatives or any other bill that forms part of the Government’s Carbon Pollution Reduction Scheme, provisions of these bills be referred immediately to the Economics Legislation Committee for inquiry and report by 15 June 2009, including, but not limited to the following:

(a) Australian Climate Change Regulatory Authority Bill 2009;
(b) Carbon Pollution Reduction Scheme Bill 2009;
(c) Carbon Pollution Reduction Scheme (Charges – Customs) Bill 2009;
(d) Carbon Pollution Reduction Scheme (Charges – Excise) Bill 2009;
(e) Carbon Pollution Reduction Scheme (Charges – General) Bill 2009;
(f) Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009;
(g) Carbon Pollution Reduction Scheme (CPRS Fuel Credits) Bill 2009;
(h) Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009;
(i) Customs Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009;
(j) Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009; and
(k) Carbon Pollution Reduction Scheme (Household Assistance) Bill 2009.

This is a motion to refer to the Senate Economics Legislation Committee the bills which comprise the Carbon Pollution Reduction Scheme in its entirety—with the one exception of the forestry components, which will commence slightly later.

The subject matter of the bills that are proposed to be referred has been a matter of consideration and inquiry for a long period of time. I want to take the Senate through this so that we can be clear about what is occurring. In February last year the government set out its approach, consistent with our election commitment, to introduce a trading scheme—the Carbon Pollution Reduction Scheme. The release of the green paper made very clear what the government’s timetable was. We had an extensive process of consideration of the green paper, which led to the decisions in December and the publication of the white paper. It is these bills which give effect to the white paper. So that is one set of processes. And I would remind senators that the green paper garnered over 1,000—I think 1,026—submissions and the CPRS draft legislation received a further 160 non-campaign submissions as well as 11,000 general responses.

In addition to the green paper and white paper consultation processes, the government also commissioned the Garnaut review. That review went through last year. It received almost 4,000 submissions and held information sessions all around the country to gain feedback—and I will come to that. Prior to that there was quite a lot of discussion by previous governments and the state and territory governments through their state and territory task forces on the design of a trading scheme.

So this has been a heavily scrutinised and considered reform that has had extensive community engagement. Just under this government there have been a green paper process—1,000 submissions; the Garnaut review—4,000 submissions; and a white paper process. In addition, the government referred the exposure draft of these bills to the Senate Standing Committee on Economics, which has reported. The bills which have been introduced into the other place by my colleague Mr Combet today largely reflect the content of the exposure draft but obviously there are some changes. Hence, we think it is appropriate that this go to the appropriate committee, which is the Senate economics committee, which previously dealt with the exposure draft legislation.

So if there is any suggestion that there has been insufficient scrutiny, I would say to the chamber that this has actually been one of the most scrutinised reforms, just under this term of government, that this parliament has seen. There have been extensive government processes, extensive parliamentary processes and extensive community processes which have enabled the community to engage very closely with the model that the government was putting forward. I would also make the point that, in addition to those processes, the parliament has taken a very great interest in climate policy. In fact, in the 12 months to date we believe there have been some 13 inquiries before the parliament to deal with climate change matters. Hearings relating to these inquiries have been held all over the country. We calculate that there were approximately 787 appearances before these
committees. So let us be clear. Just under this government there have been a green paper process—over 1,000 submissions; the Garnaut review—4,000 submissions; public hearings held by the Garnaut review all over the country; and Senate committee processes plus 13 committee inquiries into climate change.

This is an overdue reform. It is time for action. There are those who want to delay consideration of this scheme—not because they want a better process, not because they are focused on a better outcome, but because they simply do not believe climate change is real and they simply do not want to have to make a decision to vote for or against this bill. That is the question.

**Senator Abetz**—Stop trying to cover up your backflip.

**Senator WONG**—I will take that interjection. Senator Abetz accuses us of a cover-up. But we have been transparent. We have come to the Australian people and said that we want to take action on climate change, and we have set out this process. I can tell you where the cover-up is: it is on that side. It is those opposite who want to delay consideration of this scheme—not because they want a better process, not because they are focused on a better outcome, but because they think it is the right thing to do, not because they think it is in the national interest, but because they cannot get a position. I want to talk for a while about what has occurred, on the opposition side of the chamber over the last few years—in fact longer than that. This issue of an emissions trading scheme has been on the public policy agenda for a very long time. In fact, those opposite might like to know—

**Senator Abetz interjecting**—

**Senator WONG**—I will take that interjection too. Senator Abetz said it was put on the agenda by the Howard government. It certainly was on the agenda for a long time, Senator Abetz. In fact, earlier this year was the 10th anniversary of the first report to the Howard government on the establishment of a trading scheme. I do not know what everyone else was doing 10 years ago—I certainly was not here—but you were already talking about it then. And the opposition’s position is, ‘Let’s just keep talking.’ I want to remind the opposition of a couple of things. It seems quite remarkable that Australian politics has come full circle. We seem to have a position from some members of the opposition which is at odds with former Prime Minister Howard. I remind those opposite that, in February 2007, Mr Howard said, ‘There can be no argument that greenhouse gases are having an adverse impact on the Earth’s environment.’ So I am wondering where Senator Bernardi and Senator Minchin are—oh, Senator Bernardi is in the chair, and it is bit unfair to verbal him when he is in the chair.

**Senator Joyce**—We’re all here.

**Senator WONG**—And Senator Joyce and Senator Boswell are here too. It is quite remarkable. We have senators in this chamber who are more conservative on climate change than former Prime Minister Howard. Now that is an achievement. That is really an achievement. They are here and they are all here ready to talk about why we should not do anything. Let us remember, even your conservative Prime Minister took a position, eventually, that recognised the science. So who is out of touch on this issue? It is Senators Minchin, Bernardi, Abetz, Boswell and—

**Senator Joyce**—Don’t leave me out; I want to be in.

**Senator WONG**—Joyce. Senator Joyce does not want to be left out. I put you in at the end there because you are proud to be amongst those who do not agree with former Prime Minister Howard. It is interesting to actually read some of former Prime Minister Howard’s own work. It is commonly known
as the Shergold report and it is the report to the then Prime Minister entitled Report of the task group on emissions trading.

Senator Abetz interjecting—

Senator WONG—Mr Acting Deputy President, I will take Senator Abetz in a debate any time, but he keeps foaming at the mouth in this debate. He has not actually drawn breath in terms of interjections since I have been on my feet. I am sure he will have the opportunity to put his views, which are more conservative than Mr Howard’s, shortly. But he might do me the courtesy of at least drawing breath at some point during my discussion. I remind those opposite of Mr Howard’s report, which occurred while they were in government. I did not hear them at the time jumping up and down and saying that Prime Minister Howard was going to act too precipitously. I did not hear them at the time publicly saying this was going to be a dreadful thing and how appalling it was for Australia to go down this path. I did not hear them then. I remind those opposite what was said in this report, which was presented in June 2007, before the election. It said:

... waiting until a truly global response emerges before imposing an emissions cap will place costs on Australia by increasing business uncertainty and delaying or losing investment. Already there is evidence that investment in key emissions-intensive industries and energy infrastructure is being deferred.

You received that advice in government two years ago, and you are still arguing a position that you do not want to give business the signal on certainty that was called for when you were in government, and that even then Prime Minister Howard took heed of. I will remind you that the task group also said:

... the Task Group has concluded that Australia should not wait ... It believes that there are benefits, which outweigh the costs, in early adoption by Australia of an appropriate emissions constraint.

What have we seen since then? We have seen this extraordinary crab-walk from the other side. Frankly, the climate change troglodytes, those who simply do not believe that climate change is real, have gradually, gradually gained control of the party room. Their voices, when in government, were muted; but now, when in opposition, they have gradually pushed the opposition to a more and more extreme position on this issue. The position that is occasionally articulated by Mr Turnbull is the same position that Mr Nelson took and was, as I recall, one of the reasons you replaced him as leader, because those in the Liberal Party thought he had taken the wrong position on climate change policy. Mr Turnbull has now taken the same position. So I am not quite sure where the consistency is.

I remind those opposite also of the timetable that was proposed when they were in government, which included the passage of the legislation in 2009. That was your policy. It is interesting to note the way Mr Turnbull’s position has changed on this issue. Mr Turnbull said at the Press Club on 21 May 2008—and you should listen to this, Senator Joyce, because you will really enjoy this, particularly after your Press Club performance:

The Emissions Trading Scheme is the central mechanism to decarbonise our economy.

Do you agree with that, Senator Joyce? The fact is that Mr Turnbull used to believe in this. On 26 May, some five days later, he said:

The biggest element in the fight against climate change has to be the emissions-trading scheme ...

He then started to crab-walk away from it. What is the reason for this? How do you go from having the trading scheme as the biggest element to now saying that it is not necessary at all? There is really only one explanation for that about-face and that is that he
is worried about his leadership, he is worried about the numbers in the party room. He is running now an entirely different position because he is concerned about those in his party room who still think climate change is not real.

I want to go back to why we need to have this inquiry and why we want to bring it in in the June sittings, as we previously publicly and transparently indicated. It is because this is an overdue reform. We want legislation passed this year because we want to give business the certainty that they are calling for. Those opposite might not like to remember that the Business Council of Australia and the Australian Industry Group—and I know this will get Senator Boswell going—have all said they want the legislation passed this year. It seems extraordinary that those opposite could be so focused on their own internal issues that they do not listen to the calls from the community, including the business community, about the importance of giving business certainty.

The second reason why we want this passed this year is that Copenhagen is important. Australia needs to go to Copenhagen with targets that are backed by a mechanism to meet them. It is extraordinary that those on the other side say they want a global agreement in Australia’s national interest but are not prepared to ensure that we put targets on the table which are responsibly backed by a scheme to meet them. They say they want a global agreement in the national interest. Well, give the government and the negotiators the legislation that enables them to maximise that chance.

What is occurring in this place and in this debate is that the self-interest of the Leader of the Opposition is trumping the national interest. Malcolm Turnbull knows this is the right thing to do. He is trying to delay taking this into his party room. He is delaying taking a position on this because he is scared he does not have the numbers. We are seeing from the other side the self-interest and weakness of one man overriding what is in the national interest.

This is an overdue reform that has been the subject of intensive and detailed consideration by the parliament. There has been an extraordinary amount of community engagement through the Garnaut review processes. As well, people have had an opportunity to comment on the green paper. This has also been the subject of the exposure draft inquiry by the Senate and has been out for community consultation. The only reason that those opposite would argue for a delay is that they do not want to take a position on this, because some in their party room—and Senator Joyce would proudly number himself amongst them, I am sure—do not believe climate change is real. No matter how long we talk about this and no matter how much consideration is given, they do not want to vote to actually take action.

It is self-interest trumping national interest. It is time for us to engage in this reform. We want this reported on so we can commence the debate on this in the June sittings, as we said to the Australian people we would do.

Senator PARRY (Tasmania) (10.57 am)—I want to draw us back to the substantive part of this debate. We are debating whether these 11 bills should be referred to a committee for examination. I move to the motion moved by Senator Wong:

Omit “15 June 2009”, substitute “11 August 2009”.

This amendment will change the date of reporting for the committee from 15 June to 11 August this year. The reason for the amendment is that in the words of Senator Wong herself, this is a very substantive suite of bills.
Senator Wong indicated there have been over 11,000 general submissions. These 11 bills were put through the House of Representatives this morning. We have not had a chance to examine any of the bills. We have not seen them. The government wants to rush this through. Why does the government want to rush this through when the government has deferred the implementation of the CPRS until well beyond 2010? We believe an extra few weeks will give the community the opportunity to make submissions and allow the Senate due process.

We also need to consider that this is budget week. Committees and senators are going to be inundated with work in examining the budget bills. This week the legislative program is not moving forward as fast as it could because of the budget. The Senate is going to need the remaining two weeks of the winter session—we have estimates in the next fortnight—to examine other bills and to finish some of the work that is already on the agenda that the government considers necessary and urgent. We, therefore, strongly suggest that the committee not report on these bills before the senators have had a chance to consider them by having examination during the winter recess.

The winter recess, as many senators know, is often used for a lot of committee work whilst the pressures of parliament do not exist. This would give ample opportunity for the committee to be ready to proceed with the inquiry. This is not just any piece of legislation; this is one of the government’s most significant pieces of legislation. Senator Wong has admitted that herself this morning. She has indicated that many Australians have expressed a lot of interest in this. Senators need to have a clear and open path and plenty of time to examine the bills. There are 11 bills, not just one bill, so we strongly suggest that the Senate adopts the amendment and moves the reporting date of the committee to 11 August 2009, which will give ample opportunity for the committee to do its work properly and then for the Senate to consider the committee’s report when it next meets after the winter recess. This will give the government plenty of time to make any decisions it needs to after the committee has reported, because the government itself does not want to implement this until well into 2011.

Senator ABETZ (Tasmania) (11.00 am)—On behalf of the opposition, can I just put a few markers in the ground. Sure, this issue has been inquired into at some great length by the Senate. As a result of those inquiries and examinations, Senator Wong’s Carbon Pollution Reduction Scheme legislation has been junked. We are now looking at Mr Combet’s legislation because the Prime Minister himself was forced to put somebody else into the ministry as a parliamentary secretary to prop up this failing minister. Her legislation was such a failure that the government itself has junked it. It is now in the rubbish bin.

Senator Cameron interjecting—

Senator ABETZ—I know why Senator Cameron is interjecting. It is because day after day of these committee hearings Senator Cameron championed the legislation, saying how good it was and how it had to get through the parliament. He has now been totally humiliated by the Prime Minister saying, ‘The legislation is that bad we are going to junk it and, what is more, we are going to delay the scheme’s introduction by a further 12 months.’

So we have another suite of legislation—11 bills in all—and this government, who were brought into power saying that they would use the Senate responsibly and properly and allow things to be analysed, are now
saying, ‘Let’s have a very quick turnaround on this legislation. We do not want an extensive Senate inquiry.’ Methinks I know why they do not want that extensive Senate inquiry. It is because they fear that the Combet model may well go the way of the Wong model of legislation—that is, end up in the rubbish bin because it is so fatally flawed.

Let us make no mistake about this. When Professor Garnaut himself appeared before one of the Senate committees to talk about the legislation, do you know what he had to admit? It was that he has not had time to look at the legislation. If someone like Professor Garnaut, who was allegedly the architect of the flawed Wong model, did not have enough time, surely it is acceptable to say for the Combet model now that we might want some people to actually look at it and consider it?

Senator Wong went on this great little excursion talking about who was, who was not and who might be expressing some concerns about the science in relation to climate change. That is completely and utterly irrelevant to the reason her legislation was junked by her own Prime Minister. She can talk about everybody else but the issue here this morning is that her legislation has been junked, Mr Combet’s legislation is now before us and the Senate has a right to look at that in some considerable detail. To ask for a deferral of some two months for further and proper consideration should cause no problems for any senator who is interested in the role of the Senate being used to its full extent.

When is Copenhagen? It is later this year—November or December. Even if the Senate were to start debating this in August—September, there would be sufficient time prior to Copenhagen. In a very rare convergence of my views and those of Greenpeace, Greenpeace have said what a ludicrous proposition it is to put forward your targets in domestic legislation, set them down in concrete, and then to go overseas and try to negotiate and bargain. Everybody knows your starting and finishing position because you have already legislated it domestically. You has shown all your cards and you have lost all your negotiating powers. Even Greenpeace acknowledges that. Anybody would know that. And you would have thought the person allegedly most skilled in matters of foreign affairs, the Prime Minister himself, Mr Rudd, would have known it as well. Yet the government continue with this nonsense mantra that somehow the legislation has to be passed because of Copenhagen.

I say to the government: you have now broken your election promise in relation to the introduction of this emissions trading scheme. You have broken it because you must have known—or you now know; reality has mugged you—that you cannot introduce it with a commencement date in 2010. That is exactly what we said during the last election campaign, and the high and mighty Mr Rudd, ‘Mr Morality’ himself, said, ‘This is a high moral issue—in fact, the most important moral issue this country faces—and the scheme has to come in in 2010.’ All of a sudden, the morals are out the back door, along with good manners and everything else with this government, and we can now apparently delay this issue of great morality for another 12 months or more.

If it is not to start for an extra 12 months or more, that puts them into the timetable that John Howard and the coalition said would be the responsible timetable during the last election campaign. Labor have now adopted it. Rather than admitting they got it wrong—they got their model wrong, they got their legislation wrong—Senator Wong comes in here and tries to obfuscate. The simple facts are these: Labor tried to rush a
scheme. They now know they can no longer rush it. In their rush, they put forward a flawed piece of legislation. The Prime Minister himself has recognised it. Labor have junked it. They have called in Mr Combet to prop up this ailing minister. He has put forward legislation, only tabled today. I have not seen it as yet. There are 11 separate pieces of legislation.

We are in budget week. I think most senators next week will be fully employed preparing for Senate estimates, which then go for a fortnight, taking us well into the month of June. When on earth would a proper inquiry be undertaken for these 11 bills, reporting by 15 June? It is treating the Senate with contempt, and we as a Senate have a duty and an obligation to the people of Australia to ensure that this legislation is properly examined. The reason they want to rush it is not because of Copenhagen but that they are so concerned that proper examination would mean that they might have to junk the Combet model, just as they had to junk the Wong model. We believe in proper Senate scrutiny of this legislation and I fully support the excellent amendment moved by my friend and colleague Senator Parry.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (11.09 am)—Delaying the reporting date on this issue to August this year is fair enough. We have had the claim that Malcolm Turnbull is crab-walking on this. We can tell you that Mr Rudd makes Mr Turnbull look like Rudolph Nureyev.

Senator Cameron—Who?

Senator JOYCE—Mr Rudd is Rudolph Nureyev. This is the man who has more pirouettes, more turns on this issue than one could ever display. I watched him last night. Maybe he was giving us a display of it last night with his little jink in front of the camera. ‘Rudd’ is short for Rudolph Nureyev. He is the archetypal policy dancer on the ETS. Do you know why he is doing it? He is doing it because he wants to jump the consequences over an election. He wants to jump the consequences over the possibility of a double dissolution in going to the people. The reason he wants to do that is that he knows full well that the workers in Labor Party seats will be the ones that lose their jobs over this. It will be the people of Mackay, it will be the people of Gladstone, it will be the people of Illawarra and it will be the people of the Hunter Valley. It will be the people that the Labor Party has deserted. The working families of Australia are being deserted by the Labor Party. That is what it is all about. You can go to Copenhagen, to Disneyland—wherever you like—but the position of the National Party on this will be quite clear: to understand the word ‘no’.

Those opposite talk about certainty. I will give you certainty. How is ‘no’ for certainty? ‘No’ is a very certain word; it is very easy to understand. You talk about arguing for a position. It is an amorphous, nebulous concept of this bumper sticker morality which has become the ETS scheme. The answer is no. We cannot put this up at the expense of Australian working families. We cannot start on this banal attempt to sole-handedly lead the world into some sunny, environmental upland, which is what Mr Rudd wants to do. It is all a part of the self-glorification of our Prime Minister as he attempts to become—I don’t know—president of the UN or whatever his grander ambitions are after he leaves this place. His own party have pulled him into gear.

I have never seen a more uncomfortable person than Minister Wong. She looked more uncomfortable than Mr Rudd after he lost his hair dryer. She was hung out to dry by her own Prime Minister. After all the wonderful, glorious statements about saving the world, he marched her out to the front of the build-
ing to say what we have already said—only they say no now; we say no, full stop. The reason we need an extension for this inquiry is so that we can drag this mangy cat back out again and all have another look at it, so that we can pull out the entrails of this chicken and divine from them over the table of the Senate, so that we can look into it and say, ‘What exactly are we trying to do here?’ Apparently, Australia is going to cool the planet—single-handedly. The Knights Templar are led by Prime Minister Rudd, only he is not really leading; he is just hanging people out to dry, including the minister.

We have had the Senate Economics Committee inquiry, we have had the fuel and energy inquiry and we have another inquiry going on now. We have 11 pieces of legislation coming back in here and they are going to try to push it on through. They want to do that because they do not want proper examination. The period that we have to look at something that could turn the economy of our nation upside down is contemporaneous with budget estimates. And they are saying that that is respect for the Senate! I acknowledge that the Greens will have an entirely different view. But I imagine that they too want the capacity to really drill down into this legislation. The Labor Party are trying to be sneaky and tricky as they walk over the future prosperity of regional Australia and of the working families of Australia—for what? It is an attempt to go forward with some bumper sticker morality for inner suburbia. But don’t worry about the people of Mackay, don’t worry about the people in Gladstone—

Senator Cameron interjecting—

Senator JOYCE—Don’t worry about your workers in the Illawarra and your workers in the Hunter Valley. No, don’t worry about them. You put on your Giorgio Armani suit and go and do the light fandango at a coffee shop near wherever you live, Senator Cameron, as you morph into this new type of environmentally sensitive, soft, wonderful, marshmallow Senator Cameron. Where has the steel from your spine gone? You have changed, Senator Cameron. You have changed since you have been here. You have changed into something else. And Mr Rudd has changed too.

So we have here the Rudolf Nureyev school of political pirouettes. We see this exercise from Mr Rudd as he pushes Minister Wong out the front door to hang herself out to dry on a piece of legislation that is an absolute debacle. Now they are trying to say, ‘Well, it’s a debacle now, so if we let it mature for 12 months then it will somehow get better.’ A silly idea now is a silly idea in 12 months time—it is just a silly idea that is one year old. We in the National Party are as one. We will be making sure that the entrails of this festering chicken are brought out on the table so we can once more take it apart piece by piece—through Labor seat, by Labor seat, by Labor seat, by Labor seat, by Labor seat. Then we will see what the political Rudolf Nureyev of policy pirouettes does next—the illustrious, the formidable and the ever-changing Mr Kevin Rudd.

Senator MILNE (Tasmania) (11.16 am)—I have to say that I have not heard quite so many cliches rolled together in one speech in a very long time—from the entrails of a festering chicken through to marshmallows, steel in the spine and all manner of things. Entertaining as that might be, I would like to return to the substance of the matter before the Senate—which is an amendment to change the reporting date in the motion put forward by the government. I rise today to say that I will be supporting the reference of the bills relating to the Carbon Pollution Reduction Scheme to the economics committee for inquiry and I support the reporting date of 15 June, which is the day that the
climate policy committee, which I worked with the coalition to establish, will also be reporting.

The fact of the matter is that between now and June 15 June the matters to be looked at are the changes to the Carbon Pollution Reduction Scheme that have been announced since the Senate economics committee reported previously. They relate to some very specific matters. They relate to the government’s decisions to: delay the commencement of the scheme for one year; establish a $10 price for the following year; and give further compensation to the trade exposed sectors, as shown in the budget this week, of $1.1 billion out of the public purse for extended compensation. This is the first time we have really seen a figure for the extent to which this scheme will not be self funding and the extent to which it will dip into the public purse for the next five years for that $1.1 billion—and that is just the beginning. I suspect, but that is a matter to be looked at. The other issue is the target. The government has changed its previous target range of five to 15 per cent to five to 25 per cent conditional upon a number of matters which the government has specified.

The government have said that the targets must be underpinned by mechanisms to meet them, and I will look forward to hearing the government explain how they will achieve a 25 per cent reduction on 2000 levels. Given the current parameters of the Carbon Pollution Reduction Scheme, the extent of compensation and so on, I cannot see how in the eight years between 2012 and 2020 that 25 per cent reduction will be achieved under the CPRS. I can only assume that if the government did commit to that and if by some miraculous outcome the rest of the world agreed to the conditions—and I do not believe the government itself thinks they will ever be agreed to, but let us assume they were—then the government is meaning to buy in the rest of the commitment from overseas at-again-a huge cost. I am very interested to know about that, but that will come out in the Senate committee report. Those matters are going to be looked at by the Senate economics committee and by the climate policy committee. I think that reporting on 15 June, before the next session, is within the time frame that the government established at the beginning of this year. Anyone taking any notice of the projected timetable for government legislation would have noted that on no other piece of legislation have we had a clearer timetable established by the government for a very long period of time. It is not my intention to delay the legislation.

I have to say, having listened to the contribution from Senator Joyce, that, when you have already made your mind up as emphatically as he has—whether it is dancing with Nureyev, playing with marshmallows, looking at the fermenting entrails of chickens or all of that combined that leads you to you a ‘no’—why would you want longer to investigate something? You have already indicated to the Senate that, come what may, no matter what, in no uncertain terms whatsoever, the answer is no. So the answer of ‘no’ should be available on 15 June as well as in August or whatever date the coalition is putting forward.

I think the reality of the coalition’s position here in terms of a different date comes down to two things. Firstly, it is to avoid a trigger for a double dissolution and, secondly, it is to avoid a split in the coalition because if the legislation is put forward in June as expected then Malcolm Turnbull, the Leader of the Opposition, if he were to choose to support the legislation, would be seen to have a split in the Senate and would lose control of his party. So it is clearly in the coalition’s interests to put this as late in the year as possible. That would suit the coalition because it wishes to avoid a public split
on a major piece of legislation like this. To me that is clearly the main reason behind the delay. The other thing is that, as we all know, for a trigger for a double dissolution you need three months between a piece of legislation coming in and it coming in again and being defeated. If the government was hoping to go to a double dissolution on the climate change legislation then it needs to get it into the Senate and have a decision made on that in June in order to be able to bring it back and be able to go to an October or November election before Copenhagen.

So let’s be very realistic about what is going on here. The reasons the coalition is putting up for delay have nothing to do with further scrutiny of these bills; they have much more to do with holding the coalition together and avoiding triggers. Senator Joyce has said nothing that would persuade me to the contrary on that. Also, Senator Joyce said by way of interjection earlier that he believed climate change was real but that there was nothing you could do about it. That indicates that he does not believe that human activity has any contribution to make. Otherwise, he would understand that you can do something about it by stopping carbon dioxide emissions going to atmosphere. You can make a significant reduction in carbon dioxide going to atmosphere through industrial processes and all the other means by which it is happening. I would say to Senator Joyce that stopping the logging in the Florentine in Tasmania would stop massive amounts of carbon dioxide going to atmosphere. Indeed, stopping the regeneration burns across Tasmania this autumn would stop massive amounts of carbon dioxide going to atmosphere. So there is plenty we can do. If you believe climate change is real, there is plenty we can do, and we could be doing it tomorrow.

I have seen no evidence of a genuine commitment to deep cuts in greenhouse gas emissions in the urgent time frame that is required. The IPCC has said that global emissions must peak and come down at 2015. They must peak and then come down. The scientists are telling us we are already beyond 450 parts per million carbon dioxide equivalent. The Prime Minister has said that 450 parts per million CO₂ equivalent is in Australia’s interests. I remind the Senate that 450 parts per million gives us only a 50 per cent chance of avoiding catastrophic climate change—that is, defined as an increase of more than two degrees—and the scientists are saying that they are not persuaded by that any longer. They are saying we should be aiming for much lower. They are saying we should be aiming for something like 350 parts per million. That shows that 450 parts per million is not the target but the absolute minimum aim. We should in fact have a much lower target as a global ambition.

Having said that, we do not have time to delay the implementation of the scheme another year. We do not have time to start slowly. The assumption that you can finish strongly assumes that there is no urgent time frame for stabilisation. I notice one of the government’s conditions on the 25 is stabilisation at 2020—which, according to the IPCC, is too late. We can have these discussions in the economics committee and in the climate policy committee, and people who are interested enough to be there can ask those questions and have those discussions at that time. I will not be supporting a delay in the reporting date of these committees. The matters that need to be discussed are there. I note that in today’s paper there is a reference to ‘technical matters’ that the government wants to sort out. ‘Technical matters’ have turned out to be more compensation for the coal industry. I want to put the government on notice: that is not a technical matter; that is yet more compensation. It should be signalled clearly before the Senate economics
committee or the climate policy committee actually hold their inquiries. That is not technical; that is a yet bigger burden on the public purse.

In conclusion, I would say this. If you really aspire to dealing with climate change then you do not lock in a weak target until 2020 and leave the Australian budget and therefore the Australian people vulnerable to huge compensation payouts to the industries that caused the problem in the first place. The reason the Business Council of Australia and the Australian Industry Group now want this legislation passed is that they know that the big polluters and the big emitters in Australia—the coal industry in Australia—are never going to get a better deal than the one on the table now. The Business Council of Australia—the members of which are the Liberal Party’s biggest donors—will be on the phone to the Leader of the Opposition saying: ‘Pass this, because we’ll never get a better deal. If this doesn’t get through before Copenhagen, the situation will only get worse as the rest of the world will call for deeper cuts and faster and more stringent action.’ That is why the Australian Industry Group and the Business Council of Australia want it passed. They want it locked in for 2020 so that their members—from the public purse—get paid. The polluters will get paid every time between now and 2020 there is action taken that is beyond the scope of the scheme as it is currently.

That is why they want certainty. They want certainty about the extent of the compensation; they want to know that no change will occur without them being massively compensated. Locking in a low target for such a long time is one major structural weakness of this scheme. It is a disingenuous 25, because I do not believe that even the government thinks that the rest of the world would possibly agree to the conditions. I note that, when this was announced, the government emphasised time and time again the conditionality of the 25 in order to signal to the big polluters that there is a high probability—almost a certainty—that nobody will agree to Australia’s conditions. It is setting up quite an interesting debate for the next short while. There is no group of people in this parliament more committed to urgent action on climate change than the Greens. But the Carbon Pollution Reduction Scheme is an economic tool to give effect to an environmental aspiration—that is, stopping catastrophic climate change. If an economic tool does not deliver environmental effectiveness or economic efficiency then you have to ask yourself: what is the point in putting it in place?

Environmental effectiveness is the priority for the Greens, and environmental effectiveness comes from the science. The science tells us that deep cuts by 2020 are required. We do not have generations to go; we only have a matter of years. And in fact everyone in this parliament has a personal responsibility in terms of making deep cuts. Incrementalism will not get us there. Half a bridge will not get us there. Deep cuts are what will get us there, and what will get us there, in an Australian and global context, is for Australia to put 40 per cent on the table in Copenhagen as a goodwill statement towards a global agreement. But what Australia will do, regardless of what the rest of the world does, is put 25 per cent on the table. That is the Bali negotiating range. China has said that they expect developed countries—annex 1 countries—to put on the table offers at the top end of the 25 to 40 per cent range. The developing world has, for some time, felt a failure of the annex 1 countries to act in good faith on the basis of the original Kyoto bargain—and indeed the other climate negotiations in recent years—and I do not believe it is going to see Australia’s current approach as being a good faith offer in relation to what
is necessary to avoid catastrophic climate change.

I cannot put to the Senate more strongly the emergency that we have on our hands and to contrast the response of the Prime Minister to the global financial crisis with his response to the climate crisis. The global financial crisis saw the Prime Minister rushing to the United States and Europe—rushing to meetings all over the place—to talk about what could be done on the global financial crisis. We have not seen the same urgency in relation to climate change. We have not seen the same commitment in terms of dollars. We had no money to spend before the global financial crisis; now we have billions. In fact, millions has become such an outdated figure it just seems a meaningless thing. If you want to spend money now, you have to do it in billions. But there were not billions to spend on structural adjustment on climate change. There are still not billions to be spent on getting Australia off its addiction to coal. But it seems to be that there are plenty of dollars, billions of dollars available, to continue to support the coal industry.

The budget this week is underpinned by the assumption that coal will be back, that the boom times will come again and that Australia’s future prosperity will be underpinned by a resources boom of the future. Hence we see the billions going into the Hunter Valley railway line and the port expansion, into ongoing support for the coal industry and into carbon capture and storage—which is simply legitimising ongoing coal mining. Today there is a major marine conference in Indonesia that is talking about the disaster of the oceans and the collapse of the Coral Triangle. And where is the Prime Minister? He is turning a sod in the Hunter Valley for the new coal railway line. That gives you a sense of where this Prime Minister’s priorities are. He may talk about climate change but his priority is the maintenance of coal and coal exports. He cannot see beyond coal. You have to look at those compensation provisions and ask yourself what happened to the principle of polluter pays. What happened to that principle in Australia? We have now got to the principle that the polluter is paid, and is paid by the taxpayer. We are all going to pay higher energy bills around Australia because the government has exempted the big energy users and emitters from the Renewable Energy Target. Everybody else is going to pay more because of that, not to mention those provisions of compensation, and that is why the scheme is economically inefficient.

Nevertheless, I believe that the hearings we are going to have between now and 15 June will shed some more light on those extra billion dollars to be spent on the big emitters, and we will be very interested to see how Australia is going to get to its 25 per cent given the mechanisms, the delay, and the weak carbon price. We will also see whether there was ever the intent towards transformation in the Australian economy, because delaying a year and setting a $10 price is no signal for transformation. The biggest signal for Australia to pick up on today is the Prime Minister turning that sod for the coal railway in the Hunter Valley. If you want to see where Kevin Rudd wants to take Australia, look at that and recognise that this scheme is simply an economic tool. But it is not an efficient economic tool nor is it an environmentally effective tool, as I am sure the hearings for both of these committees between now and 15 June will demonstrate.

**Senator BOSWELL** (Queensland) (11.35 am)—I do support the extension of the timing. We spent three weeks listening to evidence in the Senate Select Committee on Climate Policy in order to scrutinise one bill. I understand there are 11 bills being put into the House this morning. As Senator Joyce has said, yes, the National Party is totally
committed on this. Nevertheless, we reserve the right to expose further flaws in the bill. Even the people who are not as committed as Senator Joyce and me in the National Party have the right to understand what is wrong with these bills. We will put the spotlight on them, let people give evidence and have a look, and then bring it back. So I fully support the extension of time.

I want to pick up on some of the contribution made by Senator Wong. I do not normally feel sorry for Senator Wong. I think she does a job. But she had to stand next to the Prime Minister the other night. He had already told the Australian people that if we did not act now we were going to be swamped by seas and burnt to death and that it would never rain again. And Senator Wong, in reply to questions from me, has continued that message in the Senate time after time. But I felt sorry for Senator Wong there; she looked shattered. She did not know where to go. The Prime Minister completely pulled the rug out from under her. So, Senator Wong, you were dumped.

Then they said, ‘Senator Wong is not cutting through; let’s get Mr Combet and we’ll run him on as a reserve.’ He has gone out and he has tried to buy off industry after industry with little bits of bait here and there, but I do not think he is achieving anything, because delaying these bills for a year is not going to do anything. It is just going to give a reprieve for a year.

I sat on a committee with Senator Wong and Senator Cameron, and I recall that only one person, one manufacturer, Origin Energy—they have a few wind farms but really are a retailer and can pass the cost on—actually supported this legislation. They are the only ones who actually manufacture anything. I listened to the paper industry in Tasmania, I listened to the zinc industry in Tasmania, and they were totally opposed to this climate change legislation as it has been put up by the government. I went to Western Australia and I listened to the gas industry, and I listened to primary industries. They were totally opposed. We went to Melbourne—to the steel industry, the paper industry and the mining industry. Every industry in Australia is opposed to this legislation, because they know it is going to cost them jobs. They know it is going to wipe them out. Some of the industries have said, ‘It will not particularly worry us cost-wise. We’ll just turn the elevators around and instead of exporting we’ll import. We’ve got the silos that we export out of. We’ll just close our manufacturing down. We won’t do it immediately; there is no certainty, and we won’t spend any more money on these plants and equipment. As they run down we will just import more and, as the equipment gets old and obsolete, we will import more.’ Senator Wong, I commend to you the evidence that people gave. They are not doing it because they do not want climate change or because they want to oppose it but because they know what the legislation is going to do to their business.

There is something missing in this debate, and I cannot understand it. I can understand where the Greens are coming from, and that is legitimate. I can understand where the National Party is coming from, and I understand where the Liberal Party is coming from. But what is missing in this debate is this: why is the Labor Party ratting on their blue-collar workers? We have been told by every industry in Australia that this is going to cost jobs. We have been told by the dairy industry that it is going to cost the dairy farmers $9,000 per farm—that is just for the dairying; the price will go up when the cows have to be slaughtered. We are also told by the dairy processors, ‘It is going to impact on our process workers.’ We have been told by every industry, ‘Our process workers are going to suffer.’ In the mining industry,
10,000 jobs are going to go. Those are blue-collar jobs. Why are you selling those people out? And why do you take their union fees? Why do you go out and say, ‘Pay your $400, $500 or $600; we’re looking after you?’ You are selling them out. You are taking their money and you are selling them out.

*Senator Joyce interjecting—*

**Senator BOSWELL.—** Even that, Senator Joyce. It is going to have an impact on the people who live in the leafy suburbs too, because someone else is filling the ships that take the export product out. That is done in the mining industry and in the primary industries, and the people who live in the leafy suburbs are carrying the export load.

I suggest that the reason the Labor Party do not want to extend this legislation is that there is, in the blue-collar areas, an awakening. They are saying: ‘Hang on a moment. What’s this going to do for me? How am I going to live? How’s my family going to live? What am I going to do? I’m a miner. It’s what I know. I’m a forester. I am a process worker in a timber mill. I am not skilled in any other way to make a living. How am I going to feed my family? How am I going to look after my kids? What am I going to do?’ That is dawning on these people now. You saw it a couple of days ago in the Riverina, when a parrot took preference over workers. The parrot was put on a higher pedestal than 800 jobs. You cannot win without those blue-collar workers, and you cannot win without the Greens.

Your moderates in your party—the doctors, the wives, the teachers, the academics—cannot get you over the line, and you are playing Russian roulette. And you do not want another three months for the awakening to go further out there, because it is happening now. It is happening on our polling; it must be happening on your polling. People are saying: ‘I want a job. The global crisis is my main concern. I want to feed my kids. I want to look after my house.’ There is an awakening out there. This should be called the Tanner and Plibersek legislation. You know that without Greens preferences you cannot win. You have never tried to fight the Greens back. You have encouraged them and now they are dictating the terms to you. You have taken a tiger by the tail and you cannot get off its back. Their demands will increase and increase and increase. You can never satisfy the demands of the green lobby. They cannot be satisfied. You are on the tiger’s back and you cannot get off.

At the same time we got attacked from the Right. We defended our position and fought back. You never did. That was with Pauline Hanson—you never did. You encouraged the Greens and said: ‘All right. We’ll let them live. We’ll even throw them a few bones.’ They have got to the point now that they are controlling you. You have let them build up to the point where you are being led around by the nose by the Greens.

*Senator Wong—* You’re telling me I never did anything about Pauline Hanson? Watch your mouth. How dare you!

*Senator BOSWELL—* You might not like it—

*Senator Wong—* Don’t you ever accuse me about racism.

*Senator BOSWELL—* I am not lecturing you about racism. I never mentioned the word racism. I said the Right.

The *ACTING DEPUTY PRESIDENT* (Senator Mark Bishop)—Order!

*Senator BOSWELL—* You never fought the Left back. That is what I am saying. You never stood up to the Greens—never. And now they have devoured you. Now they are leading you around and you are in a crisis. Whether you realise it or not you are in a huge crisis because you cannot keep the
blue-collar workers uninformed. They are becoming more and more informed, and you can see it in our polling and your polling. You may not like this, Senator Wong, but you are the fall guy. You are the guy who has been set up to dud the blue-collar workers. You might not like it, but you are.

We are opposed to this bill because we cannot see it doing anything on its own.

Senator Wong—Don’t bother putting it to an inquiry then!

Senator BOSWELL—We will put it to an inquiry. We are opposed to it. Of course we are opposed to it. Why do I think it should go to an inquiry? Because, when I sat there for three weeks listening to the evidence, I found out more and more why this bill should not go through. It even gets to the point that you cannot even dump your rubbish without incurring a cost. The more you listen to it, the more stupid it becomes. You cannot put your rubbish in a rubbish dump without incurring a penalty. I never knew that until I listened at the inquiry, and there were many other things that I learned but they only made me realise how stupid and silly this was.

If I were asked to design a piece of legislation that would wreck the Australian economy, that would put people out of work, that would close industry down, I do not believe I could have designed a better program. That is not my view; that is the view of every major person who is involved in industry. I said it yesterday and I will repeat it: one of the directors of the Reserve Bank—and he must have got there because he had influence with the Liberals or the Nationals or presumably the Labor Party—said that Australia will survive a global crisis but it may not survive an ETS. That is someone who has credibility. He is also a director of BlueScope or OneSteel. We heard from both companies, and they said they could not survive with this.

And now you have Combet going around offering a bet here and trying to pick the industries off by one, saying: ‘Here are a few more certificates. We’ll give you another five per cent. We’ll extend it for a year.’ As one person—I forget his name—said, ‘You can’t put lipstick on a pig because it will still look like a pig with lipstick,’ and that is exactly what this bill is going to look like: a pig with lipstick.

It is wrong. The Business Council of Australia have sold their people out and they know it. They are going through a huge conflict at the moment. A lot of people are leaving. A lot of people are saying that they are being sold out and they are in an awkward position. They have the rent seekers on one side who know they can get a quid if these certificates are exchanged and sold around, bought in from overseas. There is a quid in it for them. But who pays? I will tell you who pays—the working families pay. Working families are going to pay for this indiscretion. I am certain—and I have never been more certain in 26, going on 27, years in this place—that this is the worst piece of legislation I have ever seen produced by the Labor Party, and I have seen some stinkers. But this is the very worst.

I cannot believe Senator Cameron. I would have thought he would stand up for the working man. He has completely sold out. I do not know whether he has been brainwashed—although I do not think he is that silly—or whether he is being a good trooper and doing what he has been told to do. But I say to him: you do not have to prostitute yourself. You got here on the Labor vote, on the blue-collar vote, and you are not standing up for them. In fact, the only people who are standing up for them are the coalition. They are waking up fast, and you want to get this legislation through quickly before they do wake up. But I think you have left it too late. They are waking up now.
They are waking up in Gladstone, where the cement and aluminium industries are. They know their jobs are on the line. They are waking up in Rockhampton. The abattoir workers in Rockhampton know. The miners in the Bowen Basin know. The word is out: ‘These people are trading our jobs for Greens preferences, and we do not like it. We feel betrayed. We only have our vote to protect ourselves and we will use that vote.’

Senator Wong interjecting—

Senator IAN MACDONALD (Queensland) (11.51 am)—I hear the minister encouraging me to speak, so thank you, Minister. Regrettably I have an important meeting at midday, so should anyone else want to follow me I will only be nine minutes. I want to support what Senator Boswell just said. He and I sat on the Select Committee on Climate Policy, which was looking into this legislation. I was also involved in Senator Mathias Cormann’s Select Committee on Fuel and Energy, which was looking into the same issue. I have come to the conclusion, from watching the Labor members on those committees and from watching the approach of the government, that the government desperately want us to defeat this legislation. They do not want to have to face the workers that Senator Boswell spoke about if they have cost them their jobs, but they do want to be able go to their green constituency and their Greens second preference voters in the capital cities and say, ‘We tried to do something but the nasty coalition, Senator Xenophon and the Greens all conspired to knock the legislation off.’ That is what I think the Labor Party want to be able to say. They know, as Senator Boswell says, that this legislation will cost the jobs of workers.

I live in North Queensland, not far from the Bowen Basin coalfields. I know the number of people who work in those areas and the wealth they generate. I also know the mortgages that they have run up in buying investment properties because they have good jobs in the Bowen Basin coalfields. Those people’s jobs will be at real risk, and they know it. Regrettably the ACTU gave very toady evidence to the committee. The ACTU put Labor in government and they want to keep them there, so they will roll over to help the government get through any legislation they bring on board. But the ACTU could not answer the questions about what would happen to the jobs of their members, to the working families of Australia that we heard so much about from Mr Rudd prior to the last election.

It distresses me that what the Labor Party, supposedly the party of the workers—they have long since lost that status, but they still maintain the pretence of looking after workers—are going to do with this legislation is simply export jobs offshore. In the coal area they will go to Indonesia, Colombia and South Africa, places where the people who own the Australian mines already have other mines. They will not invest in Australia when we have an impost that the rest of the world does not have. It is a double whammy: we will lose investment in Australia and the jobs of working families in the Bowen Basin coalfields, but it will not make one iota of difference to the carbon emissions of the planet. Emissions will simply move from Australia to Indonesia, Colombia or South Africa, where they will be even worse. I do not want to speak for them—they are all old enough and able enough to speak for themselves—but it was quite clear that the Labor members on both committees that I sat on in relation to emissions trading share that view. It would be different if you were going to do something about emissions trading or the changing climate of the world, but it will not do anything because the emissions will simply be exported offshore, and in the course of that we will lose jobs.
This is not just in the Bowen Basin coalfields—it is in Gladstone, Mackay, the aluminium industries and the cement industries, and we heard evidence from all of them. In fact we heard evidence from literally hundreds of people. We started at eight o’clock in the morning and finished at six o’clock at night. Some of the green groups would come in and oppose it for a different reason, but witness after witness pointed out the absolute stupidity of this legislation—the jobs it will cost and the loss to Australia’s economy. I recall that in regional Australia the dairy industry gave evidence that, although it does not apply directly to them until at least 2015, this emissions trading scheme will mean a loss of between $6,000 and $9,000 per producer in their industry. We also heard evidence from the Thiess meatworks in Rockhampton which clearly indicated that 400 jobs would be lost in that city.

I wonder what the Labor member for Capricornia, Ms Kirsten Livermore, is doing about that. Is she acquiescing in the loss of 400 jobs from working families in the Rockhampton area? I wonder what Mr Bidgood, the Labor member for Dawson, is doing about all the jobs that will be lost by working families in the Mackay region of Queensland. What are those Labor members doing? I know that they have been muzzled and gagged. What is Mr Trevor doing for all of the jobs that will be lost in his electorate, centred on Gladstone? There will be huge job losses. While we and the Leader of the Opposition, Mr Malcolm Turnbull, were in Gladstone we heard daily announcements of job losses in that city, but not a murmur from the Labor member supposedly representing the interests of the working families in the Gladstone area. Those three members in particular have been gagged by the minister or by Mr Rudd and are not able to raise their voices.

I hope that some of the Labor senators, who clearly know this is a dog of a piece of legislation, will have the courage to yet again roll the minister in her push to destroy Australia without any benefit for the changing climate of the world—and that is the real problem. I know Senator Wong was humiliated by Mr Rudd when he did that partial backflip and put it off for a year. I only hope—and I do not mean the minister any personal ill will—that she is again rolled and that the Labor caucus will eventually say to her: enough is enough. If it were going to do anything about the changing climate of the world or emissions of carbon into the atmosphere then perhaps you could grin and bear it—and I only say ‘perhaps’. However, when it will not do that but destroy the jobs and the economies of many parts of rural and regional Australia, it is just not worth contemplating.

As we were told at the committee, modelling done in relation to rural and regional Australia has not seen the light of day. Why? We can only guess, but I think we can guess pretty intelligently, that the modelling that has been done for the New South Wales government demonstrates quite clearly that this is a dog of a piece of legislation when it comes to rural and regional Australia, and it is a dog of a piece of legislation when it comes to the Bowen Basin coalfields. I talk about that locality in a generic way but there are towns, people, houses, livelihoods and schools there which will all disappear if this legislation goes through in the way desired by the minister and Mr Rudd. There are places like Moranbah, Glenden, Tieri, Midlemount, Clermont, Blackwater and Moura, all of which are hotbeds of unionism. They mounted a fabulous campaign at the last election—and good luck to them; they did it very well—but they are eventually starting to wake up to the fact that this government they put in is hell-bent on costing them their jobs.
I would imagine that it will not be long before the grassroots membership of the unions realise that their union bosses, their union leaders, hand in hand with the Labor Party hierarchy, are doing them in the bottom big time. They will work that out. It has been slow, but I think they are eventually starting to realise that this Labor government, which they worked so hard to get elected, is really a government that does not have their interests at heart and will cost them not only their jobs but their houses, their mortgages and their way of life—all to no avail.

At the very least, this legislation needs to be put off until after Copenhagen. The minister, Mr Rudd and—I do not want to malign them—some of those who clearly followed the Labor line for political reasons seem to think that, when we get to Copenhagen, everyone else in the world will say, ‘Gee, Australia’s doing this so we had better follow.’ Again, we had witness after qualified witness who said, ‘Much as we like Australia, much as we think we’re pretty good’—and we are pretty good—‘we’re very small players in the international diplomacy field.’ I refer you to the Senate committee Hansard which shows very good evidence given by a consultant who was formerly associated with ABARE. Have a look at that, Mr Acting Deputy President Bishop, and you will see that, at least, we should put this legislation off until we see what the rest of the world does. If the minister is so confident that the rest of the world—China, India, the United States, Russia and, might I add, Colombia, South Africa and Indonesia—will take on a 25 per cent target, yes, let us go for it. If they take on a 40 per cent target, perhaps we should seriously consider it. But we will do that when they do it. Otherwise, all we will do is export Australian working family jobs to other countries for no benefit whatsoever to the changing climate of the world. Tell me: what sort of a government would promote this sort of dog-type legislation? I apologise for dogs. This legislation is infinitely worse than any mangy dingo you would find anywhere in Australia. It is stupid legislation and I would certainly hope that the Senate, and perhaps the government, will take the initiative and delay it at least until after Copenhagen and then have another look at it in the light of what the rest of the world is going to do.

Senator XENOPHON (South Australia) (12.03 pm)—What a visceral debate this has been. I think it started off with Senator Wong taunting Senator Bernardi while he was in the chair. I thought that was cruel and unusual punishment, and I think she acknowledges that. Senator Bernardi could not respond and was gagged, in a sense, by being in the chair. Thankfully I will never be in the chair, so that is something I do not have to worry about. To me, the issue is one of process—that is, not the whys and wherefores of the Carbon Pollution Reduction Scheme—

Senator Parry—Correct.

Senator XENOPHON—Senator Parry agrees with me; he may disagree with the next thing I am going to say. It is this: there are two parallel inquiries—in fact, some would say three parallel inquiries because of the Senate Select Committee on Fuel and Energy, ably chaired by Senator Cormann, I am a member of the Senate Standing Committee on Economics and the Senate Select Committee on Climate Policy. The climate policy committee made a decision to report on the changes announced recently by the government by 15 June. I supported that and, as I understand it, the coalition did not object to that. On that basis, I thought it was quite reasonable for the economics committee to have a similar reporting date, because we have already looked at the architecture of this particular scheme and we have already looked at alternative schemes in relation to
the scheme design and alternative approaches to tackle the, I believe, very serious problem of carbon pollution. The government is not putting up a totally new architecture of a scheme; it is putting up different targets and a different compensation package. So in a sense it has not gone back to square one; it has changed targets and changed compensation mechanisms in respect of its amended scheme. I would have thought it is not unreasonable for the economics committee to deal with that by 15 June. That is why, in terms of process, I believe it is not unreasonable to tackle it in the next month.

In the context of the merits of the bill, that is another matter. They can be debated when these bills come to the Senate to be debated and where amendments can be considered and we can look at the merits or otherwise of the substantive bill and any amendments. The whole issue of Copenhagen is something that can be dealt with, I believe, at that time. But, in terms of the process that is already in place with respect to the economics committee and the climate policy committee, these are not amendments that go to the architecture of the scheme. We know what the architecture is because we have had a debate about that and there have been inquiries by the two committees, and I believe we ought to get on with it and then we can have a substantive debate about the merits or otherwise of this amended scheme and any amendments in the context of the debate when the bills are introduced. Therefore I support the minister’s motion.

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

The Senate divided. [12.11 pm]
(The Acting Deputy President—Senator TM Bishop)
Environment, Communications and the Arts Committee
Report
Senator McEWEN (South Australia) (12.15 pm)—On behalf of the Chair of the Senate Standing Committee on Environment, Communications and the Arts, I present the report on the reporting of sports news and the emergence of digital media, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator McEWEN—by leave—I move:

That the Senate take note of the report.

I seek leave to incorporate my tabling statement in Hansard.

Leave granted.

The statement read as follows—

I am very pleased to table this consensus report on behalf of the Senate Environment, Communications and the Arts Committee and in so doing acknowledge the participation and genuine interest in this inquiry by other Committee members and in particular Senators Lundy, Birmingham, Wortley, Troeth.

I would also like to sincerely thank the Secretariat, Hansard and the 43 organisations and individuals from around the world who took the time to make a submission and some of whom gave evidence at public hearings, and I particularly thank those persons who represented international organisations and spoke to us willingly regardless of time differences.

This was, from the outset, going to be a topical inquiry. The Committee had to consider the interaction between sport—particularly big, high profile sports—the media, public interest, freedom of the press, the role of Government and the emergence of new digital media platforms that have changed the way people access news and information.

Before the era of the internet, mobile phones, PDAs and other digital media platforms our access to sports broadcasts and sports news was relatively limited. Event broadcasts and sports news were available to us on radio, television and in newspapers. If you missed the Saturday afternoon broadcast and wanted to find out if Port Adelaide had defeated Sturt, you would wait for the 6pm news on the radio. On Sunday, if you wanted to see the photo of an incident that would lead to a tribunal report, or if you wanted to see how Australia fared in the test match at Lords overnight, you would buy the Sunday Mail.

These days, I can go to a website on my mobile phone whenever I like and get virtually instant reports of scores as the game is played, along with photos and information about incidents on field while the game or match is being played.

Not only can we do that, we want to do that. Consumer expectations about access to news have changed. Who hasn’t been to an event on a Saturday night and spent a good part of it checking text messages for updates on the Showdown that you are missing?

The Committee heard that the new forms of digital media have given sports organisations increased opportunities to present and promote their sports.

The Committee also heard sporting organisations are anxious to maximise the revenue potential by selling broadcasting rights and capitalising on other revenue they can make from commercialising their sports. Sports organisations need that money to stage the events, to pay the players and coaches that entertain us, and importantly to assist and encourage young people to take up sport.

Sports compete with each other for “market share”, and against other news and entertainment sources for public attention and revenue. They want to protect their existing and potential markets.

Meanwhile, broadcasters and media organisations that—through an accreditation arrangement with a sporting organisation—send along a photographer or a journalist to a sporting event, or who purchase product from an accredited syndicated media outlet at the event, find that they have many more opportunities to broadcast their report or what they determine to be news. There are television stations dedicated to sport and...
online “newspapers” whose content is available immediately to whoever wants to view it.

There is no doubt the relationship between big sports and media is symbiotic. They both need each other and the stakeholders in this enquiry readily admitted that.

The Committee did note, however, that many sports remain underreported even though those sports—for example, netball—may have many more clubs and participants than the high profile sports that attract most media coverage.

In this mix, is the importance of the reporting of news—the freedom of the press to report that news and the right of the public to be informed about events that are newsworthy.

In Australia, and in most comparable countries, the importance of the media being able to freely report news is a strongly held and defended value. Our Copyright Act specifically includes fair dealing exceptions which allow copyrighted material to be used for the purposes of news reporting. The parameters or conventions of those fair dealing exceptions as far as sports news reporting are concerned are not prescribed but have been reached by informal agreements between news broadcasters and sporting organisations over time.

If anyone doubts that sports news is important and influential, I would call attention to the long lasting effects of the photo of Nicky Winmar asserting his indigenous heritage taken by “The Age” photographer, Wayne Ludbey, in 1993.

The Committee heard some evidence that sporting organisations have attempted to use accreditation agreements to restrict how their events are reported. If you like, an attempt to circumvent the fair dealing exceptions that have become the norm.

We also heard that, in the world of new forms of digital media, news organisations may also be stretching the friendship when it comes to the sometimes fine line between news and entertainment.

As the Report says “The committee accepts that media organisations may be ‘testing the boundaries’ of what constitutes news, and some sporting organisations are ‘testing the boundaries’ of what can reasonably be asked of news reporting organisations in their accreditation agreements”.

So far these tensions have, in the main, been worked out by negotiation between the parties and there has not been a lot of litigation in the area—and parties to this inquiry noted their unwillingness to engage in litigation, sometimes because of the cost of litigation but also because of the preference by the parties for negotiation over litigation.

There is not, at this stage, a lot of evidence that the public’s right to know or the freedom of the press to report, has been compromised. Nor is there a lot of evidence that the sporting organisations or media organisations or syndicated media organisations have suffered detriment.

Some witnesses to this inquiry thought there should be more Government intervention to ensure that does not happen.

We do note that the syndicated media organisations probably have less clout in dealing with large sports organisations than some of the major media organisations. Some high profile cases are investigated in this Report, and I draw your attention to those.

Having explored at some length the matters covered by this inquiry, the committee has arrived at a number of modest recommendations that we believe will give some direction to the parties, which reinforce the importance of this issue, but which stop short of recommending government or legislative intervention at this stage.

Those recommendations include that government should consider using current Crawford review of sports to give more attention to the sporting organisations capacity to innovate in digital innovation—the Committee would particularly like to see the digital media platforms available to sports and the media used to promote and report less high profile sports.

The Committee specifically recommends the Parliament not consider amendments to Copyright Law at this stage, and not unless outcomes of any future litigation warrants it. This matter was not, at its heart about the adequacy of the Copyright Act which—based as it is on international conventions—seems to provide an ade-
quate legal platform for parties who wish to test it.

The committee does recommend that the Government consider the relevant recommendations of the Copyright Law Review Committee in light of the evidence received in this enquiry.

A further recommendation requests stakeholders to negotiate media access to sporting events on the basis that all bona fide journalists—including photojournalists and news agencies—should be able to access sporting events regardless of which media platform they ultimately post their news on.

Finally, the Committee sends a message to the parties that Government is interested in what is at stake here—for the public, for sport and for media organisations—and will monitor developments. In the event that negotiations between the parties are unsuccessful then the Committee recommends the Minister consider initiating the process of a code of conduct under the Trade Practices Act.

I urge all those interested to read the Report and I hope that the Committee’s work has been useful to those who care about sport, news, the freedom of the press and the interests of the Australian public who value all of those things.

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

Leave granted; debate adjourned.

**BUDGET**

**Consideration by Estimates Committees**

**Additional Information**

Senator McEWEN (South Australia) (12.16 pm)—On behalf of the respective committees, I present additional information received by committees relating to the following estimates:

- Budget estimates 2008-09—
  - Community Affairs—Standing Committee—Additional information received between 20 March and 13 May 2009—
  - Families, Housing, Community Services and Indigenous Affairs portfolio.
- Budget estimates 2008-09 (supplementary)—
  - Environment, Communications and the Arts—Standing Committee—Additional information received between 4 February and 13 May 2009—
    - Broadband, Communications and the Digital Economy portfolio.
    - Environment, Water, Heritage and the Arts portfolio.
- Additional estimates 2008-09—
  - Community Affairs—Standing Committee—Additional information received between 19 March and 13 May 2009—
    - Families, Housing, Community Services and Indigenous Affairs portfolio.
    - Health and Ageing portfolio.
  - Indigenous issues across portfolios—
    - Attorney-General’s.
    - Education, Employment and Workplace Relations.
    - Human Services.
- Economics—Standing Committee—Additional information received between 25 February and 13 May 2009—
  - Resources, Energy and Tourism portfolio.
  - Treasury portfolio.
- Education, Employment and Workplace Relations—Standing Committee—Additional information received between 9 April and 13 May 2009—Education, Employment and Workplace Relations portfolio.
- Environment, Communications and the Arts—Standing Committee—
  - Additional information received between 19 March and 14 May 2009—
  - Broadband, Communications and the Digital Economy portfolio.
  - Additional information received between 19 March and 13 May 2009—
    - Environment, Water, Heritage and the Arts portfolio.
Finance and Public Administration—Standing Committee—Additional information received between 20 March and 14 May 2009—
  Department of Climate Change.
  Finance and Deregulation portfolio.
  Human Services portfolio.
  Parliamentary departments.
  Prime Minister and Cabinet portfolio.
Foreign Affairs, Defence and Trade—Standing Committee—Additional information received between 9 April and 14 May 2009—
  Defence portfolio.
  Foreign Affairs and Trade portfolio.
Legal and Constitutional Affairs—Standing Committee—Additional information received between 18 March and 12 May 2009—
  Attorney-General’s portfolio.
  Immigration and Citizenship portfolio.
Rural and Regional Affairs and Transport—Standing Committee—Additional information received between 5 February and 12 May 2009—
  Agriculture, Fisheries and Forestry portfolio.
  Infrastructure, Transport, Regional Development and Local Government portfolio.

BUSINESS

Rearrangement

Senator Stephens (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.16 pm)—I move:


Question agreed to.

SOCIAL SECURITY AND FAMILY ASSISTANCE LEGISLATION AMENDMENT (2009 BUDGET MEASURES) BILL 2009

Second Reading

Debate resumed from 13 May, on motion by Senator Ludwig:

That this bill be now read a second time.

Senator Scullion (Northern Territory) (12.17 pm)—The Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Bill 2009 substantially deals with two measures from the budget. The first aspect of this bill is the provision for an ongoing lump sum payment of $600 a year for people on carer allowance and on carer payments. This provision effectively regularises payments that have been made since 2004 under the Howard government. I would like to take this opportunity to place on record—and I am sure that this is shared in a bipartisan sense—the great appreciation of parliament for the fantastic work of carers in Australia. I suspect it would not matter how much we paid them; most Australians would agree that it would never make up for the huge contribution they make not only to the people who they care for but, of course, to the wider community.

In 1998 the former coalition government extended the support to carers of children with a profound disability. I think it was in 2004 that we introduced the carer bonus payment, which was a one-off carer bonus payment of $1,000 to each person in receipt of the carer payment and $600 to each recipient of a carer allowance, which was then announced in the 2004-05 budget. In effect, that continued until this day. What this provision does is regularise that payment.

The only other aspect of this bill of note is to suspend for three years the indexation of the income threshold to the people accessing
family tax benefits. This is a straight savings measure and is non-controversial. It will not be opposed by those on this side. Again, the carers are the unsung heroes of the Australian community, and I feel that these payments only really give recognition and acknowledgement to the work that they do. I commend this legislation to this place.

Senator SIEWERT (Western Australia) (12.19 pm)—The Greens would like to briefly put on record our support for the approach in the Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Bill 2009 and also acknowledge the value of the work that carers contribute to the community in Australia. Without those carers, we would not be able to deliver the care and look after the people who are most in need of care in our community. Quite frankly, we would not have functional care services.

The latest statistics show a contribution of $30 billion worth of care per year to our community. I think that is an underestimation of the care that is provided. The past up-and-down yearly system of bonuses has been unfair to carers because it leaves them in doubt each year as to whether they are going to be able to make ends meet and whether they are going to be able to get that extra little bit of support, so the Greens will be supporting this bill. We particularly want to acknowledge their contribution.

We would also like to put on record for the government that we think there is still further work to do in support of carers. We are aware of the bill that we would have been debating this week—it now looks like it has been put off—and that is the bill that is coming to deal with carers of children in particular. But there is other work that needs to be done, and I know that both the government and the opposition are aware of this. There are other issues that need resolving for carers, particularly around their long-term requirements. We all know that carers have to come out of the workforce and they do not get superannuation, and I know that carers are keen to get better coordination across government. I will acknowledge—particularly as she is in the chamber—that Senator Stephens is looking at these very important issues but there is still a greater need for coordination across government.

I will also say—and I will go into this in more detail when we talk about the next bill—that there is still a considerable way to go to help carers. A lot of work has been done recently about helping and supporting carers of children, but there are still quite a few issues that need to be resolved for carers of adults, particularly our ageing carers and carers looking after the frail and aged, particularly their partners. So we will be continuing to pursue that with government, as I am sure Senator Stephens knows. We would like to put that on record and put the government on notice that we will continue to follow those issues up. I am pleased that carers will now not have to wait with bated breath each year to see if they are going to get that extra little supplemental bonus and that their enormous contribution to our society is acknowledged.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.23 pm)—I say thank you both to Senator Siewert and to Senator Scullion for indicating their absolute support for the Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Bill 2009. It is most important that we get this bill through the Senate so that we can reward and acknowledge the contributions of carers. We need to have this passed so that it can take effect from 1 July. I commend the bill to the Senate.
Question agreed to.

Third Reading

Bill passed through its remaining stages without amendment or debate.

BUSINESS

Rearrangement

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.24 pm)—by leave—I move:


Question agreed to.

FINANCIAL ASSISTANCE LEGISLATION AMENDMENT BILL 2009

Second Reading

Debate resumed from 13 May, on motion by Senator Ludwig:

Senator IAN MACDONALD (Queensland) (12.24 pm)—The Financial Assistance Legislation Amendment Bill 2009, dealing with financial assistance grants to local government, will be supported by the coalition, although we wonder why the legislation is being brought forward. We can only suspect that it has a lot to do with the semantics of the budget and, perhaps, Mr Rudd not wanting to confess to a deficit in excess of $58 billion.

What this bill is all about is bringing forward from the next financial year into this financial year an amount of $480 million going to local government. The government gives the explanation that it will allow local government to get on with job-creating works, but that does not seem to ring true. Our consultation with the Australian Local Government Association suggests that this was not sought by local governments throughout Australia; it is simply something the government is doing. As I say, we cannot quite understand why it is. It means that the quarterly payment that was due at the beginning of next financial year, $480 million, will be paid in this financial year. It means councils will have that additional money this financial year. They will not be able to spend it in the next couple of months, quite clearly, and it means they will have to hold it in reserve to spend next year.

So what is this all about? Perhaps whichever minister is dealing with this legislation in the Senate can give us a convincing reason why this is happening. We can only think that the Treasurer did not want to talk about a deficit of more than $58 billion. It is fudging the figures somewhere along the line. Local governments are certainly not getting any more money; they are getting the same amount of money, but it is just that the first quarterly payment is coming forward in this financial year. There is no sensible or believable explanation given by the government in the second reading speech or the explanatory memorandum. We are just curious as to why it has happened.

But it is good to see the Labor government continuing the financial assistance grants that the previous coalition government made to local government throughout Australia in recognition of the quite significant work that local government does in all aspects of the life of Australians. Certainly councils look after the old triple R—roads, rates and rubbish—but these days they look after a lot more than that. I know that in my state of Queensland, particularly in many of the smaller regional councils, they take on a real community leadership role and deal with a
lot of infrastructure projects and many other works that benefit their communities.

Councils also get money under Roads to Recovery, another initiative of the Howard government which I am pleased to see the current government continuing—for the time being, at least. That is an initiative where roads money goes directly to councils, cutting out the middleman at state government level, so councils can do good works on local roads. Unfortunately, in Queensland we are finding that quite a number of local councils are using their R2R money on state roads, roads that should be maintained and improved by the Queensland state government but that the Queensland government are not at all interested in because they are outside the south-east corner of our state. We find the local authorities using the money given to them by the Commonwealth government for local roads on these state roads simply because nobody else is maintaining them.

But local governments play a much wider role in the community as well. I was interested the other day to see all of the mayors from local governments from Townsville out to Mount Isa—and there are five or six of them—indicating that, as the headline in the newspaper says, ‘Mayors support uranium’. The newspaper article says that:

Mayors in the seven shires between Mount Isa and Townsville have unanimously voted in favour of uranium mining in Queensland.

That is a very interesting aspect of the views of some community leaders in that particular area.

Their support for uranium mining simply mirrors the support given by Ms Betty Kiernan, the Labor member for the state seat of Mount Isa. It also mirrors the urgings of the former Labor member for Mount Isa, who was minister for mines in the Beattie government, who is very vocal in his support for uranium mining. I think one of Queensland’s leading union officials, Mr Bill Ludwig from the AWU—

Senator Conroy—Good man.

Senator IAN MACDONALD—A very good man. I am not quite sure why he supports the ALP, although perhaps there is evidence of why in this chamber at the moment! He, like me, is very concerned about workers in the north-west and the north of Australia. He is very concerned about the emissions trading scheme. I do not think he has said too much publicly because he does not want to embarrass those who might be close to him who might be forced to take a position on it that does not support the interests of his members. But he is the sort of union leader who is interested in workers’ jobs. He is the sort of union leader who would be very concerned about the emissions trading scheme and the impact it will have on jobs in the Bowen Basin coalfields, the aluminium industry, the cement industry, the cattle industry and the dairy industry across Australia. Also, as I recall—and, if I am wrong, someone will no doubt tell me—Mr Bill Ludwig, the AWU union leader, is a supporter of uranium mining in Australia.

I am not indicating that I necessarily am or am not a supporter of uranium mining. I do know there is a hell of a lot of it. I declare an interest here. I have a couple of shares in penny dreadfuls, some of which are prospecting for uranium or think they have found it. I will just declare that as an interest. But there is a lot of uranium in Northern Australia, particularly Northern Queensland, and that is why these men across that part of Northern Australia have unanimously voted in favour of uranium mining in Queensland—as I say, mirroring support given by the Labor state member for Mount Isa. They have done that because they realise that uranium is used around the world. In Australia, uranium from three mines seems to be okay,
but uranium from any more than three mines seems to be bad uranium—the policy of the Labor Party that everyone finds difficult to understand. But they also looked at emissions trading, carbon emissions into the atmosphere, and realised that one of the reasons the European Union is able to talk about meeting targets is because a substantial part of the power in the European Union comes from nuclear power. One wonders why people like the Minister for Climate Change and Water, Senator Wong, who are paranoid about carbon emissions, are not at least investigating—I am not saying supporting—the possibility of having uranium in the mix of energy providers for Australia.

But I digress. I am simply indicating that local governments in Australia take on a far wider role than the old road rates and rubbish activities of the past. In Australia local government is very well led at a national level by Councillor Paul Bell—a Queenslander, I am proud to say. He hails from the mining city of Emerald in Central Queensland. I know he would be having concerns about the emissions trading scheme, as anyone who lives in those areas would be. Certainly local government is well led and well resourced in Australia. There are a lot of very good CEOs of the various state local government associations, people like Greg Hallam in Queensland, who are very professional and do a great job in assisting local governments deliver their services.

I was at a local government conference in Hughenden in western Queensland just last week and I took the opportunity there to urge local governments to get together across the top of Australia to try to establish some sort of North Australian congress to fight for a better deal for North Australia. As I know you know, Mr Acting Deputy President Trood, about 45 per cent of Australia’s land mass is north of the Tropic of Capricorn, but only five per cent of Australia’s population lives in that area. In a federal parliament of over 200 members and senators, 142 federal members and 73 senators are in the south of Australia, below the Tropic of Capricorn, and across the north of Australia there are only eight federal members and three senators. I guess that is why, in a democracy, Northern Australia at times gets overlooked.

Northern Australia contributes 33.4 per cent of the national sea exports from Australia. Of Australia’s export earnings, Northern Australia contributes something like 30 per cent. We in the north—this is very relevant in these times of a drying continent—have anywhere between 47 and 66 per cent of the national river run-off. That all occurs in Northern Australia. The predictions on climate change are that the south of our continent will get drier and the north will get a little wetter or stay the same. We have that huge freshwater run-off across the north. You do not have to be a rocket scientist to work out that in the future most of Australia’s food will be grown in Northern Australia because it has good, reliable water and it has a mosaic of good quality lands. In fact, I often proudly quote the Peanut Company of Australia, which originated in Kingaroy at the time when the name ‘Kingaroy’ was synonymous with peanuts. It is difficult to believe that in the not-too-distant future there will be very few, if any, peanuts grown in the Kingaroy district. They will all be grown in Katherine in the Northern Territory or in that corridor between Townsville and Mount Isa once good water storage comes into play.

In those parts of Northern Australia there are carefully considered programs for the harvesting and storage of some of that fresh water. We know about the Menzies government’s great initiative in the Ord irrigation scheme, a scheme which I am delighted to say the new Western Australian government has picked up and committed $200 million to extending. I give credit where credit is due. I
am pleased to see the current government matching the Western Australian government’s $200 million to go on to stage 2 and perhaps stage 3 of the Ord River scheme. I was delighted in Darwin last week, in discussions with ministers in the Northern Territory government, to find that the Northern Territory government has dropped its disinterest in stage 2 of the Ord and is now coming to the table to be part of the discussions in looking at stage 3.

The Douglas Daley area in the Northern Territory is a good water supply source. There are certainly issues to be addressed, but that is an area that will support agriculture into the future. In my state of Queensland there is a lot more capacity in the Burdekin dam area. By increasing the size of the dam wall you could almost double the amount of water available, which will feed not only Australia but the world in many years to come. There are smaller projects too. There is the O’Connell Creek diversion off the Flinders River at Richmond. It is almost shovel-ready. It is the sort of project that I hope Mr Rudd would be seriously looking at as he wants to spend some of this money on nation building. I suspect it will not get a guernsey because it is probably too sensible.

The Queensland government need to make some decisions in relation to water allocation, which they seem quite incapable of doing. There is a good project that could start now and create a lot of jobs and more good quality agricultural land to feed Australian mouths and indeed the mouths of the increasingly hungry across the world. The Mt Beckford scheme is further up the Flinders River near Hughenden. It is a good project that could be put into operation with a bit of government leadership. There is also the Green Hills dam proposal on the Gilbert River just north of Georgetown up in the gulf. These are all projects that are almost shovel-ready. That seems to be the new buzz word these days. Those are some projects that the Labor government could very well and usefully have a look at if they could get their mates in the Queensland government to make some decisions.

We in the north really do need to get the people of southern Australia to understand just what a significant contribution the north makes to the national economy and to the future of people living in the south of Australia. That is why I have suggested that a Northern Australian parliament, sponsored by local governments across the north, might be one way of attracting the focus and the impetus to get some interest from southern-centric governments, both in Queensland and in Australia. That demonstrates the length and breadth and the width and depth of work that local governments do for our country these days. That is why the coalition continues to support financial assistance grants to local governments. That is why, although we are mystified as to why this bill is being introduced, we are supporting the bill currently before the chamber.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.43 pm)—I thank Senator Macdonald for his contribution to the debate on the Financial Assistance Legislation Amendment Bill 2009 and for his ongoing support for local government. Can I explain quite clearly why this bill is being brought forward. Under the Local Government (Financial Assistance) Act as it currently stands there is no mechanism for the Commonwealth to respond quickly and responsibly to support local government by bringing forward a portion of next year’s financial assistance grants. So the amendments we are seeking here are simply to provide the flexibility to advance payments from the next financial year to the current
year. The amendments will also increase the general drawing rights authorising debits from the COAG Reform Fund for the purposes of making grants of general revenue assistance to the states. The government is looking forward to the passage of this bill to enable the Commonwealth to provide that general purpose financial assistance to the states and of course to help local government meet the current economic challenges. 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.

EMPLOYMENT AND WORKPLACE RELATIONS AMENDMENT BILL 2008

Second Reading

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

That this bill be now read a second time.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.45 pm)—In summing up the debate on this bill, I thank those who spoke on this very important bill. The Australian government is committed to supporting Australian workers, committed to getting Australians into jobs, committed to ensuring Australians have safe workplaces and committed to looking after Australian workers if they suffer a workplace injury. We are heartened by the fact that there is a declining number of deaths in Australian workplaces, but of course this is of little comfort to the families of those men and women who perish in workplace accidents.

This bill will deliver increases in the benefits paid to the families of workers who die as a result of their work, and that is central to the government’s support of Australian workers and their families. I would like to particularly acknowledge the interest of Senator Lundy in this bill and the decision which will ensure that the family of the ACT firefighter who was tragically killed while fighting the Victorian bushfires, Mr David Balfour, will receive increased benefits.

In the last budget the government committed to increasing the Comcare lump sum death benefits from the current level of $229,494 to $400,000, and that commitment also increases weekly benefits for dependent children from $72.98 to $110 per child. As I say the government understands that this is of little comfort to families who have lost a loved one as a result of their employment. Nothing can bring those people back; the best we can do as a government and a parliament is to deliver greater financial certainty to those families. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.47 pm)—I table a supplementary explanatory memorandum relating to the government’s amendments and request for amendments to be moved to this bill. The memorandum was circulated in the chamber on 12 May 2009. I seek leave to move these amendments and requests together.

Leave granted.

Senator STEPHENS—I move government amendments and requests for amendments on sheet BE200:

1A. Schedule 1, 1 July 2009,
(1) Clause 2, page 2 (after table item 1), insert:

2. Schedule 1, items 3, 4 and 5
   The day on which this Act receives the Royal Assent.

(2) Clause 2, page 2 (table item 2), omit the table item, substitute:

2A. Schedule 1, items 6 and 7
   The day after this Act receives the Royal Assent.

(3) Clause 2, page 2 (before table item 3), insert:

2B. Schedule 1, items 8 to 13
   The day after this Act receives the Royal Assent.

(4) Schedule 1, item 6, page 6 (line 19), omit “at or after the commencement of this item”, substitute “on or after 1 July 2009”.

(5) Schedule 1, item 6, page 6 (line 21), omit “at or after the commencement of this item”, substitute “on or after 13 May 2008”.

(6) Schedule 1, item 7, page 6 (lines 25 and 26), omit “at or after the commencement of this item”, substitute “on or after 13 May 2008”.

(7) Schedule 1, item 7, page 6 (line 28), omit “at or after the commencement of this item”, substitute “on or after 13 May 2008”.

(8) Schedule 1, page 6 (after line 28), at the end of the Schedule, add:

Seafarers Rehabilitation and Compensation Act 1992

8 Subsection 23(1) (definition of relevant amount)

Omit “29(3), (4) or (5),”.

Note: The heading to section 23 is altered by adding at the end “—Consumer Price Index”.

9 After section 23

Insert:

23A Indexation—Wage Price Index

Definitions

(1) In this section:

index number, in relation to a quarter, means:

(a) the Wage Price Index (total hourly rates of pay excluding bonuses/all sectors/all Australia/original) number published by the Australian Statistician in respect of that quarter; or

(b) if:

(i) a series of index numbers is prescribed for the purposes of this paragraph; and

(ii) the Australian Statistician publishes an index number in respect of the quarter; and

(iii) that index number belongs to the series;

relevant amount means the amount specified in subsection 29(3), (4) or (5).

relevant year means:

(a) the financial year starting on 1 July 2009; or

(b) a later financial year.

Indexation

(2) If the indexation factor for a relevant year is greater than one, this Act has effect as if for each relevant amount there were substituted, on the first day of that relevant year, an amount calculated by multiplying by that factor:

(a) if, because of one or more other applications of this section, this Act has effect as if another amount or amounts were substituted for the relevant amount—the substituted amount or the last substituted amount; or

(b) in any other case—the relevant amount.

Indexation factor

(3) For the purposes of this section, the indexation factor for a relevant year is the number calculated, to 3 decimal places, using the formula:

Index number for the reference December quarter

Index number for the base December quarter

where:
base December quarter means the last December quarter before the reference December quarter.

reference December quarter means the last December quarter before the relevant year.

(4) If the number calculated under subsection (3) for a relevant year would, if it were calculated to 4 decimal places, end with a number greater than 4, the number so calculated is increased by 0.001.

Other provisions

(5) Subject to subsection (6), if at any time, whether before or after the commencement of this section, the Australian Statistician has published or publishes an index number for a quarter in substitution for an index number previously published for that quarter, the publication of the later index number is to be disregarded for the purposes of this section.

(6) If at any time, whether before or after the commencement of this section, the Australian Statistician has changed or changes the reference base for:

(a) the Wage Price Index; or

(b) another index;

then, for the purposes of the application of this section after the change took place or takes place, regard is to be had only to the index number published in terms of the new reference base.

10 Paragraphs 29(3)(a) and (4)(a)

Omit “$151,167.84”, substitute “$412,000”.

11 Subsection 29(5)

Omit “$50.38”, substitute “$113.30”.

12 Application—compensation for the benefit of dependants

(1) The amendments made by items 8 and 9, to the extent that they relate to subsections 29(3) and (4) of the Seafarers Rehabilitation and Compensation Act 1992, apply in relation to the death of an employee that occurs on or after 1 July 2009.

(2) The amendment made by item 10 applies in relation to the death of an employee that occurs at or after the commencement of this item.

13 Application—compensation for the benefit of children

(1) The amendments made by items 8 and 9, to the extent that they relate to subsection 29(5) of the Seafarers Rehabilitation and Compensation Act 1992, apply in relation to a payment for a week that begins on or after 1 July 2009.

(2) The amendment made by item 11 applies in relation to a payment for a week that begins at or after the commencement of this item.

Statement of reasons: why certain amendments should be moved as requests

Section 53 of the Constitution is as follows:

Powers of the Houses in respect of legislation

53. Proposed laws appropriating revenue or moneys, or imposing taxation, shall not originate in the Senate. But a proposed law shall not be taken to appropriate revenue or moneys, or to impose taxation, by reason only of its containing provisions for the imposition or appropriation of fines or other pecuniary penalties, or for the demand or payment or appropriation of fees for licences, or fees for services under the proposed law.

The Senate may not amend proposed laws imposing taxation, or proposed laws appropriating revenue or moneys for the ordinary annual services of the Government.

The Senate may not amend any proposed law so as to increase any proposed charge or burden on the people.

The Senate may at any stage return to the House of Representatives any proposed law which the Senate may not amend, requesting, by message, the omission or amendment of any items or provisions therein. And the House of Representatives may, if it thinks fit, make any of such omissions or amendments, with or without modifications.
Except as provided in this section, the Senate shall have equal power with the House of Representatives in respect of all proposed laws.

Amendments (2), (5) and (7)
The effect of these amendments is to enlarge the class of persons who could receive increased compensation. The amendments are covered by section 53 because the amendments could result in an increase in the amount covered by the standing appropriation in section 90D of the Safety, Rehabilitation and Compensation Act 1988.

Employment and Workplace Relations Amendment Bill 2008
Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

Amendments (2), (5) and (7)
The Senate has long followed the practice that it should treat as requests amendments which would result in increased expenditure under a standing appropriation, although this interpretation is not consistent with other elements of the established interpretation of the third paragraph of section 53 of the Constitution. This has nothing to do with the introduction of bills under the first paragraph of section 53.

If it is correct that these amendments increase the number of individuals eligible for death benefits payable from standing appropriations, it is in accordance with the precedents of the Senate that the amendments be moved as requests.

Question agreed to.

Bill, as amended, agreed to, subject to requests.

Bill reported with amendments and requests; report adopted.

CUSTOMS LEGISLATION AMENDMENT (NAME CHANGE) BILL 2009
Second Reading
Debate resumed from 20 March, on motion by Senator Stephens:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Bill passed through its remaining stages without amendment or debate.

CUSTOMS AMENDMENT (ENHANCED BORDER CONTROLS AND OTHER MEASURES) BILL 2008
Second Reading
Debate resumed from 10 March, on motion by Senator Ludwig:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Bill passed through its remaining stages without amendment or debate.

BUSINESS
Rearrangement
Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.51 pm)—I move:

That government business order of the day no. 8 (Law and Justice Legislation Amendment (Identity Crimes and Other Measures) Bill 2008) be postponed till the next day of sittings.

Question agreed to.

TELECOMMUNICATIONS INTERCEPTION LEGISLATION AMENDMENT BILL (No. 2) 2008
Second Reading
Debate resumed from 5 February, on motion by Senator Wong:

Senator LUDLAM (Western Australia) (12.52 pm)—I would like to make some brief remarks on the passage of the Telecommunications Interception Legislation Amendment Bill (No. 2) 2008. The Australian Greens acknowledge that the amendments proposed by the government through this bill are noncontroversial. These particu-
lar amendments provide for Queensland to finally come into the accountability framework, contributing record keeping, reporting and compliance with inspection obligations, and establishing the minimum standards for agency compliance. What is noteworthy about Queensland is that it has a Public Interest Monitor—an independent barrister who represents the public interest and, in the case of this legislation, is basically a barrier to police having unfettered power to get highly intrusive powers for surveillance device warrants or covert search warrants. The Public Interest Monitor will be present for the actual warrant applications in Queensland. While the history of the Queensland police force is mixed, as we all know from the Fitzgerald inquiry and various exposes in the media, including pieces in Four Corners, it is especially appropriate for this kind of oversight to ensure that the police and law enforcement agencies are respecting privacy and acting within the law. But the question really is: why aren’t the citizens of every state protected in this way? Why is there not an office such as this in all states and territories that ensures that checks and balances do ensure that privacy rights are upheld?

As I said the first time I got to my feet in this place, it is very concerning that an Australian telephone is 23 times more likely to be bugged than an American telephone. In the United States only judges may issue telecommunications warrants, but in Australia almost all are issued by nonjudges, as we can see from the list of authorised personnel listed in the bill before us today, which empowers the state commissioners to authorise officers of a particular rank to be a certifying officer. The Australian people should be provided with evidence that this level of surveillance is actually necessary and that it is being used in successful prosecutions. The legislation should also be reviewed to ensure that necessary, lawful and proportionate access by law enforcement agencies to telecommunications data is balanced with the public’s right to communicate free from surveillance. Australians should be able to communicate with their friends and colleagues without a range of organisations listening in. It must only be in extraordinary circumstances when that right to privacy is denied.

Who exactly is being spied upon? In many cases it has been people who are working for peace and human rights or organising their democratic right to free expression which we hold very dear in this country. Why are these people under surveillance? We have seen recent media reports, particularly in Victoria and New South Wales, of state law enforcement agencies spying on perfectly legitimate organisations who are simply expressing their democratic rights to dissent from certain kinds of decisions or certain activities. Why are they under surveillance? A public interest monitor mechanism in every state and territory will help ensure that proper justification is made each and every time an Australian’s right to privacy is breached.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.55 pm)—I thank Senator Ludlum for those comments and I thank other senators for their contributions to this debate on the Telecommunications Interception Legislation Amendment Bill (No. 2) 2008. This is a very important bill in ensuring that law enforcement agencies can protect the safety and security of Australians wherever they live. As Senator Ludlum pointed out, currently, Queensland is the only jurisdiction whose agencies cannot seek or execute an interception warrant. So the passage of this bill will clear the way for Queensland to enact legislation that satisfies the accountability obligations set out in the Telecommunications (Interception and Access) Act 1979 and, importantly, by recognis-
ing a role for the Public Interest Monitor in this act, Queensland will be able to legislate an oversight role for that body without conflicting with the Commonwealth act.

The bill maintains the integrity of the interception regime by prescribing a role for the Public Interest Monitor that recognises its importance to the oversight of police activities in Queensland while respecting the independence and integrity of the decision makers as currently set out in the act. So the government is looking forward to receiving further advice from Queensland regarding the passage of complementary legislation which was introduced into the Queensland parliament on 22 April this year.

This bill facilitates a truly national telecommunications interception regime and is a further step in the ongoing modernisation of Australia’s interception laws for law enforcement and national security purposes. 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.

AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP BILL 2009

AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP (CONSEQUENTIAL AMENDMENT) BILL 2009

Consideration resumed from 13 May.

In Committee

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

Senator COONAN (New South Wales) (12.59 pm)—There are a number of amendments that will be considered as part of the Australian Business Investment Partnership Bill 2009. I thought it would be useful for the chamber and for the orderly handling—at least of the coalition’s participation in the debate—if I were to outline our general approach to the amendments.

Central to discussions about this bill is whether the Australian Business Investment Partnership is required at all. In the coalition’s view, we should not be intervening in the commercial property market, or indeed any market, with all the distortional effects that this causes unless there are sound reasons for doing so. The fundamental question here is: is there a sound reason? What has been missing from this debate is any concrete evidence that there is a clear and present need for a government backed facility of the kind proposed in this bill to be available to meet funding gaps in the commercial property sector. Quite apart from our objections to the structure of Ruddbank—moral hazard arguments, conflicts of interest, vague lending criteria, problems with governance, lack of accountability and so forth—the fundamental rationale for the bank, that foreign banks are likely to withdraw from syndicated large debt facilities, has, in our view, not yet been established.

I do accept that in the current financial climate there may be challenges in refinancing risk. But the anecdotal scenarios of ifs and buts and maybes qualified the evidence—heavily qualified it, in my view, given that some witnesses arguing for this bill in the Senate Standing Committee on Economics fortified the coalition’s view that the primary rationale for setting up this bank has not been made out. Notwithstanding the importance of the commercial property sector—and that must be acknowledged—there is no sound public policy reason that I can discern that would justify the cost of setting up this bank just because circumstances might at some unspecified time arise where it could be needed. And just think about this: if
we approached every institutional and financial risk in the private sector that way, there would be a never-ending queue of sectoral interests requiring a safety net and similar treatment with the risk passing to the hapless taxpayer. So whilst some of the amendments proposed by Senators Xenophon and Fielding and the Australian Greens are well-intentioned and even thoughtful—and I have had a look at all of them—in our view they are redundant. That is because the primary rationale for the bill has not materialised. No amount of amending it will make any more compelling evidence that foreign banks are likely to withdraw their investments from syndicated loans in circumstances where our domestic banks are unable or unwilling to fill the gap. It is, of course, the proverbial analogy, the lipstick on a pig analogy, that a nicer shade will not make it any prettier. Amendments, however sound, will not overcome the fact that the bill lacks its fundamental premise.

I also alluded in my remarks during the second reading debate to the coalition’s concerns that there may even be a possibility that the arrangements surrounding Ruddbank will increase Commonwealth debt by another $28 billion. I made those remarks prior to the budget being handed down on Tuesday night. On Tuesday night, of course, the Australian people were confronted by a Rudd Labor government budget that will define this government, I think, for all time. Australia is now swamped by the largest cumulative deficits, $220 billion, in contemporary Australian history, and the largest public debt—a whopping $188 billion net public debt and rising—and by spending, that is, on any view, out of control. Just since the 2007 election there has already been $124 billion of new spending by the Rudd Labor government. Labor has lost control of the nation’s finances, and there is absolutely no justification for adding another potential liability of $28 billion. I know that sounds quite minor with the magnitude of the numbers of billions that get thrown around under the guise of making provision in this climate. But in this bill it is unfair to be adding another potential liability of $28 billion to Labor’s rivers of red ink stretching as far as the eye can see. We believe that in the absence of the case being made out for this bill there is no justification for amending it; and that will be the approach that the coalition will take to the amendments that are no doubt about to be put forward.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.05 pm)—As I said in the second reading debate, the Greens view this legislation with some apprehension. It puts $2 billion of public money up, to be matched by the four banks putting in half a billion each. That is, under the existing legislation, going to be governed by a board of five, one each from the big banks and one from the Commonwealth—which is out of kilter. We have an amendment to make now to give the Commonwealth two votes there, and they will have a veto. But it also brings into play the potential for a further $26 billion of taxpayers’ money, because that is the provision for guarantees for loans should it be required. In other words, the Commonwealth commitment of taxpayers’ money in this legislation is bigger than the commitment by the four banks put together. Where will the money go? It will go to developers of such things as shopping centres and other private enterprise developments where the concern was—which I do not think is now nearly as strong—that such developments would be financed by foreign loans, and that the foreign lenders at a time of recession may not be prepared to renew the loans. It is to put up a guarantee from the taxpayers to the private sector developers that, come what may, they will get new finance.
There are all sorts of ramifications with legislation like this as to the availability of money to other potential borrowers and the fact that small business is left out altogether. Be that as it may, the Greens have consistently said that we are responsibly aware that the government is there to govern, it is a time of enormous crisis on the economic front, and we as a nation are in recession. We have, I think, potentially reached agreement about rebalancing the board by having six officers on the Australian Business Investment Partnership—an added one from the Commonwealth. I think that is very wise, because it will mean that instead of a single Commonwealth officer being there to negotiate with four private sector officers—one from each of the banks—there will be two Commonwealth officers. We do not have to be too schooled in social dynamics to know that that will give the Commonwealth a much better bargaining position and, if necessary, a much wiser ability to use the veto.

The other important amendment that I put forward on behalf of the Australian Greens, in the absence of action from the government, is:

The annual salary of any officer of any other party to the arrangement is not greater than $1,000,000.

That is, the development companies that are potentially entertaining getting a guaranteed loan at the risk of the taxpayer should not include people who are then taking home more than a million dollars a year. It is an embarrassingly high figure, when one looks at the Prime Minister’s income of around $400,000. This is presuming that there is a developer out there, a manager of a development corporation or a development, who is doing work that is worth two and a half times that of the Prime Minister. Obviously that is not the case. But this is to thwart taxpayers’ money being used to back up what the Prime Minister himself has described as the ‘ob-scene’ executive officer salaries we have seen in Australia in recent years.

While it is not germane to Australia, this got right out of hand in the United States, where the president has taken some action. I want to quote from a letter from Attorney-General Cuomo of the State of New York to the Chairman of the House Committee on Financial Services in Washington, the Hon. Barney Frank. It outlines Merrill Lynch bonuses for last year. People will know that Merrill Lynch was a casualty of the recession, or maybe a big cause of it. The letter says:

Merrill Lynch’s decision to secretly and prematurely award approximately $3.6 billion in bonuses, and Bank of America’s apparent complicity in it, raises serious and disturbing questions. By December 8, 2008, Merrill and presumably Bank of America must have been aware that the fourth quarter and yearly earnings results were disastrous. Indeed, on January 16, 2009, the companies announced that in the fourth quarter alone Merrill Lynch has lost $15.31 billion, and more than $27 billion for the year. In the face of these losses, federal taxpayers were forced to help Bank of America acquire Merrill. Thus, Bank of America also announced on January 16, 2009, that the federal government would invest $20 billion in the deal and provide $188 billion in protection against further losses primarily from the Merrill Lynch portfolio. These investments were in addition to the previous $25 billion in TARP funding that taxpayers had given to Bank of America.

Now listen to this. The Attorney-General of New York, writing to the committee on Capitol Hill, said:

Bearing in mind that Merrill moved up its bonus payments in advance of its announced $15 billion quarterly loss and $27 billion annual loss, we have determined that Merrill Lynch made the following bonus payments:

- The top four bonus recipients received a combined $121 million:
The next four bonus recipients received a combined $62 million;
The next six bonus recipients received a combined $66 million;
Fourteen individuals received bonuses of $10 million or more and combined they received more than $250 million;
20 individuals received bonuses of $8 million or more;
53 individuals received bonuses of $5 million or more;
149 individuals received bonuses of $3 million or more;
Overall, the top 149 bonus recipients received a combined $858 million;
696 individuals received bonuses of $1 million or more.

You cannot relate that experience directly to Australia, but we do have examples in Australia, if we look at the year 2008, of what the Prime Minister called ‘obscene’ CEO payments. He was not directly referring to these payouts—but I will—which may well be involved directly in the largesse that this particular bill gives to these companies at the risk of the taxpayer. The CEO of ANZ Bank, Mike Smith, got $6 million. The CEO of the Commonwealth Bank, Mr Norris, got $8.66 million. John Stewart, of National Australia Bank, got $4.28 million. In the development area—and that is where this bill is directly aimed—Frank Lowy of Westfield got a $15.88 million annual salary and, in Mirvac, Mr G Paramor got $2.8 million. That needs to be reined in.

We believe in free enterprise and we also believe in a fair go. I have been putting forward the idea that there should be a cap on the most excessive of CEO payments since at least 2004-05. It seemed a bit of a cry in the wilderness during the boom times, but now we are in a recession, when money is scarce and taxpayers are concerned for their future and indeed a lot of them have become unemployed or are seeing their small businesses collapse. This legislation aims to give financial help, indeed bailouts, to some of the biggest developers in the country if there are defaults on foreign loans. If we are going to do that, then the quid pro quo should be that those developers pull their belts in and accept a reasonable—by anybody else’s standards—if not very, very comfortable income of a million dollars or less. We the Greens do not see that as anything other than a fair go.

I have written to the Prime Minister on a number of occasions on this issue. I have in this legislature put forward a number of motions and amendments to introduce much more relaxed caps than this one—on one occasion a cap of $5 million. They have been routinely voted down by both the opposition and the government. This is put forward not as some gesture. As I said in my speech on the second reading, this is a serious amendment and, as far as we are concerned, support for this legislation depends on movement from the government.

Yesterday I had some conversation with officers of the government and suggested that they come back with an alternative amendment if they cannot support this one. I have got none. I have not even got a suggestion of one. I must take it from that that the Prime Minister is simply not interested in taking any real action at all on what he calls the obscene CEO payouts. Well, we are.

I would expect that the government, in the absence of any other suggestion—but echoing the Prime Minister’s alarm about the greed that sometimes overtakes CEOs in formulating their own magnificent payouts—will support the Greens amendment. I would expect the government to do that and take it as seriously as we of course take this piece of legislation. It involves large amounts of money and very considerable potential risk to Australian taxpayers. The amendment to
put a cap of $1 million on the CEO payments of companies who might receive guarantees or loans under this legislation ought to be heeded seriously by the government and supported.

Progress reported.

**TAX LAWS AMENDMENT (SMALL BUSINESS AND GENERAL BUSINESS TAX BREAK) BILL 2009**

**First Reading**

Bill received from the House of Representatives.

*Senator CONROY* (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.20 pm)—I move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

*Senator CONROY* (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.20 pm)—I table a revised explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

This bill introduces the small business and general business tax break. This measure is a key part of the Government’s response to the global economic crisis.

The key focus of the tax break is to provide an incentive for businesses to bring forward and continue with their capital investment plans, by lowering the after-tax cost of acquiring new assets.

The Tax Break has a total cost of $3.7 billion over the forward estimates.

As in other countries around the world, business investment in Australia has deteriorated dramatically over recent times. It is imperative therefore, that steps are taken to arrest this decline.

The Small Business and General Business Tax Break increases and extends the investment allowance the Government announced in December last year. The 2009-10 Budget included a further expansion of the Tax Break for small business.

Small business entities—that is, those businesses with a turnover of less than $2 million—can claim a bonus deduction of 50 per cent of the cost of eligible assets they contract for, or start to construct, between 13 December 2008 and 31 December 2009. They must start to use, or have the asset installed ready for use by 31 December 2010.

The Tax Break applies to new assets and new investment in existing assets. The Government has also made it easier for businesses to take advantage of the Tax Break by allowing the aggregation of similar assets or assets which form part of a set. Small business entities need to invest a minimum of $1,000 to qualify for the tax break. All other businesses need to invest a minimum of $10,000.

To provide the necessary boost to investment in plant and equipment, the Tax Break is available for new investment in tangible, depreciating assets. These assets are those for which a deduction is available under Subdivision 40-B of the Income Tax Assessment Act 1997. This means that the majority of capital items used in a business will be eligible for the Tax Break.

The provision of additional incentives for small business recognises the vital role they play in the economy.

All other taxpayers will be able to claim a bonus deduction of 30 per cent of the cost of an eligible asset that they contract for, or start to construct, between 13 December 2008 and 30 June 2009, provided they start to use or have the asset installed ready for use by 30 June 2010.

Those that cannot meet the 30 June 2009 deadline may still be entitled to a bonus deduction of 10 per cent of the cost of an eligible asset they contract for, or start to construct, after this date.
and before 31 December 2009. They must start to use the asset or have the asset installed ready for use by 31 December 2010.

The process for taking advantage of the Tax Break is administratively simple - it will just be an additional deduction which is claimed in the business’ annual tax return.

Full details of the amendments in this bill are contained in the explanatory memorandum.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP BILL 2009

AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP (CONSEQUENTIAL AMENDMENT) BILL 2009

In Committee

Consideration resumed.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.21 pm)—I want to respond to some of Senator Brown’s concerns. The government shares Senator Brown’s concerns, frustrations and even anger at some of the corporate excess that has wreaked havoc across the world. While I think that your amendments are well intentioned and deserve serious consideration, they probably do not go far enough. By moving an amendment that only narrowly targets individuals in this area you are actually missing the wider cause of the problem. To just address this here like this does not actually solve the issues that you are seeking to solve. I share much in common with you about those issues.

You quoted extensively—and rightfully so—about the excess, greed and disgraceful behaviour of some of those corporate barons in the United States. The perverse part of what you are proposing is that there is a difference between the executives of the companies that we are seeking to assist here and those executives who were involved in that greedy, avaricious behaviour in the US. They were rewarding themselves for bad behaviour, and that bad behaviour brought on their own problems. The individuals being targeted here are the victims of the behaviour that you are describing.

The fact that they are unable to get their debt rolled over is not actually their fault. The purpose of this bill is to try and address issues for the corporations that are victims of the financial crisis, not necessarily through any fault of their own. While I laud and applaud your motives, I urge you to work closely with the government in this area. Personally, I would welcome that. There are many ideas that I think deserve serious consideration and to be put forward and debated as part of the Productivity Commission’s examination. I have got a lot of faith in Allan Fels and his willingness to tackle this area. Many of your ideas should be considered by Mr Fels in his report, and I would welcome your input into that process.

But I think you are actually confusing cause and effect in that the people who have caused this, who you identified rightfully in your last address to this place, are not the people you are seeking to put a constraint upon. They are not necessarily behaving badly or causing this problem. While I appreciate that you are determined to pursue your amendment, there is a genuine and serious attempt by this government to address the broader issues which I believe you are actually seeking to address. While we are not going to be in a position to support your amendment, we urge you to put forward all your ideas, talk with Allan Fels, talk with the Productivity Commission and join in this
debate, which I think has to be had. The monumental failure of the corporate—and particularly financial—sector to manage and disclose risk has brought the world economic system to its knees. Your anger and frustration with those individuals and the systemic failure that has taken place is well placed and justified. But I believe this punishes those who have not been responsible for that bad behaviour, and it misses the larger target that we should be dealing with.

While I am sure you will pursue your amendment, and while we cannot support it, I urge you to participate and bring forward a range of policy options, solutions and ideas to the process that the government is engaged in. Allan Fels is a man of enormous integrity and I believe he will bring forward a package to address the excess, the greed, the extraordinarily bad behaviour and the systemic failure that we have seen cripple the world economy. I urge you—even if your amendment is defeated—to consider supporting this bill.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.27 pm)—I thank the minister for that response, but it is right off the mark. We have been talking with the government. In fact, I have written a number of times to the Prime Minister on this matter over the last six months. It is a bit precious for the government to say now that they would welcome us working closely with them on this issue. The fact is that we have had no response from the government. If you are going to work on an issue it takes a two-way discourse. We are not going to be taken for granted on everything down the line. We are very, very serious players and senators in every debate that comes before this place. We also have constitencies and we also have good policy initiatives—not to be made just as additions to government legislation but to be considered seriously by government and, on this occasion, by the Prime Minister himself.

It appears as if the Prime Minister has taken for granted the very public and reasoned approach to this matter of extreme executive payments since he has been in office. I have certainly had no communication about it. We are not going to be taken for granted on everything down the line. We are very, very serious players and senators in every debate that comes before this place. We expect that the government would take seriously these amendments, which went to it in March—it is now May. Except for a visit from some officers from the Treasurer’s office yesterday, we have had no response. Now the minister is saying, ‘Pass this bill and work with us and we have sent it off to the Productivity Commission. I’m sure you’d have some good ideas to put into there.’ That is putting it on to a long-term trajectory. We have no date; we have no open process that is available here.

Senator Conroy said that my amendments do not go far enough. Well, there should be little problem in amendments that go some way towards fixing this issue, and the government should be supporting them. What is the minister asking me to do? Tighten down the salary cap of a million dollars to an Obamaesque level of US$500 million? I don’t think so. I think the amendments are not broad enough and the government has had ample time to consider what it might put forward to this chamber instead. But on the eve of this debate, instead of that, the Prime Minister announced that he was asking the Productivity Commission to look at the matter. Prior to that, he was getting a report to take to an entity in Europe before the G20
conference—they were going to look at it; Australia would have a submission there. This is being duck shoved by Prime Minister Rudd. He has the description of the greed and the obscenity right, but he is not taking the action. These Greens amendments safely take action—I do admit that it is not broad enough, but they at least take limited action—which is reasonable given the circumstances, and we insist upon them.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.32 pm)—Senator Brown, I think you do the Prime Minister an injustice. I do not believe he treats this glibly or lightly. If you read his contribution in the Monthly Magazine I think you will see he has a deep commitment to wanting to address these issues at an international level and at the domestic level. I think you do him an injustice. I cannot agree with you that, because he has not written back to you, it means he is not interested in your views. I assure you that you should not take it personally.

The point I was making about this amendment not going far enough is that it is poorly targeted, because you are not targeting the people who created the problem; you are targeting the victims. When I say that it does not go far enough, it does not go far enough because you are actually not addressing the very people who deserve to be addressed. This is an important and substantive issue and it deserves to address the broader corporate sector and not just be amendments. I am not being pejorative when I say this: you said, ‘We don’t just want to move amendments.’ We are offering you the opportunity to do much more than that: to be part of a process that will deliver a substantive policy and not just be an amendment. As I say, I am not being pejorative when I say that; I am responding to how you described it. You do have more ideas and you have got a broader agenda than simply this amendment. The best way to progress that broader agenda and those broader ideas is to work with Allan Fels, to work with the Productivity Commission so that we actually address those that deserve to be dealt with.

As you would be aware from my past responsibilities, I have put forward many, many suggestions about how to curb corporate excess. I have a range of ideas that I would like also to see incorporated by the Productivity Commission and the government’s response to this disgraceful behaviour. I would say to you, though, Senator Brown, that I have never thought of you as jaded. You have been in the chamber a lot longer than me. I know that you have moved many amendments over many years. It is a bit like Senator Murray, who I think kept a tally of all the times he moved one particular amendment and was defeated. He was never jaded, either. I think you do yourself a disservice to suggest that you are jaded by wanting to pursue this policy agenda. I myself pursued it for over six years—in fact, before that: I was active before I was even on the front bench.

Senator Bob Brown—What was your success rate?

Senator CONROY—I got a couple of amendments up ultimately in the chamber—with your support, can I say.

Senator Bob Brown—Here is your opportunity.

Senator CONROY—But my point generally to you, Senator Brown, is that this does not go anywhere near far enough. This does not even, I believe, genuinely address the people who deserve to be addressed. I have moved on from those previous responsibilities but I still share your frustration at the greed and bad behaviour of many in the corporate world. They have brought the world to its knees by their, at times, criminal
behaviour, by their greedy behaviour, by their deceitful behaviour. I just think there is a more comprehensive suite of measures that could come forward that more directly target this area.

So, as I said, we will not be able to support this foreshadowed amendment, but I urge you to support the bill even if your amendment is unsuccessful. It is not a question of taking you for granted or taking the Greens for granted on this issue. This is an issue on which a substantial body of work is being prepared, and I urge you to participate in that process. Allan Fels is a man of significant integrity. He deserves the chance to hear your views and your policy responses. I would hope that, even if your amendment is not successful, you will not use the defeat of that amendment as an excuse to sink a measure that is actually necessary to protect jobs in this country but that will pursue with us an opportunity for a suite of measures that is far more substantial than just this one lone amendment.

Progress reported.

**TAX LAWS AMENDMENT (SMALL BUSINESS AND GENERAL BUSINESS TAX BREAK) LEGISLATION**

Senator ABETZ (Tasmania) (1.39 pm)—I seek leave to make a statement for no longer than five minutes.

Leave granted.

Senator ABETZ—I thank the Senate. The coalition has always said that it would not frustrate the passage of the Tax Laws Amendment (Small Business and General Business Tax Break) Bill 2009. Clearly, we did not do that today, because as soon as the message came to the Senate we allowed it to be passed without debate. That was more by accident than design, because I had hoped to make a second reading contribution. I unfortunately was not made aware through mechanisms as to exactly what time I should be present in the chamber. Suffice it to say, the coalition support the legislation that has just been passed, but we do have a few matters that we would seek to raise. Whilst my speech would have been longer and possibly more condemnatory of the government in relation to this particular measure, given the good grace shown to me I will reciprocate by simply putting forward a few policy ideas that I think the government overlooked in their haste to do something for small business—something which we, of course, support and welcome.

Small business is, of course, the engine room of economic activity and job creation, providing work for some 3.8 million of our fellow Australians. We on this side have always been the party for small business; therefore, anything that helps and supports small business is welcome. But the legislation that we had before us has had a number of incarnations. I think we had the third one just going through on Tuesday night. Support for small business by way of tax deductions for assets is something that is welcome. What is not welcome is that the explanatory memorandum is some 33 pages and there is some difficulty in understanding aspects of it. For example, the Australian Information Industry Association, Australia’s peak technology industry body, has indicated that the exclusion of software and related services from the investment allowance effectively nullifies the potential productivity upside impact of the tax break. It decreases its attractiveness to business taxpayers and fails to act as a stimulus for our local ICT software sector, which is increasingly impacted by a slowdown in business procurement.

It also restricts this benefit to brand-new equipment. You would be a big of a mug, wouldn’t you, to go into the second-hand market if you could buy a product at full price and then immediately claim the 50 per cent. This will distort the second-hand mar-
ket for plant and equipment and capital assets for small business. Those small businesses that are doing it tough at the moment and might want to offload their second-hand equipment to a business that might be doing better will not, in fact, be able to sell their surplus machinery and equipment, because anybody who is in the market for equipment will buy the brand-new stuff.

When you have these ready-made fixes, as the government rushed in and rushed through, what we unfortunately have is a distortion of the market. It is exactly what the government did with the bank guarantee legislation and what they have done in so many other cases. Because they do not understand small business and because they do not understand the economy they have made these decisions—chances are, in good faith—but they are very ill advised decisions and will have unintended flow-on consequences.

There are other matters that I would have sought to canvass. I thank the Senate for this indulgence. I can indicate that we will support anything that supports small business, but we would encourage the government in the future to focus their attention on the detail rather than the news cycle to make sure that they get these important measures correct.

AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP BILL 2009

AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP (CONSEQUENTIAL AMENDMENT) BILL 2009

In Committee

Consideration resumed.

The TEMPORARY CHAIRMAN (Senator Forshaw)—The committee is considering the Australian Business Investment Partnership Bill 2009 and a related bill. The question is that the bills stand as printed.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.44 pm)—I was not sure whether Senator Fielding was going to move some of his amendments.

The TEMPORARY CHAIRMAN—Well, he is not here at the moment, Minister, so that may be somewhat difficult.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.44 pm)—I think he has some amendments he wants to move. But maybe I could indicate the government’s view towards Senator Fielding’s amendments before he formally moves them. I see Senator Fielding has now arrived. I defer to my colleague Senator Fielding.

Senator FIELDING (Victoria—Leader of the Family First Party) (1.45 pm)—Mr Temporary Chairman, I just want to clarify: I thought the running sheet had someone else before me, but I am happy to move my amendments.

The TEMPORARY CHAIRMAN—For the benefit of senators, I indicate that no amendments have actually formally been moved at this stage.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.45 pm)—I would like Senator Fielding to speak to his amendments, if not to move them. Senator Xenophon is in a press conference—surprisingly!

Senator FIELDING (Victoria—Leader of the Family First Party) (1.45 pm)—by leave—I move Family First amendments (1), (3) and (7), on sheet 5785 revised, together:

1. Clause 4, page 2 (after line 25), after the definition of enforcement resolution, insert:

   lending criteria means the criteria used by a provider of financing or refinanc-
ing to decide whether or not to provide financing or refinancing.

(3) Clause 8, page 5 (line 11), omit ‘and (5)’, substitute ‘(5) and (5A)’.

(7) Clause 8, page 6 (after line 17), after sub-clause (5), insert:

Lending criteria

(5A) ABIP Limited must be satisfied that the lending criteria applied by ABIP Limited in assessing the application for financing or refinancing under the arrangement are no less prudent than the lending criteria for investment grade loans that the members of ABIP Limited (other than the Commonwealth) would apply when deciding whether to enter into such an arrangement in the ordinary course of their business.

These amendments concern legislating lending criteria. This is all about making sure that up to $28 billion from the public purse has good governance around it, and is not left it to regulations. To have the very key area of lending criteria determined not by this parliament but by regulation I think would be very dangerous. So the amendments Family First have put forward here are to legislate the lending criteria. It makes sense that the lending criteria are no less strict than those required by other commercially competitive banks. So that is what we are seeking to do with these amendments. It is prudent and it makes sense to do it as the parliament rather than leaving it to regulations, and that is what these particular amendments are about.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.47 pm)—Could I indicate that, as to clause 8, page 6, lines 8 to 11 of Senator Fielding’s amendments, the government very reluctantly will support that. Clause 8, page 6, lines 16 and 17 we, equally reluctantly, support. We welcome clause 8, page 6, after line 17—the amendment that ensures that lending criteria are of a high standard and that the standard is set down in law. As I indicated, we reluctantly support the absolute time limit on time of loans, and we reluctantly support the limit to commercial property. But we do expect the Senate’s cooperation if ABIP is required to lend outside commercial property to support jobs. If that circumstance arises, we will return and we will need to deal with that very speedily because of the structure of the legislation that we are putting in place today. So we would hope that we can expect the chamber’s cooperation on that matter.

The TEMPORARY CHAIRMAN—Before you begin, Senator Fielding: I will just clarify that we are dealing with amendments (1), (3) and (7), on sheet 5785.

Senator FIELDING (Victoria—Leader of the Family First Party) (1.49 pm)—I was just about to make sure that the focus of this particular debate was just on that one set of amendments: (1), (3) and (7). The crux of it is that ABIP Ltd must be satisfied that the lending criteria applied by ABIP Ltd in assessing the application for financing or refinancing under the arrangements are no less prudent than the lending criteria for investment-grade loans that the members of ABIP Ltd, other than the Commonwealth, would apply when deciding whether to enter into such an arrangement in the ordinary course of their business. That is what we are focusing on from there.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.50 pm)—These are very sensible amendments and the Greens will be supporting them.

Senator XENOPHON (South Australia) (1.50 pm)—I will be supporting Senator Fielding’s amendments. I think they strengthen accountability and provide an additional safety mechanism for taxpayers.

Question agreed to.
Senator FIELDING (Victoria—Leader of the Family First Party) (1.50 pm)—by leave—In relation to the Australian Business Investment Partnership Bill 2009, I move amendments (2), (4) and (5) on sheet 5785 as revised:

(2) Clause 7, page 5 (line 4), after “Limited”, insert “, and approved by the Minister.”.

(4) Clause 8, page 6 (lines 8 to 11), omit paragraph (3)(b), substitute:

(b) is an arrangement of a kind:

(i) that all the members of ABIP Limited agree, in writing, that ABIP Limited may enter into; and

(ii) that the Minister approves in writing, provided that:

(A) the time provided for by section 46B of the Acts Interpretation Act 1901 for the disallowance of the Minister’s approval has expired and the approval has not been disallowed by either House of the Parliament; or

(B) the Minister’s approval has been specifically approved by resolution of each House of the Parliament.

(5) Clause 8, page 6 (before line 12), before subclause (4), insert:

(3A) An approval under subparagraph (3)(b)(ii) is not a legislative instrument, but is a disallowable instrument for the purposes of section 46B of the Acts Interpretation Act 1901.

These amendments go to, I suppose, an area that has been a little contentious—what ABIP can actually refinance, or what types of loans they can provide. The whole premise of ABIP as it was put forward in the public’s mind was about helping commercial property funding. The idea here is that there is a tightening of funds and there could be some circumstances where commercial property comes up for refinancing. They are very complex issues. One partner of a syndicate might, for various reasons, pull out. It could be because an overseas bank or financier, having had restrictions or limitations placed on them, is unable to refinance their portion of a particular loan for commercial property.

The whole idea was that the focus would be on commercial property. In the legislation it also said the financing could be for other things, and I think that makes it too open ended. Parliament would be giving broad approval without knowing what these other things were actually for. I do not want to overly focus on the other things as we could get quite emotive and raise a few items that could be considered other things. I think it is very prudent that, if you are going to have up to $28 billion of funds from the public purse, there needs to be some confidence about what it is going to be used for. What we have to do is make sure it is for commercial property, but if ABIP and the minister believe they need to do financing in areas other than commercial property, then it really has to come back to parliament basically to make sure that approval is given before ABIP actually makes the loan. That is what those amendments (2), (4) and (5) on sheet 5785 are actually doing.

Question agreed to.

Senator XENOPHON (South Australia) (1.55 pm)—by leave—In relation to the Australian Business Investment Partnership Bill 2009, I move amendments (1) to (3) on sheet 5794:

(1) Clause 4, page 2 (after line 7), after the definition of ABIP Limited, insert:

ACCc means the Australian Competition and Consumer Commission established by section 6A of the Trade Practices Act 1974, and includes a member of the Commission or a Division of the
Commission performing the functions of the Commission.

(2) Clause 4, page 3 (after line 5), after the definition of loan, insert:

member of the Commission has the same meaning as in the Trade Practices Act 1974.

(3) Page 10 (after line 30), after clause 16, insert:

16A ACCC’s functions

(1) The ACCC’s functions under this Act are set out in this section. In performing these functions the ACCC may exercise any of the powers it has under the Trade Practices Act 1974.

ACCC to prepare competition impact statement

(2) The ACCC must prepare a competition impact statement in accordance with this section.

(3) The statement must identify the potential costs and benefits to competition and consumers of exempting ABIP Limited and its activities from competition laws.

(4) The ACCC must give to the Minister a copy of the statement not later than 3 months after the commencement of this Act. As soon as practicable after the Minister is given the copy, the Minister must cause it to be laid before each House of the Parliament.

ACCC to monitor competition exemption

(5) The ACCC must prepare a competition exemption report in accordance with this section as soon as practicable after 30 June of each financial year:

(a) that commences on or after 1 July 2010; and

(b) in which a financing arrangement is entered into under section 8.

(6) The report must:

(a) identify the costs and benefits to competition and consumers of exempting ABIP Limited and its activities from competition laws; and

(b) express an opinion as to:

(i) whether the benefits to competition and consumers of ABIP Limited and its activities during the preceding 12 months outweighed the costs to competition and consumers; and

(ii) if under subparagraph (i) the opinion is expressed that those benefits outweighed those costs during the preceding 12 months—whether there have been any material changes in circumstances such that the costs or potential costs to competition and consumers of ABIP Limited and its activities now outweigh the benefits to competition and consumers.

(7) The ACCC must give to the Minister a copy of the report as soon as practicable after preparing it. As soon as practicable after the Minister is given the copy, the Minister must cause it to be laid before each House of the Parliament.

Identifying costs and benefits

(8) In identifying and reporting on the costs and benefits to competition and consumers, the ACCC must have particular regard to the matters set out in Part IV of the Trade Practices Act 1974.

Interpretation

(9) In this section: 

exempting ABIP Limited and its activities from competition laws means specifying, and specifically authorising, the conduct referred to in subsection 16(1) for the purposes of subsection 51(1) of the Trade Practices Act 1974.

These amendments relate to the ACCC monitoring the exemption granted to ABIP and the ACCC being required to prepare a
competition impact statement. I discussed this during my second reading contribution. I have had discussions with the government and I believe that the ACCC has an important role in monitoring the exemption and its impact on consumers and in identifying the costs and benefits for competition and consumers of exempting ABIP from competition laws. I am grateful to associate Professor Frank Zumbo from the University of New South Wales for his advice and suggestions.

Senator Conroy—A good man.

Senator XENOPHON—A good man; I endorse that. I believe that this will enhance the accountability provisions in this bill and it is important that the ACCC have a role here to monitor this exemption.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (1.56 pm)—The government supports Senator Xenophon’s amendments.

Senator FIELDING (Victoria—Leader of the Family First Party) (1.56 pm)—Family First supports the amendments to make sure there is appropriate monitoring and reporting on the competition exemption.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.56 pm)—The Greens also support Senator Xenophon’s amendments.

Question agreed to.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.57 pm)—We have had some extensive debate on the important amendment from the Australian Greens which would put a cap on salaries of $1 million for those who are to benefit out of the loans arrangements that are facilitated by this legislation. The minister has said that our amendments do not go far enough in terms of restricting what the Prime Minister has described as obscene take-home payments. I want to be more direct with the minister about this. The Greens will not be supporting this legislation if the government does not agree either to the amendment that we have put forward or to an alternative which satisfies us that the government is taking action, as have many similar countries around the world. The debate on this legislation is now going to go into the next period of sittings. I expect that the Prime Minister will engage in discussions with the Greens to come up with a provision which at least deals with the potential for CEOs of development organisations to have millions of dollars going to them in one way or another in take-home moneys from corporations which have at-risk loan arrangements guaranteed through the government.

I hope that the government understands clearly how important this measure is as far as the Greens are concerned. I make this offer to the government that we have serious negotiations about how to bring in an amendment, if the government cannot support this amendment, which does put a cap on those beneficiaries of the loan arrangements that are in here at the taxpayer’s expense. It is a serious matter and we want it taken seriously. We want action on it. I can do no more than make this public appeal, having written to the Prime Minister a number of times to get some action from the government on the matter.

Progress reported.

QUESTIONS WITHOUT NOTICE

Budget

Senator RYAN (2.00 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Is it a fact that the government has included $12.99 billion in extra revenue from the proposed CPRS in its forward estimates but has not offset this by including a similar amount on the expenditure side? Does this mean the government is
walking away from its undertaking in its own white paper that it will ‘reinvest every cent it raises through the Carbon Pollution Reduction Scheme’ by returning it to households and businesses?

Senator CONROY—I am advised that that commitment remains.

Senator RYAN—Mr President, I ask a supplementary question. If the government is not walking away from its undertaking to return every cent—using its own words—raised through the CPRS to business and households, why do the budget papers fail to include any such expenditure in the forward estimates?

Senator CONROY—The delay in the CPRS will change the fiscal impact of the CPRS, but with the extra transitional assistance and the rephasing of the Climate Change Action Fund the scheme will remain broadly neutral over the forward estimates. Many of the CPRS industry and household assistance measures are linked to the carbon price. The budget measures have been adjusted to reflect the delay between commencement and the lower initial carbon price.

The 2009-10 budget is the first budget to record revenue from the Carbon Pollution Reduction Scheme. The budget includes the new announcements made by the government in relation to the scheme’s delay, the fixed price start and the additional EITE support through the global recession buffer. The government considered the budget impacts when deciding to delay scheme commencement. With the delay in scheme commencement, revenue from the scheme will be delayed and the government will use every cent it receives from the sale of Australian emissions—(Time expired)

Senator RYAN—Mr President, I ask a further supplementary question. I note the budget papers described this as ‘a temporary timing divergence’. If the government does include the CPRS revenue but not the expenditure, does this not mean that the budget estimates significantly understate budget deficits from 2012-13 onwards? Further, if you do offset the CPRS expenditure as promised, will the net debt over the forward estimates period therefore increase from $188 billion to more than $200 billion?

Senator CONROY—No.

Senator Ian Macdonald—Mr President, on a point of order: there must be something wrong with Senator Conroy’s microphone, because I did not hear the answer.

The PRESIDENT—There is no point of order.

Budget

Senator CAROL BROWN (2.03 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 increase Australia’s research and innovation capacity? In particular, how is it pursuing Powering Ideas, the new innovation agenda released this week in response to last year’s review of the national innovation system? What contribution can public sector researchers and innovative firms make to battling the global recession and accelerating recovery?

Senator CARR—I thank Senator Carol Brown for that question. This budget delivers the biggest boost to Commonwealth investment in research and innovation on record. It dramatically increases Australia’s ability to turn ideas into jobs. The research and innovation budget for 2009-10 is $8.6 billion, up 25% per cent on this financial year. This is the biggest commitment and the biggest increase since records began 30 years ago. It gives immediate effect to the government’s Powering Ideas: An Innovation Agenda for the 21st Century. The budget package includes major infrastructure programs that will create jobs
for today and a rich legacy of high-quality assets that will deliver lasting benefits to the Australian community long after the global recession has passed into history.

It also delivers landmark reforms to drive excellence and collaboration. This will ensure that the taxpayers get the best possible return on their investment. We are investing in research and innovation in these hard times because we know this is one of the best ways to stimulate the economy, to accelerate recovery and equip Australia for the future. Innovation is the key to reversing the damage done by those opposite. This includes making the Australian economy less productive, which was their legacy throughout their term of office. Not many governments can say that they have done what we have done. What we have done is to produce a budget for this country for the future. Innovation is the key to increasing Australia’s productivity. It is a key to creating quality jobs and building new industries. It is vital to Australia’s future. (Time expired)

Senator CAROL BROWN—Mr President, I thank the minister for his answer and ask a supplementary question. Can the minister tell the Senate more about how the R&D tax credit will work? How does it differ from the existing R&D tax concession, which was originally introduced by Labor in the 1980s and subsequently weakened by the previous government? What additional benefits will it provide? In particular, how will it help Australia’s smaller innovative companies?

Senator CARR—The R&D tax credit offers innovative firms more realistic and more predictable support for research and development activities. It includes a 45 per cent refundable credit for Australian firms turning over more than $20 million and a 40 per cent non-refundable credit for all other firms, including international firms. Businesses in tax loss can take refundable credit as cash in hand. This doubles research and development support for small firms and restores it to the level that prevailed before those opposite came to government in 1996. It increases support for large firms by a third. As well as giving certainty to local innovators, this will make Australia a more attractive destination for foreign research and development. This is the way of the future. It is a pity we do not hear more from the opposition about supporting these measures.

Senator CAROL BROWN—Mr President, I ask a further supplementary question. Can the minister explain to the Senate what specific new measures for research and innovation the budget contains? In particular, what is the government doing to support public sector research and business innovation and how is it building on Australia’s existing scientific strengths? What is the value of these measures and what specific challenges and opportunities are they intended to address?

Senator CARR—This budget includes $3.1 billion in new money for research in innovation over four years. This includes $703 million to support world-class research in Australian universities and $1.1 billion for new Super Science initiatives. The Super Science Initiative will build on Australia’s strength in space, marine and climate change. It will support the development of future industries, including biotechnology and nanotechnology. It will support business innovation and includes a new Commonwealth Commercialisation Institute, with initial funding of $196 million over four years, to help firms get their ideas to market. It also, as I have said, includes a new research and development tax credit, which is the single biggest reform to business innovation support in more than a decade. (Time expired)
Budget

Senator CORMANN (2.09 pm)—My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. Minister, how many Australians will face an automatic 42 per cent increase in the cost of their private health insurance as a direct result of the flagrant broken promise of the Rudd government in relation to private health insurance rebates?

Senator LUDWIG—I thank Senator Cormann, who I understand has an interest in this area. These reforms will provide a fairer distribution of benefits, bringing government support for private health insurance in line with the principle underpinning the Australian tax transfer—that is, the largest benefits are provided to those on lower incomes. Spending on the current rebate is growing quickly and is expected to double as a proportion of health expenditure by 2046-47. This is clearly unsustainable, as I think Senator Cormann has recognised.

Currently, approximately 14 per cent of single taxpayers who have incomes above $74,000 receive about 28 per cent of the total rebate paid to singles. Under the new reforms these single taxpayers will receive about 12 per cent of the PHI rebate paid to singles. Similarly, about 12 per cent of couple taxpayers who have incomes above $150,000 currently receive approximately 21 per cent of the total rebate paid to couples. Under the new reforms these couple taxpayers will receive about nine per cent of the total rebate paid to couple members. So 99.7 per cent of people will keep their rebate, and it is estimated that approximately 25,000 are likely to not participate. Of course, singles and couples earning less than $75,000 and $150,000 respectively will not be affected by the changes at all. (Time expired)

Senator CORMANN—Mr President, I ask a supplementary question. Now that the minister has read out his QTB, perhaps he can try and answer the question—that is, how many Australians will lose the benefit of the private health insurance rebate altogether and, as such, face an automatic 42 per cent increase in the cost of their private health insurance as a direct result of the Rudd government’s broken promise on private health insurance rebates?

Senator LUDWIG—It is really disappointing that Senator Cormann read his supplementary question without having listened to the answer that I provided. Perhaps if the interjectors were a little bit more considerate he may have been able to hear. I said that 99.7 per cent of people will keep their rebate and only 25,000 people will not participate. That is what I said in answer to the primary question. Senator Cormann repeated his first question, but Labor provided the answer to him. It is unfortunate that he did not listen to the answer that was provided. I think I have answered the question, so I will not continue.

Senator CORMANN—Mr President, I ask a further supplementary question. Given that, after the changes last year to the Medicare levy surcharge thresholds, this is the second attack on Australians with private health insurance, when will the government implement the third attack on people who are doing the right thing by our health system by putting additional resources into it and taking additional responsibility for their healthcare needs?

Senator LUDWIG—I thank Senator Cormann for his further supplementary question. Quite frankly, the opposition are crying wolf in respect of this. We have changed our policy because the private health rebate was becoming unsustainable in a budget that had taken a $200 billion hit as a result of the biggest global financial crisis since the Great Depression. If the opposition have not recognised that then they are now crying wolf.
Mr Dutton predicted last year that a million people would leave private health insurance. Has that happened? No, a million people have not left. What he said then was, ‘It’s unbelievable that a health minister would believe that they could put forward a bill which would drive up the premiums on private health insurance,’ and, of course, it did not happen. (Time expired)

Budget

Senator HANSON-YOUNG (2.14 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. Considering that there was only one big increase in new money for South Australia in terms of water in the budget—that is, the injection of an additional $228 million to double the size of the desalination plant and very little for reviving the river—is the minister aware of comments made by the Premier of South Australia yesterday in relation to the additional funding? He said:

From the end of 2012, there’ll be no reason for us to have water restrictions because we’ll guarantee water supply for decades to come …

Does the minister endorse this comment?

Senator WONG—I think Senator Hanson-Young started the question by suggesting that there was little in the budget for water. I want to respond to that. The senator, I assume, is not suggesting that a total of, I think, $328 million for investment in a desalination plant is a small amount. It is clearly a very significant amount. In addition, the bring-forward and additional spend in the next two years and over the forward estimates period, which was agreed with Senator Xenophon through discussions in the context of the Nation Building and Jobs Plan, will be delivered again and is reflected in the budget, and the commitment to the $12.9 billion, of which that is a part, is also reflected in the budget. So this is a government that is spending unprecedented amounts of money in the Murray-Darling Basin and restoring the balance in the basin. This is a government that is backing that expenditure in terms of purchases, investment and infrastructure for the benefit of communities and for the environment with investment in assisting the South Australian government to construct a desalination plant, because the government is of the view that all of us, particularly in the southern part of Australia, will need to diversify water sources, given the likely continued pressure on water supplies as a result of ongoing drought and climate change.

On the issue of water restrictions: as the senator well knows, they are matters for state governments; they are not regulated by federal governments. As I made clear in my press release in relation to the desalination plant announcement, our expectation is that this will assist in securing Adelaide’s water supply and in reducing reliance on the River Murray.

Senator HANSON-YOUNG—Mr President, I ask a supplementary question. Firstly, I would like to point out to the minister that clearly the Prime Minister did not see water as a priority, because he did not even mention it in his speech. I would like to clarify: does the water minister endorse the comments of the South Australian Premier that doubling the desalination plant will mean Adelaide will no longer have water restrictions? Given the drying climate, is this a responsible comment to be making?

Senator WONG—I assume it was a slip of the tongue by the senator; clearly it is the Treasurer, not the Prime Minister, who gives the budget speech. Again I remind the senator how much investment, both in environmental purchase and in infrastructure provision, the government are making in the Murray-Darling Basin. It is the case, as I said, that water restrictions are a matter for
state governments, occasionally local governments as well, and it is our view that all those levels of government have a responsibility to manage water in a responsible way. That is a consistent position that this government has taken. It is why we are also investing in rainwater tank rebates and in stormwater and recycling. We believe it is the right thing to do to ensure there are a range of water supplies in an era of climate change.

Senator HANSON-YOUNG—Mr President, I ask a further supplementary question. The minister seems unable to answer my question as to whether it is a responsible comment for the Premier to make.

The PRESIDENT—And the question?

Senator HANSON-YOUNG—Minister, given your joint portfolios of minister for water and minister for climate change, you are aware that South Australia is going to be facing a drying climate. Is it a responsible position for South Australia to take Adelaide off water restrictions simply because you gave an extra $228 million for doubling the desalination plant, instead of putting it into water efficiency and stormwater harvesting?

Senator WONG—We are also funding stormwater harvesting—and the senator well knows that. If the senator wants to talk about responsibility, she should come into this chamber and retract the criticism of the government when she said that we should be buying temporary water and other water to fill the Lower Lakes and how appalling it was that we did not when she well knows that we are in a situation where, as yet, we have not secured Adelaide’s water supplies for the 2009-10 year. It would take up to 1,300 billion litres of water to fill the Lower Lakes. Adelaide’s water supply is 200 gigalitres.

Senator Hanson-Young—Do you care about South Australia’s Lower Lakes?

Senator WONG—You come in here and you want six times Adelaide’s water supplies sent to the Lower Lakes and you lecture us about responsibility.

Budget

Senator BOYCE (2.20 pm)—My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. Will the minister give a guarantee that Labor’s budget decision to support the conversion of Medibank Private to a for-profit status will not result in increased health insurance premiums?

Senator LUDWIG—That is finance. If the question related to Medibank Private, that is within the finance portfolio and it would be incorrect for me to pursue it, because it is a matter that should have been referred to the finance minister. That part of the question that goes to health insurance premiums, of course, is within health. I can provide some information in respect of that part of the question. Private health insurance—

Honourable senators interjecting—

The PRESIDENT—Order! Order on both sides. We will proceed when there is silence.

Senator LUDWIG—in respect of the decision to convert Medibank to a for-profit government business enterprise, subject to approval from the Private Health Insurance Administration Council, the government has decided to do just that. After the conversion Medibank will, of course, pay tax and dividends. This move will assist in positioning Medibank to operate more efficiently and compete effectively on a level playing field with other for-profit health insurers such as the MBF and BUPA. The government expects that the conversion will provide Medibank with greater flexibility in the pursuit of effective business strategies as well as encouraging greater competition between ma-
or health insurers. Therefore, it will assist in keeping downward pressure on premiums. In addition, the Medibank board is supportive of the conversion. It has advised that the conversion will not affect members and, critically, will not put upward pressure on premiums. The Medibank board has assured the government that there will be no change to staff conditions as a result of the conversion. (Time expired)

Senator BOYCE—Mr President, I ask a supplementary question. I must admit that I am a little surprised to hear that the Health and Ageing portfolio was not asked for input into whether Medibank Private would become a for-profit body or not. I hope Senator Ludwig can help me with my supplementary question. What has changed, then, Minister, since 2006, when the now Deputy Prime Minister stated in relation to a for-profit Medibank Private ‘it stands to reason that if you have to generate a profit then that places an additional burden on premiums’ a statement and a sentiment which was echoed by Minister Ludwig, then Senator Ludwig, in this chamber? Does the minister still have those same concerns about premium increases caused by a for-profit Medibank that he stated in this chamber in 2006?

Senator LUDWIG—I thank the senator for the question. As I have said, though, the question from the opposition is about a matter that does and should rest with the finance minister. I have provided what information I can in respect of the question. What I can say about what information I have been provided with information on is that the government expects that the conversion will provide Medibank with greater flexibility in the pursuit of effective business strategies as well as encouraging greater competition between those existing in the marketplace. Therefore, it will assist in keeping downward pressure on premium rises. The Medibank board is supportive, as I have said, of the conversion. It has advised that the conversion will not affect members and, critically, will not put upward pressure—(Time expired)

Senator BOYCE—Mr President, I ask a further supplementary question. Hopefully the minister can help me a little bit more with my next supplementary question. Given that the Prime Minister misled the Australian people prior to the last election and has broken his absolute, unconditional pledge on the private health insurance rebate, will the minister rule out further changes to the rebate to prop up Labor’s reckless spending and massive deficit?

Senator LUDWIG—Thank you. We now perhaps get to the nub of the question, which, finally, is a health question. It is interesting to note that the opposition are now crying wolf again. Mr Dutton predicted, of course, last year that a million people who would leave the private health insurance industry. Has that come to fruition? I suspect that the opposition are again making false claims which will wither on the vine. The opposition, of course, try to make the point, but we have changed our policy because the private health insurance rebate was becoming unsustainable. The opposition know that and understand that. In addition to that, when a budget has taken a $200 billion hit as a result of the biggest global financial crisis since the Great Depression, the government are taking decisive action to ensure that it is sustainable. The government are making important structural reforms in this area—(Time expired)

Budget

Senator FURNER (2.28 pm)—My question is to the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, Senator Conroy. Given that international experts have indicated that the investment in productive economy infrastructure will be vital for
both creating jobs in the short term and lay-
ing the foundations for future growth, pro-
ductivity and competitiveness in the medium
to long term, can the minister outline the
benefits of the government’s investment in
infrastructure projects? To what extent will
spending on these infrastructure projects now
contribute to Australia’s economic recovery
in the long term, and how will spending
commitments contained in the budget sup-
port Australian jobs?

Senator CONROY—I thank Senator
Furner for his question. Investment in nation-
building infrastructure is the centrepiece of
the budget and represents the most signifi-
cant infrastructure package in Australia’s
history. The government is supporting jobs
today by building the infrastructure we need
for tomorrow.

Efficient infrastructure is essential to pro-
moting Australia’s future productivity and
prosperity. The government is investing $22
billion to improve the quality, adequacy and
efficiency of transport, communications, en-
ergy, education and health infrastructure all
across Australia. These are the building
blocks of the future economy. Investment in
these critical economic infrastructure pro-
jects will provide a sustained boost to the
economy now, building on economic stimu-
lus measures already taken. In the longer
term it will enhance the productive capacity
of the economy, leading to better living stan-
dards.

The government investment in nation-
building infrastructure will support an aver-
age of around 15,000 jobs each year, peaking
at around 18,000 in 2011-12. In addition, the
National Broadband Network will directly
support up to 25,000 jobs every year, on av-
average, over the life of the project, peaking at
37,000 jobs. The government’s commitment
to realising world-class infrastructure will
drive a more diverse, competitive and sus-
tainable economy. (Time expired)

Senator FURNER—Mr President, I ask a
supplementary question. In light of reported
concerns that certain states have missed out
on infrastructure initiatives in the federal
government’s budget, and the varying needs
of individual states, can the minister provide
us with a state-by-state breakdown of the
government spending on infrastructure pro-
jects? In particular, what projects are being
undertaken in New South Wales and Tasma-
nia?

Senator CONROY—I thank Senator
Furner for the question. I have seen some of
those erroneous reports. Over the next four
to six years, the government’s spending on
essential infrastructure projects by state is
$2.8 billion for New South Wales, $2.4 bil-
lion for Queensland, $4.26 billion for Victo-
ria, $1.229 billion for Western Australia,$861.9 million for South Australia, $130.2
million for Tasmania, $177.9 million for the
ACT and $182.7 million for the Northern
Territory. In New South Wales, this includes
$2.16 billion for transport infrastructure pro-
jects, representing 25.5 per cent. (Time ex-
pired)

Senator FURNER—Mr President, I ask a
further supplementary question. I thank the
minister for that concise answer. Given that
we are in the midst of the most challenging
global economic downturn for three-quarters
of a century, with virtually every advanced
economy in the world expected to be in deep
recession this year and that, in Australia,
government revenue has taken a massive hit
with the write-down of around $210 billion
across the forward estimates since the 2008-
09 budget as a result of the worsening global
condition, can the minister explain why the
Rudd government is investing so heavily in
infrastructure projects at a time when the
world’s economy is in free fall? Why is it
necessary to spend so heavily on infrastruc-
ture projects rather than save money in the
face of the global recession?

Senator CONROY—Tasmania will be
the first state to see the rollout of the single
largest nation-building project since the
Snowy Mountains scheme when the rollout
of the National Broadband Network com-
mences there as early as July this year. In
addition, $45 million has been allocated for
education and research infrastructure pro-
jects and $85.2 million over six years has
been allocated for health and hospital infra-
structure projects in Tasmania.

There has never been a more important
time for the government to step up and invest
in Australia’s future. It really is astonishing
for those opposite to attack our nation-
building plans, having ignored for over 12
long years—(Time expired)

Broadband

Senator FISHER (2.35 pm)—My ques-
tion is also to the Minister for Broadband
Communications and the Digital Economy,
Senator Conroy, in respect of his proposal to
spend billions of taxpayer funds on the Na-
tional Broadband Network, ongoing uncer-
tainty about the cost of the NBN and the im-
plcation that this will have for Labor’s mas-
sive borrowing and Labor’s massive debt. I
refer to the minister’s statement to the Press
Club in March 2007, when he said:
… there is a cost to the individual, because when
you connect fibre to the home, you’ve got to have
a sort of box to receive the fibre to the home,
which can be up to $1,000 at the moment …

Minister, do your kicking-the-tyre cost esti-
mates—

Honourable senators interjecting—

The PRESIDENT—Order! Senator
Fisher, you are entitled to be heard in silence.
Some of your colleagues could not hear the
question and would like it repeated. This is
an important part of question time. People
are entitled to hear the question during ques-
tion time. Extraneous interjections do not
help the conduct of question time. I be-
lieve—and I have been reasonably fair on
this—that people should be heard in silence
when the question is being asked. I think that
is one of the things which we need to pay
closer attention to in this chamber. Senator
Fisher, I understand your question has not
been fully heard and I ask you to ask it again.
Those on my right, refrain from interjections.

Senator FISHER—Thank you, Mr Presi-
dent. I am sure the minister is well aware of
his quote at the Press Club so I shall not re-
peat it. Minister, the question is: do your
kicking-the-tyre cost estimates for the NBN
include costs to individuals for these sorts of
boxes?

Senator CONROY—It is disappointing
that you clearly have not read the entire
speech—I can only encourage you to—
because you would have seen that I was ac-
tually not referring to the equipment that
would be put into individuals’ homes; what I
was describing was the boxes on the end of
the big, fat pipes. That is technical jargon,
for those over there! So I was not actually
referring to that equipment, but I am happy
to answer questions about the pricing.

The government recognises that afforda-
bility is an important factor that will drive
take-up of services on the NBN. NBN prices
cannot be structured without considering the
prices people pay today for comparable ser-
vices. Pricing levels on the National Broad-
band Network will be a key issue considered
in the implementation study, but let me take
this opportunity to dispel a few myths. First,
the NBN is a historic microeconomic reform.
It is Australia’s first national wholesale-only
open access network. It is important to re-
mind those opposite of this because they
shirked the tough decisions on this for 12
years and privatised Telstra without ever properly resolving it.

How does this relate to retail prices for consumers? No retail company will be able to control the network in its own interests. The discipline of genuine competitive pressure will drive lower prices, innovation and greater choice of services at price points. Retail companies—

Senator Birmingham—Mr President, I rise on a point of order going to relevance—and direct relevance, as the standing orders now require. I am sure you will point out to the minister that he has just 12 seconds left to answer. He was asked a very direct question as to whether the $1,000 costs for connection were included. I ask you to get the minister to answer that direct question and be directly relevant in the 12 seconds that remain.

Senator CONROY—Mr President, on the point of order: I appreciate that Senator Birmingham has now redefined the question that was asked by the good senator behind him, but in actual fact that was not the question at all. I have been directly relevant in dealing with the pricing that individuals will face. I am addressing that specific issue.

Senator Minchin—No, you completely misunderstand the question.

Senator CONROY—You have totally misunderstood what a box on the end of the pipe is. I do not know how much more simply I can put it for you, Senator Minchin.

The PRESIDENT—Senator Conroy, this is not a debating time. On Senator Birmingham’s point of order, there are 12 seconds left. I draw your attention to the question that was asked by Senator Fisher. You have 12 seconds in which to answer the question.

Senator CONROY—Thank you. As I was saying, retail companies will likely offer a range of plans and price points to suit the needs of different individuals and businesses. Companies will have to fight hard to win and retain your business, or else you can switch. (Time expired)

Senator FISHER—Mr President, I ask a supplementary question. Will the minister confirm that Labor’s massive borrowing and increasing debt to fund the multibillion-dollar taxpayer spend on the NBN is to install these sorts of boxes for households that might never want them and indeed never, ever be able to afford them?

Senator CONROY—Again, the reference that the good senator is drawing from my speech was not actually talking about the equipment that is to be installed in the home. My quote was not actually referring to that. But, to deal with the question I think you are trying to ask, the pricing involved in the National Broadband Network includes all of the relevant equipment necessary. Whether or not an individual chooses to install the connection and have it connected will be a function of whether the individual would like to have it. The Labor Party takes the view that this is an essential utility in the same way that the telephone, gas, electricity and water are, so we will provide the connection. It is then entirely in consumers’ hands whether they choose to take the next step. (Time expired)

Senator FISHER—Mr President, I ask a further supplementary question. What additional price will consumers have to pay for internal wiring to access fibre to the home? When, Minister, will you be up front with Australian consumers about what they will have to spend to access fibre to the home above and beyond their already massive taxpayer spend?

Senator CONROY—I guess that I will have to explain to those opposite the difference between a wholesale and a retail company. Notwithstanding that those opposite
have continued to claim we are going to need five million customers to make it pay, I do not believe this NBN Co. will ever ultimately have more than about 500 customers, because that is about how many ISPs there are in the country. The marketplace and the ISPs will engage in price competition to attract customers, and therefore that will be part of the package ultimately to be charged, but that will be a matter for the retail providers, not the wholesale company, for which we will be providing the connection. Think of it as if it were a phone. When you have the phone installed, you seek to get it connected; there is a connection fee, and that is charged by—(Time expired)

Budget

Senator FIELDING (2.43 pm)—My question is to Senator Conroy, the Minister representing the Treasurer. Isn’t it true that tucked away in the budget papers is the revelation that:

Beer excise is expected to grow by 8.0 per cent in 2008-09, with higher volumes likely to be reflecting some substitution away from ready-to-drink (RTD) beverages—

and that a couple of pages back it also states the following?

Revenue from imported spirits are expected to be stronger by $245 million, or nearly 20 per cent growth, in 2008-09 mainly as a result of consumer substitution from RTDs.

Senator CONROY—I am not actually sure what the question was—and I am happy to have it clarified in a moment—but, given that the revelation that the senator is alluding to is published in the budget papers, I will say I am happy to stand by all of the assumptions and figures that are contained in them.

Opposition senators interjecting—

The PRESIDENT—Order! Senator Fielding is entitled to hear the answer.

Senator CONROY—I am happy to provide any other information that is available from the Treasurer’s office, but I can confirm—if the senator read it correctly—the information contained in the budget papers.

Senator FIELDING—Mr President, I ask a supplementary question. Minister, given that your own budget documents clearly identify and acknowledge that significant substitution is occurring, isn’t this proof that the alcopops tax grab does nothing to tackle the issue of alcohol abuse and binge drinking?

Senator CONROY—I appreciate the way that Senator Fielding has tried to add two and two to make it equal four, but the Rudd government’s commitment to tackling the scourge of binge drinking in our community is stronger than ever. Yesterday’s budget papers confirm this. They confirm that government action to close the alcopops tax loophole has arrested the rapid growth of consumption of these drinks. It has arrested it. Treasury papers confirm what the government has been saying about the effectiveness of the alcopops measure. In the time since the introduction of the measure, we have seen a massive 35 per cent drop in alcopops sales and an eight per cent drop in total overall spirits sales. Clearly the measure is working. (Time expired)

Senator FIELDING—Mr President, I ask a further supplementary question. Isn’t it true that the government is a substitution denier? And isn’t it true that the government could bring legislation before the Senate in this sitting week to vote on whether the alcopops tax should proceed or not but has purposely chosen to wait until June so that it can manipulate the Senate to ensure this tax can be used as a trigger for a double dissolution?

Senator CONROY—Even allowing for some substitution, the bottom line is that the Treasury’s figures still show a drop in overall consumption of excisable alcoholic beverages of 0.5 per cent—in contrast to growth in...
previous years. Here is what the budget papers say if you read them out wholly:
Overall excisable alcoholic beverages consumption declined by 0.5 per cent in contrast to small positive growth rates of recent years.
In addition, the same section of Budget Paper No. 1 states in relation to Customs data:
However, overall spirits consumption has fallen since the measure to increase excise on RTDs was introduced.
When all of the facts are examined, it is clear— (Time expired)

Asylum Seekers

Senator FERGUSON (2.49 pm)—My question is to Senator Faulkner, the Minister representing the Minister for Defence. Will the minister advise whether the government has yet received the Defence Border Protection Command inquiry report into the explosion on Suspected Illegal Entry Vessel 36, and when will the government release this report?

Senator FAULKNER—I am able to provide some information to Senator Ferguson on this issue in the broad, but I—

Senator Abetz interjecting—

Senator FAULKNER—Senator, I think this is an important issue, so I would hope that all senators would treat it so. First of all, I say from the outset that the government has stressed on this matter the importance of not speculating about the incident, including of course, as Senator Ferguson and other senators would appreciate, the cause of the explosion on the vessel. I can also say to the Senate that this particular matter is subject to ongoing police and coronial investigations. In relation to the police investigation, I am sure Senator Ferguson and others would accept that it should run its course without interference or statements which may prejudice the outcomes. I will certainly be very careful of that broad principle in responding.

I also indicate to you that the approach the government is taking is being supported by the head of the northern— (Time expired)

Senator FERGUSON—Mr President, I ask a supplementary question. Can the minister advise whether reports that some ADF personnel have suffered ‘severe psychological affront’ as a result of this incident are correct? If so, what action is the government taking to ensure the welfare of our ADF personnel?

Senator FAULKNER—I can continue on this important issue. A Defence inquiry is being conducted into the incident. The instrument of appointment and terms of reference for the Defence inquiry into the incident upon SIEV36 were signed on 6 May. I can inform the Senate and Senator Ferguson particularly that the inquiry is expected to be completed by early June 2009. I can also indicate to Senator Ferguson that the inquiry team is working very cooperatively with the civilian agencies that I mentioned before who are conducting these investigations into this particular matter. In relation to Defence personnel I can assure the Senate that the Department of Defence takes these matters seriously. I acknowledge the duty of care that the government— (Time expired)

Senator FERGUSON—Mr President, I ask a further supplementary question. In the interests of transparency and accountability, particularly given this minister’s obsession with transparency and accountability in the case of the SIEVX incident some years ago, when is the defence department going to release all captured images and footage relating to the incident on SIEV36?

Senator FAULKNER—That is a matter that I will refer to the defence minister for him to give you a more precise answer than I can. As the Minister representing the Minister for Defence it would not be proper for me to talk about that operational element of the
questions that you raise, but I will ask the Minister for Defence and I will report back to the Senate on when and what information will be made available.

**Higher Education**

**Senator BILYK** (2.54 pm)—My question is to Senator Carr, the Minister representing the Minister for Education. Can the minister update the Senate on the government’s reform program for Australia’s higher education system? In particular, how is the government making the system more accessible to all Australians who can benefit from a university education? What is the connection between improving higher education outcomes and creating new economic opportunities?

**Senator CARR**—I thank Senator Bilyk for her question. The Australian government is making historic changes to the way universities operate and the way they are funded. It is investing $491 million over four years to create a student centred system and to increase student numbers in the higher education sector. From 2012 universities will be funded on the basis of student demand. This will enable an extra 50,000 students to start university in 2013 and will give us 217,000 additional graduates by 2025. The government will provide a Commonwealth supported place for every domestic undergraduate student accepted to be eligible in an accredited higher education course offered by a recognised public higher education institution. This is a better system for students. It will ensure that universities cater to their needs and deliver a quality education. It is also a better system for the community. Universities will no longer receive funding for places they do not deliver and a new system will reward universities that are able to attract more students. This will ensure that taxpayers’ money is put to the best possible use and will give universities a strong incentive to achieve excellence in teaching and learning. This landmark reform will help us achieve our ambition to increase the proportion of 25- to 34-year-olds with bachelor-level qualifications to 40 per cent by 2025. This is a critically important matter. We want to create a modern economy based on advanced skills and technologies.

**Senator BILYK**—Mr President, I ask a supplementary question. Can the minister inform the Senate what specific measures are being taken to increase the participation of Australians from low socioeconomic backgrounds in higher education? Has the government set a target for participation by these Australians and, if so, what is it? What social and economic benefits can we expect from achieving such a target?

**Senator CARR**—Students from disadvantaged backgrounds are clearly underrepresented in Australian higher education. This is bad for the economy because it means that talent is being wasted. It is bad for Australian society because it means people are being excluded from opportunities that should be open to them. This is incompatible with Labor’s commitment to social justice. The government is introducing major reforms to deliver its ambition that students from disadvantaged backgrounds should make up some 20 per cent of undergraduate enrolments by 2025. These measures include support for universities to work more closely with schools and with vocational education and training providers. There are measures to reward universities that attract a higher number of students from disadvantaged backgrounds and there are significant changes to make student income support more equitable.—(Time expired)

**Budget**

**Senator TROETH** (2.58 pm)—My question is to Senator Carr, the Minister for Innovation, Industry, Science and Research. Will
the minister confirm that the $10 million available over four years that he announced in the budget for Australia’s struggling textile, clothing and footwear sector represents the sum total of the government’s response to the Green review into the sector?

Senator CARR—The Rudd Labor government will drive innovation and renewal in the Australian textiles, clothing and footwear industries by investing some $401 million in a very targeted TCF innovation package. It will run from 2009-10 through to 2015-2016, with an extra $55 million earmarked for innovation, including $10 million of new funding. The package recognises the importance of the TCF industries, which employ over 45,000 Australians and underpin regional economies right around the country. These measures aim to make the TCF industries stronger and more sustainable by supporting the development of new products and processes, especially at the high-tech, high-value end of the market.

Under this package the Commonwealth will introduce a new $30 million TCF Strategic Capability Program to support large projects that will boost innovation capacity and performance at the enterprise level. They will be based on matching funding. We will establish a new Clothing and Household Textile Building Innovative Capability Program to support innovation. This will be based on a TCF strategic investment program which has a funding of $22.5 million per annum or $112 million in total. We will also establish a TCF Innovation Council, bringing together business, unions, researchers and government to champion innovation in the sector and provide strategic advice. We will establish a national TCF—(Time expired)

Senator TROETH—Mr President, I ask a supplementary question. In that case, and although Professor Green recommended some $250 million for the sector in order to protect jobs and assist it to innovate, why is it that the head of the Textile, Clothing and Footwear Union, Michele O’Neil, is quoted as saying, ‘The budget response is grossly inadequate to support the future of textile, clothing and footwear jobs in this country’?

Senator CARR—I find the craven attitude by the Liberal Party to these issues truly remarkable. On the one hand because they say the government is spending too much—

Senator Troeth—Mr President, I rise on a point of order. My question was quite direct: I asked the minister for the reason for Ms O’Neil’s comments on his budget response.

The PRESIDENT—Order! There is no point of order.

Senator CARR—I am more than happy to try to assist the senator in regard to the attitudes of Ms O’Neil, but I have no doubt that you would be on the phone to her on a regular basis. You would of course have spent an enormous amount of energy discussing these issues with the Textile, Clothing and Footwear Union, as you have done for the last 12 years. You walked away from these industries. You have taken the view that these are industries that are dying and that they should basically be put on palliative care. You have not taken the attitude that you should be ensuring the future sustainability of these industries. As for Ms O’Neil’s opinions, I have no doubt that she is able to speak for herself. This is a package that the government take seriously because we are in the business—(Time expired)

Senator TROETH—Mr President, I ask a further supplementary question. In that case why has the government failed to address the plight of Australia’s manufacturing sector, which has lost 44,000 jobs—which is a 4.2 per cent decline—since the election of the Rudd government? Isn’t the minister’s admission today that the ‘budget circumstance is that we can’t provide it; simple as
that' proof that Labor has simply lost control of the nation’s finances?

Senator Carr—I was raising the question of the craven and weak attitudes of the Liberal Party. On the one hand they say that this government spends too much. That is the position of the Liberal Party leadership. But, of course, here a divided and reckless opposition now says that we are not spending enough. Which is it? Do we spend too much or not enough? What is the position of the Liberal Party? Where do you stand? Do you back your leader or do you back this sort of reckless attitude that we are hearing here? We have just introduced the largest innovation package in the history of this Commonwealth. What is your position? Where are you going? Do you support that measure? Do you take the view that we are spending too much or is it too little? Can you make up your minds?

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Asylum Seekers

Senator Faulkner (New South Wales—Special Minister of State and Cabinet Secretary) (3.05 pm)—I have just been provided with some more information that might assist Senator Ferguson in relation to the SIEV36 issue. I understand that Defence was required under subpoena to provide all Defence imagery concerning the incident to the Northern Territory police to assist with the criminal investigation into the incident. Because of the ongoing Northern Territory police criminal investigation, Defence is not authorised to publicly release any of this imagery at this time. I can also say, and this might be of interest to some senators, that I have been advised now that a small quantity of imagery, consisting of approximately 20 seconds of video footage of the aftermath of the explosion together with approximately 20 photographs, was cleared for public release by the Northern Territory police. I am also advised that Defence subsequently released that imagery and that is the only imagery that Defence has released at this time.

Finally, if it assists the Senate I can say that the Northern Territory police remain in possession of all other Defence imagery concerning this incident. As the Northern Territory police investigation progresses I am advised that the police will continue to formally advise Defence when imagery can be subsequently released. Mr Acting Deputy President, as you would be aware, before I had that further advice provided to me I indicated that I would take on notice that particular matter that Senator Ferguson raised in relation to one of the supplementary questions. I will still do that, but I do indicate to the Senate that I believe I have been able to provide to the Senate what the current status is. However, of course I will indicate if there is any further information.

Budget

Senator Ludwig (Queensland—Minister for Human Services) (3.07 pm)—In answer to Senator Cormann’s question on how many people will be affected by the changes to private health insurance in the budget, I can provide the following clarifying remark. Around 1.7 million adults, or around 10 per cent of the adult population, with income above the surcharge threshold will be affected by the changes. This is made up of around 1.6 million adults—that is, 630,000 singles and 490,000 families—who will receive a reduced rebate and therefore pay a higher net premium. Around 130,000 adults will be liable for an increased surcharge. And even following reforms to policies supporting private health insurance, based on average premiums, affected indi-
viduals will remain better off as a result of the tax cuts coming into effect in July 2009 and 2010.

**Swine Influenza**

Senator LUDWIG (Queensland—Minister for Human Services) (3.08 pm)—With regard to a second matter that Senator Bob Brown asked yesterday—I will call it the swine flu question—I seek leave to incorporate the answer in *Hansard*.

Leave granted.

*The answer read as follows—*

At this stage, there are no detected cases of swine flu in Indonesia, East Timor or PNG. AusAID has fast-tracked a payment of $3 million to the World Health Organization (WHO) to build on an existing program for pandemic preparedness that strengthens national systems in the Asia-Pacific region to respond to pandemic outbreaks. These funds will enable WHO to undertake a coordinated response to countries’ requests for assistance according to clear health criteria and WHO assessed priorities.

To date, the WHO has despatched more than 10,000 courses of Tamiflu to PNG. AusAID has also provided PNG with 100 doses of Tamiflu with an offer to provide more if required. Should East Timor, Indonesia or PNG have requests for further assistance in the future, they will be able to be assessed against the WHO criteria.

AusAID have also provided $561,000 to improve health infrastructure in PNG in 2008/09, as part of the Torres Strait Island treaty agreement.

In the 2009-10 Budget, the Government has also committed $13.8 million to implement specific measures in the Torres Strait to address the risk of communicable diseases in the Torres Strait treaty zone.

**Budget**

Senator LUDWIG (Queensland—Minister for Human Services) (3.08 pm)—In response to a question from Senator Boyce, I am now advised that Senator Boyce was quoting me from, as I understand it, a speech I gave in respect of the Medibank Private Sale Bill 2006. I think it is disingenuous to argue that that relates to what is now occurring, which is a not-for-profit conversion for a profit organisation. It is quite disingenuous to take those quotes from what is otherwise a speech in relation to what the Howard government was proposing to do in relation to the Medibank Private Sale Bill 2006.

**QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS**

**Budget**

Senator CORMANN (Western Australia) (3.09 pm)—I move:

That the Senate take note of the answer given by the Minister for Human Services (Senator Ludwig) to questions without notice asked by senators Cormann and Boyce today relating to private health insurance.

Australians have been deceived by this government; they have been conned. The 11 million Australians who take additional responsibility for their healthcare needs by taking out private cover have been conned. And I say to those 11 million Australians: you cannot believe a word this government say when they make public policy commitments on private health insurance.

Today we heard Senator Ludwig’s answers, and it was very clear that he had no idea whatsoever as to what the impact of his government’s policy would be on the 11 million Australians taking additional responsibility for their own healthcare needs. He tried to use a figure of 25,000 Australians, and was sneering at me for asking a supplementary question. He said: ‘You didn’t listen to the answer; you just read your supplementary.’ And all he did was read out a pre-prepared question time brief without having any idea what he was advising the Senate about. There are 1.8 million Australians who
will face automatic increases in the cost of their private health insurance premiums.

Senator Ludwig—I said 1.7 million.

Senator Cormann—So 1.7 million? I am pleased to hear that the minister is still listening. There are 1.7 million Australians facing an automatic increase in the cost of their private health insurance—up to 42 per cent—as a result of the government’s actions.

Labor has form on this, of course. Labor has been waging an ideological war on Australians with private health insurance for decades. From Whitlam to Hawke to Keating, they have been at it. After the Hawke and Keating governments, the proportion of Australians with private health insurance plummeted from 63 per cent to 30 per cent before the Howard government was able to turn the ship around and restore some balance in our health system. This government, in opposition, said they were going to be different, that they had learnt from their mistakes of the past, that they knew that what Whitlam and Hawke and Keating had done to our health system by undermining Australians with private health insurance was the wrong thing to do. They made an absolutely clear and unequivocal commitment that they were going to retain the private health insurance rebate. They said, ‘We won’t touch it.’

Those of us on this side of the chamber were a bit suspicious as to how genuine that commitment was. We asked questions in the lead-up to the last election. We raised doubts. We were not quite sure that the Labor Party really meant it when they said they would retain the existing private health insurance rebate. Do you know what the then opposition health spokeswoman, Nicola Roxon, said it was? She said it was a Liberal scare campaign. She put out a press release on 26 September 2007 that said:

Federal Labor rejects the Liberal scare campaign around the Private Health Insurance rebates.

The Liberal Party scare campaign this morning reared its head …

On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates …

The now Prime Minister, the then Leader of the Opposition, wrote to the Australian Health Insurance Association. He said:

Both my Shadow Minister for Health, Nicola Roxon, and I have made it clear that we are totally committed to retaining the existing private health insurance rebate.

That was before the election. We asked questions, being suspicious in the context of Peter Garrett’s remarks: ‘Once we get in, we will just change it all.’ We asked questions again and again in estimates. We asked: ‘Are you sure? Are you really committed?’ Leo Shanahan from the Age did some good investigative journalistic work. He wrote an article about Treasury advice recommending to the government that it should scrap the rebate. So questions were asked. And what did the health minister, Nicola Roxon, say only in February this year? She said that the government was firmly committed to retaining the existing private health insurance rebate. Now of course we know that at that time the government was busily working on plans to scrap the rebate.

This is a blatant broken promise that will hurt not only Australians with private health insurance, but all Australians who need timely and affordable access to quality hospital care. By pushing people out of private health insurance, by pushing people into public hospitals that are already overburdened and overstretched, the government is going to make it harder for people who currently have to rely on the public system by forcing them to compete with people who have left their private cover.
The minister today said, ‘Last year you said a million people would leave.’ No, actually Treasury modelling said that 660,000 Australians would leave private health insurance’—and their savings were based on it. He knows that it is much too early to assess the impact. We have not even had one quarter of membership data since the watered down version of their attack last year was implemented. This is a government that has form in its ideological war on private health and people cannot trust a word it is saying on private health insurance. (Time expired)

Senator CAROL BROWN (Tasmania) (3.14 pm)—I want to take a moment to talk about the context in which the budget was framed before I move on to the private health insurance issue. The Rudd Labor government has crafted its second budget, and it contains the building blocks of Australia’s future productivity and prosperity.

Senator Cormann interjecting—

Senator CAROL BROWN—I listened to you in silence, Senator Cormann. The budget has been designed to support jobs and small businesses by investing in the infrastructure we need for tomorrow. As the Treasurer has reiterated on many occasions, this budget was framed in the most challenging economic conditions since the Great Depression. We have seen the global financial crisis contribute to the write-down of government revenues to the tune of $210 billion. This, of course, has had a major impact on the budget, so the Treasurer has made some tough choices. Those tough choices involve significant savings measures which the government knows may not be very popular. But they are the right choices and they will help us to steer the budget back into surplus in the future. The budget will help deliver growth to Australia so that the economy is ready and in a position to capitalise when the global recession turns around and a recovery takes place.

The changes to private health insurance are about a rebalance so that those who have the greater capacity to pay for their own health insurance do so. It is consistent with the government’s commitment to maintaining the balance between public and private health systems that high-income earners will receive less in government payments for their private health insurance but will face an increase in cost should they opt out of their health cover. From 1 July 2010, the government will introduce three new private health insurance tiers so that the higher income earners receive less carrot and more stick to be insured. All income thresholds will continue to remain indexed to wages, keeping these changes fair and sustainable into the future. These changes will affect around 10 per cent of Australian adults. For low- and middle-income earners, the existing 30, 35 and 40 per cent private health insurance rebates will remain in place.

I would like to take a moment to repeat some of the comments made yesterday by the Minister for Health and Ageing, Nicola Roxon. She said:

We are maintaining a very hefty public supplement for those people who take out private health insurance, but what we have done is said that those who are high-income earners should pull their weight a little bit more. So it is basically what it is all about and, as you have heard, the Treasurer and the Prime Minister have been discussing this across the board not just for private health insurance. We think that people who are earning higher incomes should have private health insurance. We do not think the taxpayer should pay even more for their rebate than they pay for lower income earners.

She also went on to discuss the projections. She is on record as saying that the projection for the number of people that will pull out is very small. It is about 25,000 people. When
you have nearly 10 million people insured, that is a tiny number—and you have to remember that the industry, when we made the small changes to the surcharge last year, were out speculating that hundreds of thousands, if not millions, of people would pull out of private health insurance. Those opposite were also, of course, a part of that dishonest scare campaign about those changes made last year, saying out there in the community that hundreds of thousands of people would pull out.

What we have seen is that the rebate, as it currently stands, has become unsustainable. Minister Ludwig said today, in his answers to questions from those opposite, that the policy has been changed because the private health rebate was becoming unsustainable in the budget that has taken a $200 billion hit as a result of the biggest global financial crisis since the Great Depression. The government is making important structural reforms in this area to rebalance support for private health insurance and to put expenditure onto a sustainable footing for the future. *(Time expired)*

**Senator ADAMS** (Western Australia) *(3.19 pm)*—I rise to take note of answers given by Senator Ludwig. I would like to bring to the attention of the Senate the decision by the Rudd government to reduce or remove the 30 per cent private health insurance rebate. The idea that singles earning over $74,000 and couples earning over $150,000 will have their 30 per cent rebate reduced or removed is an insult to the Australian people. If you ask any member of the public who is currently earning $74,000 whether they consider themselves to be the wealthy that the Rudd government is targeting, I can assure you that their answer would be a resounding ‘no’. These people are paying mortgages, loans, rates and bills, and they are trying to get ahead in life. Their private health insurance allows them the security of knowing that if they require medical treatment it is available to them. In turn, this frees up the public health system, which is currently struggling to cope with increased waiting lists. Instead, the Rudd government has made the decision to reduce the 30 per cent rebate, which I have no doubt will mean that many people will leave the private health system or drop their ancillary cover. This is a very important issue and I will speak about it later.

In the budget papers, section 2, ‘Department outcomes, program 9.1, key performance indicators’ at page 256 states that the number of people currently covered by private health insurance hospital treatment cover will be maintained at 9.7 million. This target has been set for three years of the budget up until 2012-13. I would ask how a target set at 9.7 million will remain the same for three years. What this means is that the government has decided that the number of people who have private health insurance will not increase; it will remain the same. If these targets forecast by the government are maintained, and private health insurance membership does not increase over 9.7 million, then the proportion of the population insured will decline to 41.7 per cent. Compare this to the current trend in private health insurance membership of the last two years. If this were to continue, the proportion of the population with hospital cover would increase to 50.2 per cent. The difference in the proportion of the population forecast by the government to be covered by hospital insurance against current trends in 2012-13 will be almost 1.8 million people. To put this into perspective, Western Australia has a population of two million and if the whole of Western Australia had to rely on the public health system, there would be a meltdown. The system is not coping at the moment and it certainly could not cope with this extra group of people.
The projected cost of these 1.8 million people—the same amount that would be expended in the private hospital sector if these people were insured—would mean that the public hospital systems would require an additional $4.8 billion over the four-year period from 2009-10 to 2012-13 to cover in-hospital costs. I would like to know where the current government is going to find an extra $4.8 billion. How will Mr Rudd and Mr Swan be able to come up with this extra $4.8 billion to ensure the public health system is able to look after the extra 1.8 million people?

I would now like to speak about the ancillary cover. It is not just our public health system that is at risk; it is also the public dental system. For example, if people were to drop their current ancillary cover, this would mean that their current cover of $3,000 per year would reduce to $2,000 per year, but their health provider would have the same outgoings with a reduced amount of revenue. To cover this, everyone’s premium would have to increase, including for ancillary cover. If the amount for ancillary cover is increased, further people will drop their cover. This would result in a huge drop in the number of people covered. Considering that currently 50 per cent of ancillary cover is dental, if people were to drop their dental cover this would do one thing: it would flood the public dental service, which is already at crisis point.

At present, dental decay is the most common disease in Australia, with 19 million people having existing decayed teeth and 11 million people with newly-decayed teeth each year. If more people were to transfer from the private to the public dental system, we can guess at how these numbers would increase. The drop in dental cover due to the reduction in the rebate currently available to many Australians would drive a stake through the heart of the public dental system.

Did Mr Swan or Mr Rudd think about this as they reduced the rebate? I do not think they did. (Time expired)

Senator Farrell (South Australia) (3.24 pm)—I respect Senator Adams’s genuine concerns about the operation of the Australian health system, but I think it is important to point out the circumstances in which the government has found itself in dealing with these issues. As Senator Carol Brown noted, we face the worst financial crisis in this country since the Great Depression. As much as the government would like to do all things for all people, the practical reality of the circumstances in which we find ourselves is that it is simply not going to be possible. The Treasurer pointed out that we have had something like a $20 billion drop in our receipts in the framing of this budget. We know where that is coming from. It is coming from Senator Adams’s home state, it is coming from the mining industry, and businesses generally are finding it far more difficult to operate. That is affecting the amount of money that the government has available to spend on health. As a result of that, we need to rebalance the way in which we provide support for the private health system. In particular, we have to ensure that any changes we make to the system provide for a fairer distribution of benefits. That is really the underpinning basis upon which this government has approached the issue and, in particular, how it looks at the way in which lower income earners are treated through the system.

Senator Adams raised a number of issues about the possibility of people leaving the system as a result of the changes that are being proposed by the government. But we heard all of that last year, when the opposition was opposing the changes the government was then making—
Senator Cormann—They were watered down twice—

Senator FARRELL—We have heard all of these arguments before by the opposition, and to some extent it is simply a case of—

Senator Cormann—Treasury modelling!

Senator FARRELL—I sat and listened to Senator Adams in silence. I would appreciate the same courtesy, Senator Cormann. We have heard all of these arguments before. They did not come to fruition last time. In fact, my understanding is that maybe the change has actually resulted in a slight increase in the number of people taking out private health benefits.

I think there are some important facts that need to be brought to the table in this debate. I have talked about some of the difficult economic circumstances that we find ourselves in. Currently approximately 14 per cent of single taxpayers who have incomes above $74,000 receive about 28 per cent of the total public health insurance rebate paid to singles. Under the new reforms that we are proposing, these single taxpayers will receive about 12 per cent of the total public health rebate paid to singles. Similarly, approximately 12 per cent of couple taxpayers who have incomes above $150,000 currently receive approximately 21 per cent of the total public health insurance rebate paid to couples. Under the new reforms, these couple taxpayers will receive about nine per cent of the total public health rebate paid to couples.

Another important factor in this debate is the Treasury modelling. It estimates that, under the reforms that the government is proposing as part of the current budget, 99.7 per cent of people are expected to remain in private health insurance. So there is almost no change to the system, based on the Treasury modelling that the government has done on this issue. The reason for this is that the higher income earners who receive a lower rebate will face a higher tax penalty avoiding— (Time expired)

Senator BOYCE (Queensland) (3.29 pm)—I would like to take note of answers given by Senator Ludwig during question time, particularly in relation to some further comments he made about the question that I asked him. Senator Ludwig claimed that it was not legitimate to use comments that he had made during a debate around the privatisation of Medibank Private in the current situation, which—using Labor-speak—is not the privatisation of Medibank Private but the turning of Medibank Private into a hollow log for the government. It will still be a for-profit company. It will be owned by the government. It may not be owned by the public as it would be if it were a private company. It will just be paying out to the government.

I mention again the comments made at the time by Senator Ludwig, who said during a discussion about whether Medibank Private should be a private company—that is, a for-profit company—that it stands to reason that if you have to generate a profit that places an additional burden on premiums. That was said by Senator Ludwig in 2006. He wants to obfuscate now and claim that that related only to privatising Medibank Private, not to creating a Medibank Private government owned business enterprise which—guess what?—will pay taxes and distribute dividends. I thought that this would have suggested that the two were not entirely dissimilar. And we are told that Medibank Private is to become a government owned business enterprise in the name of competitive neutrality—that is, that this enterprise will do exactly what private, for-profit insurers in this market are required to do. It will pay taxes and it will distribute dividends. So I am still a little puzzled what the difference in market forces on the premiums of Medibank Private in its new guise might be that would make it any different from any other com-
pany in this space or different from a privatised Medibank Private.

Let us look at why the government would not want to turn Medibank Private into a private company. It is about who gets the dividends. This is an exercise that has been turned into a fine and high art by the state Labor governments of Australia: ripping the profits out of government owned enterprises to prop up their own inadequate, deficit-ridden economies. Time after time, successful organisations have been ruined, leaving states with energy crises because so much money was ripped out of the electricity providers. States have had water crises because no funds were left in the government owned enterprises to build the infrastructure necessary to maintain population growth.

Now we have another hollow log that the Labor government has created in the name of competitive neutrality so it can rip some of the profits out of Medibank Private, out of the hands of private patients and private medical practitioners in Australia, and stick them in its own little pocket in an attempt to mitigate the worst excesses of the deficit that it has allowed to develop. There is only one reason this has become a government owned enterprise and not a not-for-profit company. We also had Senator Ludwig telling us that only 25,000 people will drop out. This is yet another example of the politics of envy that the government practises. Only 12,000 people lost the baby bonus—the numbers go on and on. The government is cherry picking people who deserve better treatment. (Time expired)

Question agreed to.

PERSONAL EXPLANATIONS

Senator FIERRAVANTI-WELLS (New South Wales) (3.35 pm)—I seek leave to make a personal explanation.

Leave granted.

Senator FIERRAVANTI-WELLS—On Tuesday during debate on a matter of public importance, Senator Arbib made certain comments in this place. I have now had the opportunity to have a look at the Hansard and review a tape of that debate. Senator Arbib made a comment which is reported, and it says, ‘The hardliners are here in the Senate holding the flag.’ Indeed, the record is not correct because the tape shows that Senator Arbib’s comment was, ‘The hard Right is here in the Senate, holding the flag.’ Therefore, we have an incorrect record, and I am happy to provide that tape to the President, through you, Mr Deputy President.

I would appreciate it if the record could be corrected. I found offence with Senator Arbib’s remark. I raised that at the time and I would appreciate it if Senator Arbib could withdraw that comment. If Senator Arbib is not prepared to withdraw that comment now on the information that I have provided, I would be happy to tender the tape that I received this afternoon and a copy of the Hansard and would appreciate it if you could ask the President to review this matter and rule on it accordingly.

Senator ARBIB (New South Wales—Parliamentary Secretary for Government Service Delivery) (3.36 pm)—I take notice of what Senator Fierravanti-Wells just raised. We had a discussion about this last night. I have not seen the Hansard or the tape. I did not realise at the time that she had taken such offence to the term ‘hard Right’. If that has caused such offence, I am happy to withdraw and apologise.

Senator Fierravanti-Wells—Mr Deputy President, that is sufficient. Thank you, Senator Arbib, for dealing with it this way.
Senator ARBIB (New South Wales—Parliamentary Secretary for Government Service Delivery) (3.37 pm)—I present the government’s response to the report of the Senate Standing Committee on Community Affairs on its inquiry into supporting families through disability trusts, and seek leave to have the document incorporated in Hansard.

Leave granted.

The document read as follows—

AUSTRALIAN GOVERNMENT RESPONSE TO THE SENATE STANDING COMMITTEE ON COMMUNITY AFFAIRS’ REPORT

Building trust: Supporting families through Disability Trusts

This is the Australian Government’s response to the Senate Standing Committee on Community Affairs Inquiry into Special Disability Trusts, Building trust: Supporting families through Disability Trusts, as tabled on 16 October 2008.

The Government welcomed this inquiry and acknowledges the importance of the Committee’s findings in highlighting ways that Special Disability Trusts could be enhanced to more readily assist those families who are in a position to make private financial provision for a family member with severe disability.

The Government has engaged extensively with carers and people with disability, and it is aware of the concerns of parents and carers about what will happen to their family member with disability when they are no longer able to continue their caring role. Given that the Australian Bureau of Statistics reported 6,400 parent carers aged over 65 and a further 44,400 in the age group 45 to 64 in its 2003 Survey of Disability, Ageing and Carers, it is critical that we find ways to support carers and families in their caring role and to help them plan for the future care needs of their family member with disability.

The Special Disability Trust measure was introduced to allow aged parents/carers, who had the capacity to do so, to contribute to the current and future care of their family member with severe disability without these contributions impacting on their income support payments. The rules around Special Disability Trusts were intended to ensure maximum protection of the beneficiary’s interests and peace of mind for the parents/carers that their arrangements for the future care and accommodation of their family member would be carried out as they intended. Nonetheless it was anticipated that a greater number of inter vivos Special Disability Trusts would have been established within the first two years of the measure’s introduction.

Over the past 12 months, the Government has progressed a range of significant initiatives to support people with disability, their families and carers. These initiatives have involved national consultation on the development of a National Disability Strategy, a national policy statement which will maximise inclusion and set the directions and priorities for the development of legislation, policy and financing of services that respond to the needs of people with disability, their families and carers. It has also included working collaboratively with State and Territory governments to develop a National Disability Agreement from 1 January 2009 which will see significant reforms to the disability services system and a Commonwealth investment of $5.3 billion over the next five years.

In April 2008 the Parliamentary Secretary for Disabilities and Children’s Services, the Hon Bill Shorten MP, established the Disability Investment Group to explore innovative ideas from the private sector that will help people with disability and their families access greater support and plan for the future.

The Government is considering changes to Special Disability Trusts within the context of the Disability Investment Group’s report and other work the Government is currently undertaking to support people with disability, their families and carers, such as consultations in developing the National Disability Strategy.

AUSTRALIAN GOVERNMENT RESPONSE TO THE SENATE STANDING COMMITTEE ON COMMUNITY AFFAIRS’ REPORT

Building trust: Supporting families through Disability Trusts
Recommendation 1
The committee recommends that the special disability trust eligibility requirements in section 1209M of the Social Security Act 1991 be amended to:

(i) Remove section 1209M(b);
(ii) Include eligibility requirements which effectively enable those with intellectual disabilities or mental illnesses to become beneficiaries of special disability trusts.

Response
The Government agrees to give further consideration to an amendment to section 1209M of the Social Security Act 1991 and section 52ZZZZWA of the Veterans’ Entitlements Act 1986 to make it easier for people with intellectual disability and/or mental illness to be eligible as beneficiaries for a Special Disability Trust.

Recommendation 2
The committee recommends that the asset value limit for special disability trusts in section 1209Y of the Social Security Act 1991 be increased to $1,000,000 and annually indexed according to a rate which reflects ordinary investment returns or the Consumer Price Index whichever is greater.

Response
The Government agrees to give further consideration to an amendment to section 1209Y of the Social Security Act 1991 and section 52ZZZZWK of the Veterans’ Entitlements Act 1986 to increase the assets concessional limit in the context of the overall taxation and social security concessions applying to Special Disability Trusts.

The Government notes however that the original limit of $500,000 is indexed and currently stands at $532,000 at 1 July 2008. As the principal residence of the beneficiary is exempt as an assessable asset, consistent with the assets test under social security and veterans’ entitlement provisions, Special Disability Trust assets can currently exceed $1 million and remain within the current concessional limit.

In addition to the principal residence exemption, there is an assets test free area of up to $171,750 for a single homeowner or $243,500 for couples who are homeowners and $296,250 for a single non-homeowner or $368,000 for couples who are non-homeowners.

Increasing the assets concessional limit significantly, may raise issues relating to the equity of income support for people with disability and the need to balance equity considerations with the encouragement of private investment by those who can afford to contribute toward the cost of their own care.

Recommendation 3
The committee recommends that the provisions relating to the special disability trust gifting concession be amended to annually index the gifting concession limit to the rate applied to the special disability trust asset value limit.

Response
The Government does not agree to this recommendation. The non-indexation of the current gifting concession aligns with broader social security gifting provisions. Any change to include indexation of the gifting concession for Special Disability Trusts would therefore have broader implications.

Recommendation 4
The committee recommends that, if after adoption of the recommendations in this report there is no improvement in the uptake of special disability trusts after two years, options to expand eligibility for the gifting concession should be reviewed.

Response
The Government agrees in-principle to this recommendation. It notes that there would be no budgetary impact given that the current $500,000 concession would be shared by a larger pool of contributors. The Government also notes that a low take-up, despite the implementation of other recommendations, may not be attributable to the current restriction of the gifting concession to immediate family members.

Recommendation 5
The committee recommends that the tax arrangements applying to SDTs be changed so that:

- the sale of a property that is owned by a special disability trust and used by the beneficiary as their principal place of residence be treated the same as any other person’s principal place of residence, that is, exempt of capital gains tax;
• the transfer of property and other assets to a special disability trust is exempt from capital gains tax and stamp duty;
• unexpended special disability trust income is taxed at the beneficiary’s personal income tax rate.

**Response**

The Government agrees in part to this recommendation.

The Government agrees to the recommendation to extend the capital gains tax main residence exemption to properties held in a Special Disability Trust that are used by the beneficiary as their main residence. The Government will amend the Income Tax Assessment Act 1997.

The Government does not agree with the recommendation to provide a capital gains tax exemption on the transfer of property and other assets to a Special Disability Trust. To provide an exemption would mean that the capital gains tax law would treat taxpayers who transfer property and other assets to a Special Disability Trust differently from those who contribute using other sources of taxed income, such as wages.

Stamp duty is not an Australian Government tax and is a matter for State and Territory Governments to consider. The Government notes that the Western Australian Government provides an exemption from stamp duty for properties transferred to a Special Disability Trust. In addition, it has granted an exemption from land tax for families providing a residence for a family member with disability as well as concessions to land and water rates for such properties.

The Government agrees to the recommendation to tax unexpended income of a Special Disability Trust at the beneficiary’s personal income tax rate rather than the top personal rate of tax plus Medicare Levy. The Government will amend the Income Tax Assessment Act 1936.

**Recommendation 6**

The committee recommends that the allowable uses of special disability trusts be expanded to include all day-to-day living expenses that are met to maximise the beneficiary’s health, wellbeing, recreation and independence.

**Response**

The Government will request relevant portfolio Secretaries to revise the Social Security (Special Disability Trust) (FaHCSIA) Guidelines 2008, the Social Security (Special Disability Trust) (DEEWR) Guidelines 2008 and the Veterans’ Entitlements (Special Disability Trust) Guidelines 2008, within the provisions of the current legislation, to expand the list of examples of reasonable care and accommodation needs.

The Government agrees to give further consideration to amendments to the Social Security Act 1991 and Veterans’ Entitlements Act 1986 to expand what is a reasonable care or accommodation need.

The Government notes that the Disability Support Pension is provided to support a person’s day-to-day living expenses. Any substantial opening up of the beneficiary eligibility criteria and allowable uses of Special Disability Trust funds may raise issues relating to the equity of income support for people with disability.

**Recommendation 7**

The committee recommends that unexpended income from a special disability trust be able to be contributed, on a pre-tax basis, to a superannuation fund for the trust beneficiary.

**Response**

The Government does not agree with this recommendation to enable a Special Disability Trust to contribute to a superannuation fund for the trust beneficiary as a “concessional contribution”, with the trust being able to claim a tax deduction for that contribution.

The Government notes that a change to implement that part of recommendation five above to tax the unexpended income of a Special Disability Trust at the beneficiary’s personal income tax rate will mean that a Special Disability Trust may, in any event, pay less than the 15 per cent tax imposed on contributions made to superannuation.

It also notes that superannuation may not be the most appropriate vehicle for supporting beneficiaries of Special Disability Trusts as superannuation is designed for retirement purposes.
**Recommendation 8**
The committee recommends that when a special disability trust is used to purchase a first home for the trust beneficiary, the First Home Owner Grant should apply and be payable to the trust.

**Response**
The Government does not agree with this recommendation for the following reasons:

- One of the principles of the First Home Owners Scheme is that the applicant must be a natural person, which a Special Disability Trust is not. This eligibility criterion was agreed to by all State and Territory governments and is provided for in each State and Territory’s enacting legislation.
- The First Home Owners Scheme is administered and funded by the States and Territories consistent with the principles originally outlined in the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations and now contained in the Intergovernmental Agreement on Federal Financial Relations. A change to the principles in the Intergovernmental Agreement requires the agreement of all States and Territories as well as requiring each State and Territory to amend its enacting legislation.

**Recommendation 9**
The committee recommends that the government review appropriate options to provide additional assistance to families establishing and maintaining a special disability trust including low cost legal and financial advice, as well as funding for development of long-term planning.

**Response**
The Government agrees to give further consideration to this recommendation.

**Recommendation 10**
The committee recommends that requests for audits of a special disability trust be restricted to one external audit per financial year unless the Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs determines this restriction should be waived.

**Response**
The Government’s initial response to this recommendation is that it may have unintended consequences for families and beneficiaries in implementation. The Government agrees to give further consideration to mechanisms for implementing this recommendation through amendments to the Social Security Act 1991 and the Veterans’ Entitlements Act 1986 and/or amendments to the Social Security (Special Disability Trust – Trust Deed, Reporting and Audit Requirements) (FaCSSIA) Determination 2006, the Veterans’ Entitlements (Special Disability Trust – Trust Deed, Reporting and Audit Requirements) Determination 2006, the Social Security (Special Disability Trust – Trust Deed, Reporting and Audit Requirements) (Dest) Determination 2006, the Social Security (Special Disability Trust – Trust Deed, Reporting and Audit Requirements) (DEWR) Determination 2006.

**Recommendation 11**
The committee recommends that the single trust rule in Section 1209M (6) of the Social Security Act 1991 be amended to allow two trusts for each beneficiary.

**Response**
The Government does not agree to this recommendation. The change would apply to very few families. It would add complexity and compliance costs for Centrelink administration as well as create additional costs for families, given the significant costs of maintaining two trusts. It would also create additional compliance cost for the Australian Taxation Office given the Government’s agreement to extend the capital gains tax main residence exemption to properties held in a
Special Disability Trust that are used by the beneficiary as their main residence.

**Recommendation 12**
The committee recommends that Centrelink be designated as the agency responsible and accountable for ensuring that special disability trusts are promoted and understood among families caring for members with disability.

**Response**
The Government agrees to give further consideration to this recommendation. It notes that Centrelink has not had prime responsibility for promotion or education of special disability trusts to date. Additional costs of promoting awareness of Special Disability Trusts through Centrelink will need to be considered.

**Recommendation 13**
The committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs in partnership with industry bodies and peak carer associations develop a training package for financial and legal advisers focussed on future planning for carers of people with disability, including special disability trusts.

**Response**
The Government agrees to give further consideration to this recommendation.

**Recommendation 14**
The committee recommends that the government consider changing the name of special disability trusts, for example to disability support trusts.

**Response**
The Government agrees to give further consideration to this recommendation.

**Appropriations and Staffing Committee Report**
The DEPUTY PRESIDENT—I present the 47th report of the Senate Standing Committee on Appropriations and Staffing on the estimates for the Department of the Senate 2009-10.

Ordered that the report be printed.

**BUDGET**

**Portfolio Budget Statements**

**Senator ARBIB** (New South Wales—Parliamentary Secretary for Government Service Delivery) (3.38 pm)—I table a correction to the 2009-10 portfolio budget statements for the Attorney-General’s portfolio.

**COMMITTEES**

**Selection of Bills Committee Report**

**Senator FARRELL** (South Australia) (3.39 pm)—by leave—At the request of the Chair of the Senate Selection of Bills Committee. Senator O’Brien, I present the fifth report for 2009 of the Selection of Bills Committee.

Ordered that the report be adopted.

**DOCUMENTS**

**Tabling**

The Clerk—Documents are tabled in accordance with the list circulated to senators.

Details of the documents appear at the end of today’s Hansard.

**COMMITTEES**

**Membership**

The DEPUTY PRESIDENT—Order! The President has received letters from party leaders appointing members to committees.

**Senator ARBIB** (New South Wales—Parliamentary Secretary for Government Service Delivery) (3.40 pm)—by leave—I move:

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

Australian Commission for Law Enforcement Integrity—Parliamentary Joint Committee

Appointed—Senator Fielding
Community Affairs Legislation and References Committees
Appointed—Participating member: Senator Xenophon

Economics Legislation Committee
Appointed—Senator Xenophon

Economics References Committee
Appointed—Participating member: Senator Xenophon

Education, Employment and Workplace Relations Legislation Committee
Appointed—Participating member: Senator Xenophon

Education, Employment and Workplace Relations References Committee
Appointed—Substitute members:
Senator Siewert to replace Senator Hanson-Young for the committee’s inquiry into the tender process for employment services contracts
Senator Milne to replace Senator Hanson-Young for the committee’s inquiry into Australia’s research and training capacity in the area of climate change
Participating members: Senators Hanson-Young and Xenophon

Environment, Communications and the Arts References Committee
Appointed—Substitute member: Senator Crossin to replace Senator Wortley for the committee’s inquiry into forestry and mining operations on the Tiwi Islands
Participating members: Senators Wortley and Xenophon

Finance and Public Administration Legislation Committee
Appointed—Substitute member: Senator Bob Brown to replace Senator Siewert for the committee’s inquiry into the Plebiscite for an Australian Republic Bill 2008
Participating members: Senators Siewert and Xenophon

Finance and Public Administration References Committee
Appointed—Substitute member:
Senator Crossin to replace Senator Polley for the committee’s inquiry into the relationship between the Central Land Council and Centrecorp Aboriginal Investment Corporation Pty Ltd
Participating members: Senators Polley and Xenophon

Foreign Affairs, Defence and Trade Legislation Committee
Discharged—Senator Feeney
Appointed—Senator Farrell
Participating members: Senators Feeney and Xenophon

Foreign Affairs, Defence and Trade References Committee
Appointed—Participating members: Senators Feeney and Xenophon

Legal and Constitutional Affairs Legislation and References Committees
Appointed—Participating member: Senator Xenophon

Rural and Regional Affairs and Transport Legislation Committee
Appointed—Substitute member: Senator Ludlam to replace Senator Heffernan for the committee’s inquiry into the provisions of the Nation Building Program (National Land Transport) Amendment Bill 2009
Participating members: Senators Siewert and Xenophon

Rural and Regional Affairs and Transport References Committee
Appointed—Substitute members:
Senator Back to replace Senator Heffernan for the committee’s inquiry into public passenger transport in Australia for 9 and 10 June 2009
Senator Siewert to replace Senator Milne for the committee’s inquiry into the management of the Murray-Darling Basin system
Senator Siewert to replace Senator Milne for the committee’s inquiry into natural resource management and conservation challenges
Participating members: Senators Heffernan, Milne and Xenophon
Question agreed to.

CUSTOMS TARIFF VALIDATION BILL 2009
EXCISE TARIFF VALIDATION BILL 2009
Assent
Messages from the Governor-General reported informing the Senate of assent to the bills.

ECONOMY
Senator BRANDIS (Queensland) (3.41 pm)—by leave—At the request of Senator Parry, I move:
That the Senate notes that the Rudd Government’s poor economic management and the 2009-10 Budget has crippled Australia’s economic future for this generation and beyond.

Eighteen months ago today, on 14 November 2007, there was what would become a very famous speech given in Brisbane at the Queensland Performing Arts Centre. The person who made that speech, among other things, said this:

Today I am saying loud and clear that this sort of reckless spending must stop. I am determined that any commitments I make are first and foremost economically responsible spending. I have said that I will spend less than Mr Howard. I have said that I am an economic conservative. Today I deliver on each of those undertakings.

Those who circulated copies of this famous speech were so concerned to emphasise the message that in the circulated copy the words ‘this sort of reckless spending must stop’ are bolded to reinforce the point lest anybody miss it. Mr Deputy President, you and other senators have probably worked out who the maker of that famous speech was. It was none other than the then Leader of the Opposition, Mr Kevin Rudd. He was delivering the Labor Party’s policy speech for the 2007 election—one of the great con jobs in the history of Australian politics. Only 10 days later, as we all know, the Australian people fell for it. They elected Mr Rudd as the 10th Labor Party Prime Minister of Australia.

When the Australian people on 24 November 2007 elected Kevin Rudd to form a new government, they knew very little about him. They knew less about him, in fact, than they had known about any previous prime minister of Australia. They had seen him perform very articulately and fluently in the media as the Labor Party’s foreign affairs spokesman. But he had only been in parliament since the 1998 election. He had the briefest track record in public life of anyone the Australian people have elected as their prime minister. So he was, to the Australian people, very much an unknown quantity.

But they took him at his word; they took him in good faith, because, notwithstanding all the obscurity about Mr Kevin Rudd, there was one thing they knew about him for sure, one thing they were very confident about—that is, that he was an economic conservative, that he was a fiscal conservative, and that any government Mr Kevin Rudd led would be a government which was dedicated to keeping the budget in surplus and avoiding reckless spending. The reason they knew that was that the Australian Labor Party had been so concerned to emphasise that point. The main message that came from the Labor Party throughout 2007, from the time Mr Rudd was elected as the Leader of the Opposition on 2 December 2006, was that a Rudd government would be an economically prudent government, a Rudd government would be a fiscally conservative government, a Rudd government would be a low-spending Labor government. They even made an expensive series of television commercials showcasing Mr Rudd standing attractively on a farm gate with the
beautiful countryside of Nambour in the background saying, ‘The badge of fiscal conservative is a badge I wear with pride.’ So they knew that and they went on to elect him.

One thing that was very notable about the 2007 election was that, of all the issues that were before the people—whether it be climate change, industrial relations or the longevity of the Howard government and the ‘time for a change’ factor—one thing that was not a big issue in the 2007 election campaign was economic management. That was because, as every commentator you could think of at the time observed, the Labor Party had very, very carefully and deliberately made sure there was no distance between their policies and the fiscal policies of the Howard government so as to eliminate economic management as an issue. As my colleague Senator Barnaby Joyce once famously said, if Kevin Rudd had got any closer to John Howard, he would have had to ask Mrs Howard’s permission.

I know that the history of politics is replete with many examples of promises unfulfilled, of assurances vacated and of politicians who do not live up to what they represent themselves to be, but I dare say there would be scarcely an example in the long history of Australian politics of a political leader whose public representations of himself, of his position, of his commitments and of his beliefs were further at variance from the reality than what we have seen in the last 18 months in the case of Mr Kevin Rudd and his ministry. As we know, last Tuesday Mr Rudd’s Treasurer and colleague Wayne Swan delivered a budget which was not merely a big spending budget, not merely a reckless and extravagant budget, but the most reckless and most extravagant budget and a budget which reported the worst bottom line of any peacetime budget in Australian history. It was a budget that projected cascading deficits for four years into the future of $188 billion.

Sometimes in political debate or when we listen to economic commentators we toss these figures around and the word ‘billion’ sort of—

Senator Cash interjecting—

Senator BRANDIS—Thank you, Senator Cash—fades into the wallpaper as if it is not an enormous amount of money. To put it in context, when the Howard government was elected in 1996 it inherited from the previous Labor government an accumulated public debt of $96 billion. It had taken the Hawke and Keating governments 13 years to accumulate $96 billion of public debt. It has taken the Rudd government 18 months to commit to expenditure measures that will commit Australia to $188 billion of public debt. But it is worse. Believe it or not, the situation is even more serious than that, because Mr Rudd—displaying all the po-faced sincerity which he displayed that summer’s day in Brisbane on 14 November 2007 when he committed to be an economic conservative, when he committed himself to the proposition that there would be no reckless spending on his watch—is now saying, ‘We have a plan to bring the budget back into surplus.’ But, if we examine that plan, what does it amount to? It amounts to this: from 2013, which will be the fifth consecutive year in which the budget will have been in deficit, the year in which public debt in this country reaches $188 billion—and that is on the budget bottom line alone; it does not include programs like the National Broadband Network and Ruddbank—the Treasury’s projections are that the budget will go back into surplus in the following year if real GDP growth is 4.5 per cent per annum.

As we know, we are in a time of economic recession. We are told that the period of recovery from that recession will be slow.
Budget Paper No. 1, ‘Budget Strategy and Outlook’, projects that by the end of next year unemployment will be at least 8½ per cent. What prospect is there anytime soon for economic growth to annualise at 4.5 per cent?

Senator Cash interjecting—

Senator BRANDIS—None. Senator Cash—none at all. It is ‘magic pudding’ economics. My friend Joe Hockey talks about ‘casino’ economics, but this is really ‘magic pudding’ economics. This is ‘think of a big number and double it’ economics. This is ‘pluck a number out of the air’ economics. The average growth of the Australian economy over the last two decades, across good times and bad, taking into account periods of economic downturn and the golden years of the Howard and Costello stewardship of the economy, was three per cent. Now we are asked to stake the entire nation’s hopes, the government’s entire fiscal strategy, on an assumption that, emerging from the worst recession since the Great Depression—as Senator Conroy and other ministers repeatedly tell us—the annualised growth in the out years will be half again as high as the average growth in the good times. It is preposterous.

I mentioned the golden years when the stewardship of the Australian economy was in the hands of Mr Peter Costello during the Howard government. During those years, as you know, Mr Deputy President, it took a decade—it was in the 10th year of the Howard government—in a time of prosperity until that $96 billion of accumulated debt was at last paid off. Ninety-six billion dollars of debt was paid off in a time of prosperity. What chance is there, how long will it take, for $188 billion of debt—almost twice as much; in fact, almost exactly twice as much—to be paid off? Will it be 20 years, 30 years? The great fear I have is that it will never happen at all. The great fear I have is that we have a government in Australia today with no aversion to debt whatsoever. And we see this reflected in some of the remarks that the Treasurer and the Prime Minister make in talking about the state of the nation’s balance sheet. They say, ‘Well, that’s only going to be 10 per cent of GDP or six per cent of GDP or something, and that is a very manageable level compared to the United Kingdom, to the United States and to Japan.’ That is right. It is true. But the national balance sheet of Australia is immeasurably more favourable than the balance sheet of every other industrialised country in the world. There is, of course, a reason for that, the reason being—as we all know and cannot remind ourselves of it enough—that for more than a decade we had a government committed to retiring and eliminating public debt.

Nevertheless, the Rudd government, having been elected on false pretences, having been elected on pious, knowingly false, hypocritical promises about its hostility to reckless spending, has now decided that a level of public debt of several hundred billion dollars is tolerable because as a percentage of GDP it still stacks up relatively favourably against other industrialised nations. I very much fear we have ministers who have made the policy choice—unacknowledged, unadmitted by them, concealed in their rhetoric—that a permanent level of structural debt is acceptable for the Australian economy. What are the chances—if it took 10 years of a Liberal government committed to the elimination of debt, governing through times of prosperity, to pay off the last Labor debt, how long will it take an Australian government to pay off this much greater measure of debt? What are the odds that any government from my side of politics—because we know that no Labor government has ever paid off public debt; only Liberal governments have paid off public
debt—at any time in the 21st century will be there for 20 consecutive years? It has only ever happened once before in Australian history. What are the odds that, if that happy event were to occur, it would be in times of prosperity sufficient to enable the revenues of the Commonwealth to retire the debt? What are the odds of that happy conjunction of events—a long-term Liberal government, prosperous times, prosperous terms of trade and a generation-long commitment to the repayment of an unheard-of level of debt? The chances are very slight indeed.

What is so alarming about the recklessness with which Mr Rudd and his ministers have piled up this debt is that it has happened so quickly. How can you reverse the financial position of the country from an inherited $22 billion public surplus 18 months ago—a $22 billion surplus on the public account—to a deficit in this year’s budget alone of $58 billion, not taking into account the other expenditure packages that we saw before Christmas and in the so-called second stimulus package? How do you reverse the public finances of a nation so fast? If you add all the additional expenditure commitments that have been made in the last 18 months and subtract from that the surplus of $22 billion that the Labor Party inherited from the last government, what you find is that this government has spent money, reversed the financial position of the country, at the rate of approximately a billion dollars a week. That is the extent to which Australia’s public finances have deteriorated—at a rate of almost a billion dollars a week every week for the last 18 months—at about $150 million a day. That has been the reversal of the public finances of this country under the stewardship of a Prime Minister who made it the centrepiece of his appeal to the nation, 18 months ago today, that this sort of reckless spending must stop.

Senator ARBIB (New South Wales—Parliamentary Secretary for Government Service Delivery) (4.01 pm)—That was a fine performance by Senator Brandis. In the 20 minutes that he spoke, I may be wrong but I do not think that he mentioned the global recession. He did not talk about the global recession. In the world of Liberal senators, the global recession does not seem to exist. We do not seem to have a global recession. We do not seem to have the stock markets crashing or nine out of 10 of our trading partners all in recession. Over in fantasy land on the other side of the chamber, it is all the Labor government’s fault.

The senator did bring back some very fond recollections of Labor’s last campaign launch. It was a fine moment when the Prime Minister raised those statements about being an economic conservative and about the end of spending. It does seem a long time ago. It took me to a few issues about the global economy and some sad things that I have noticed over the past months. Watching one of the cable TV news programs, they showed what was happening in California, just outside the state capital in Sacramento, which to me really showed how bad the global recession is. Dozens of families who had been caught up with subprime loans were living
on the outskirts of the suburbs in tents. These people were so ashamed of their circumstances and so ashamed of how they were existing. I remember one of the couples saying: ‘We are so ashamed of this we cannot tell our family. We cannot tell them that it has come to this.’ This is not the developing world, this is not in Africa, this is not in the poorer parts of Asia but in California, USA. I remember one of the local politicians came out but not to visit these families and provide assistance, not to provide money for them to exist on or to find them shelter but just to check on their welfare. This is the United States, the most modern and advanced country on the planet, and this is the depth that the global recession has forced upon all of us.

So, when Senator Brandis talks about 2007 and the campaign launch, I say to him that a lot has changed since then. Those on that side of the chamber can ignore the global recession. They can live in a fantasy world where the global recession does not exist, but for the countless millions of families and workers across the globe who are suffering it certainly does exist. Senator Brandis also ignored the effect that the global recession has had on our budget bottom line and the effect that it has had on revenue. Not once did he talk about the $210 billion that has been wiped from the budget and wiped from government revenue over four years. Not once did he mention that. Not once did he talk about the 30 banks globally that have either collapsed or been bailed out by governments. Nor did he talk about global stock markets that have lost half their value. He did not talk about economies like the United States in recession, the UK in recession, Germany in recession, Japan in recession and Singapore in recession. He did not talk about the 5.1 million jobs lost in the United States since the beginning of 2008. No, coalition senators and the Leader of the Opposition blame the government. Once again, they are playing the blame game and ignoring the global recession.

Tonight, we will get to see the Liberal Party’s alternative to what the government has been doing. While they can run a very good scare campaign on debt, tonight the facts will become apparent, because tonight the Leader of the Opposition will have to come clean on how he would fund his own spending and how he would deal with the shortfall in budget revenues. That is the question tonight.

There have been some interesting developments on this in the media. It has been hard to get to the bottom of it. I have been asking questions, and I know many Labor parliamentarians have been asking questions, of the Liberal Party: how will you meet the revenue collapse? I have to say there are some good interviews here. The first one I want to quote was from the Sunrise program, and it involved the shadow Treasurer, Joe Hockey. This was a response to David Koch. Remember that they on the other side of the chamber are running a scare campaign about deficits and debt, saying that we are going to bankrupt the country. That is what they on the other side are claiming. So on that basis you would assume that they would actually deliver a surplus. If deficits are bad then tell us your surplus figure. This is what Joe Hockey had to say. David Koch said:

How much debt would you support and how big a deficit would you support?

The member for North Sydney said:
Our deficit would be smaller.

Then he went on:
I’ll give you a figure as a starting point: at least $25 billion smaller.

Twenty-five billion dollars smaller! We are not talking about the coalition being in surplus; your deficit is in the same ballpark as ours.
Let us move on. This is Chris Uhlmann talking to the Leader of the Opposition on the ABC on 13 May:

CHRIS UHLMANN: But just quickly, you would have engaged in some stimulus spending and there would have been a deficit?

MALCOLM TURNBULL: Well, there is no doubt. Look, I don’t think there is, it is very hard to imagine a circumstance in which the Budget this year would not be in deficit but it may have been in deficit by a very small amount or it may have been in surplus by a small amount with different policies.

I really hope that tonight he can explain that, because there are some big questions tonight coming out of those quotes that we need answered. The Leader of the Opposition, if he is worth his weight in gold as those on the other side of the chamber think he is, needs to answer: what would the deficit be if a coalition government were in place? If the coalition claim to have a smaller deficit than the government, how are they going to do it? How will they make up for the revenue shortfall? What services and programs will they cut?

Senator Cash—Well, we won’t increase the staff in the PM’s office, for starters, by 65, while we’re telling the public—

Senator ARBIB—Senator Cash, what jobs will you cut? Senators, what taxes will the coalition raise? How will they deliver their own stimulus that they are now talking about?

Senator O’Brien—They’ll be increasing the GST.

Senator ARBIB—As the good whip Senator O’Brien has said, will you increase the GST? They are simple questions; Australians deserve an honest answer. If you are going to continue to run a scare campaign then really you should be honest with the Australian people and explain how you are going to deal with the revenue shortfall.

I have to say that we do get some pointers in coalition policy going forward, and hopefully we will see this tonight, because I am finding it very interesting. We have seen senators in this chamber, and also the shadow Treasurer, talk about cutting the energy efficiency program—the insulation program—that is part of the economic stimulus, and we have also seen the shadow Treasurer talking about cutting the school halls, school libraries and classrooms that are part of the Nation Building and Jobs Plan. I find that absolutely astounding.

The energy efficiency program will insulate up to 2.7 million Australian homes. This is a program that is going to save average households $200 a year on power bills. It will reduce greenhouse gas emissions by almost 50 million tonnes; that is the equivalent of taking more than one million cars off the road. Who will be the people who benefit most from the insulation? Not just families who are saving money but tradespeople, insulation fitters. It is quite interesting. I was reading in the Daily Telegraph a week ago which will be the five occupations that will get through the recession in best shape. What was the No. 1 occupation to get through the recession? Insulation installers. Those are the jobs that those on the opposite side of the chamber would love to abolish.

Senator Williams—This is a lie, mate.

Senator ARBIB—You might say that, Senator, but this is what the Treasury spokesperson for the Liberal Party is saying. I recently visited Fletcher Insulation down in Melbourne, and I have to say that that is a factory that is booming. Before the announcement was made in the nation-building and jobs package, they were at 2½ shifts. They are now at four shifts. They are operating 24 hours a day, seven days a week, to produce insulation batts for families and the community. These are jobs. They have put on
an extra 15 workers. They are spending an extra $8 million to $9 million on investment and will benefit from the small business investment changes that the government made, also in the stimulus package. This is a program that the coalition wants to abolish.

On top of that there is the schools program. Obviously the Liberal senators have not spent much time getting out to the local schools. They have not been speaking to principals. They have not been speaking to P&Cs.

Senator Fierravanti-Wells interjecting—

Senator ARBIB—Senator, just wait for it. The principals I have spoken to think this spending is wonderful and could not have come at a better time. If you are going to stimulate the economy and help tradespeople, contractors and small business people then what better way to do it than to spend on schools? You talk about the states’ record, Senator Fierravanti-Wells. Let us talk about the federal government’s record and how education funding was cut by five per cent under the Liberal Party, the previous government, and how in education standards we went to 28th out of 30 in the OECD, all under the Liberal Party. That is in education.

I cannot wait for tonight. I cannot wait to see the Leader of the Opposition get up and rule out funding to schools just when it is needed. This is what the modern-day Liberal and National parties stand for. They are out of touch. They are completely and utterly out of touch. The Rudd government has a strategy to deal with the global recession. When the global economy is crashing and business is fleeing from financial markets, governments must act. That is the economically responsible thing to do. That is what economic conservatives do. I know that Liberal senators will not believe me, but they should listen to the financial institutions, the financial experts, the IMF, the OECD and the World Bank. The economic commentators all agree that governments must step in, act early and stimulate the economy—and that is what we have been doing.

Stage 1 was the first stimulus package, which was in October and November last year.

Senator Cash—What about the 75,000 jobs—

Senator ARBIB—I shall take Senator Cash’s interjection because—

The ACTING DEPUTY PRESIDENT (Senator Troeth)—Senator Arbib, I would advise you not to respond to interjections but to proceed to address the chamber through the chair.

Senator ARBIB—Can I just say in response to Senator Cash that the Liberal senators on the other side of the chamber actually voted for that first stimulus package. Any criticism she has of the package should have been raised at the time because she, along with all the other Liberal senators, actually voted for it.

It was quite interesting to hear the Deputy Leader of the Opposition talking about the doubling and tripling of the first home buyers grant on the Q&A program. She said, ‘I wish I hadn’t voted for it.’ I found that fascinating. I hope that all those first home buyers out there who have been rushing into the marketplace know about that, because there are 59,000 of them stimulating the economy. The Deputy Leader of the Opposition wishes that she had not voted for stimulus payments to pensioners. She wishes she had not voted to make payments to pensioners, carers, disability pensioners and veterans. These are the people who received the cash bonuses in round 1 of the stimulus package.

That was only round 1. There has also been round 2. The coalition talk about cash splashes, but the truth is that 70 per cent of
the stimulus package is for infrastructure. That is a fact. Infrastructure was round 2 of the stimulus package. These were shovel-ready projects, stimulating the economy, with work for tradespeople, small business and local contractors. This work is being rolled out as we speak. Two weeks ago I was in Tasmania turning the sod on the largest road project Tasmania has ever had—the Brighton bypass. That project will create 280 jobs in Tasmania. There are projects all across the country. This is what the stimulus package is about. The coalition do not support it. They do not support this infrastructure because they do not think it is high-quality infrastructure.

So we move on from the shovel-ready projects to the budget. In the budget there is $22 billion for nation-building infrastructure to fix our highways and rail lines. The truth is that we will be spending more on rail over the next five years than the coalition spent in their total 12 years. There is a doubling of the roads budget. We are fixing ports and making our economy productive for the future. The coalition often talk about the debt we are leaving to our young people. We are building the infrastructure of tomorrow, the infrastructure of the future. In 20 years time we will be able to tell our children and grandchildren that their schools, science labs and language labs, the roads they are driving on, the rail lines and other infrastructure were built during the global recession because the government had the courage to spend money to stimulate the economy and protect jobs. Despite what senators on the other side of the chamber think, we are actually into protecting jobs. That is what we are about—supporting jobs during the global recession. That is something that those on the other side really could not care less about.

Senator Brandis interjecting—

**Senator ARBIB**—If there is any doubt that the stimulus and our strategy is working then we should just go through a few figures. Senator Brandis, I am glad you have come back in for this. Not once did you raise these figures. The retail trade figures for March are up 2.2 per cent. That is happening nowhere else in the world. Westfield reported figures that were up by 1.5 per cent in March. The figures from the rest of the world were down. We have some good figures on unemployment which you have just discounted. The stimulus package is working. The government’s strategy is working. Senators on the other side of the chamber should stop the scare campaign. *(Time expired)*

**Senator MASON** (Queensland) *(4.21 pm)*—It is obviously a time for miracles. This is a faith based budget. Mr Rudd and the Labor government are asking the Australian people to take Labor’s budget forecasts and their promises on faith or, as the *Australian* newspaper said, ‘on a wing and a prayer’. There are two conditions that have to be fulfilled for the government to repay its debt. The first of those is for growth to be back at 4½ per cent per annum in two years time. That is the underlying assumption the government is making about the repayment of debt.

We are coming out of an apocalypse—that is the word that Mr Rudd and Mr Swan use—the worst recession since the Great Depression, and the Labor Party say that, within 24 months, growth will be back at 4½ per cent, the average rate for the two best decades of the last 110 years of this Federation. For a start, the Labor Party cannot do that. Their record of economic management is absolutely appalling. It always has been, and I will get to that in a minute. What makes it perhaps even more appalling is that the repayment of debt relies not on cuts to government expenditure but on continuous economic growth of 4½ per cent. If the predic-
tion of 4½ per cent is right then so much for the apocalypse—this recession would be shorter than the recession of the 1990s. So much for the apocalypse.

I am a generous person but, even if we believed the government’s underlying assumption of 4½ per cent growth—which we do not—I cannot believe that the government will limit future growth in spending to two per cent per annum. Who in this country believes that the Australian Labor Party, the federal government, will limit future growth in expenditure to two per cent per annum? No-one believes that. What about all the juicy things offered before a federal election? The Labor government is not going to do it? No-one believes that. No-one believes the assumption about 4½ per cent growth but, because I am a generous guy, let us give them the benefit of the doubt. The idea that this lot will spend no more than two per cent per annum over the next half a dozen years is impossible. Can you imagine a Labor government not increasing expenditure by more than two per cent? It has never happened on that side in our nation’s history—not once in 110 years—but they say they are going to do it now. They say it is going to happen.

With the entire budget and the budget deficit being based upon certain economic forecasts, the best thing you can do is look at what the Labor Party has done in the past. The best indicator of future performance is past performance. You will know about Labor’s DNA when you look at what they did in the past. The best predictor of future behaviour is past behaviour. Let me put it very simply: every federal Labor government, upon leaving office, has left this country further in debt. Let me say that again slowly: every federal Labor government, upon leaving office, has left this country further in debt. That is the little surprise package for an incoming coalition government and for the Australian people—more debt.

Our Federation is 108 years old. In that 108 years, every time this lot have been in government they have left us further in debt. They never pay back the expenditures they make, and there are no exceptions. They started off with poor old Chris Watson, who barely got a go. The first big spender was Andrew Fisher. You know the way the Labor Party love to do things. Andrew Fisher kicked off the spending jaunt and they have never looked back. Then we had Billy Hughes. He might have been a Labor rat but he had the Labor DNA. He knew how to spend, just like all the others. James Scullin never paid back debt. John Curtin and Ben Chifley never paid back debt. What about Gough Whitlam? We all know about Gough Whitlam. Did he pay back the debt he raised? No, he never did pay it back. To be fair, Hawke and Keating did not start off so badly. What did they leave the country? What was the government debt? It was $96 billion. It is consistent, isn’t it, from Chris Watson right through to Paul Keating. I will say it again: every Labor government, upon leaving office, leaves this country further in debt, and there are no exceptions. That is why we do not trust them. The government forecasts are wrong on growth and wrong on expenditure. Who believes that this lot will limit their expenditure to two per cent more per year? No-one.

There are some people who believed that things might change with Mr Rudd. He had some experience in the diplomatic corps and in the financial sector. Some people thought he might be different from the previous nine Labor prime ministers and would not rack up debt. How wrong we were. Mr Rudd has racked up $124 billion worth of debt in 18 months. That does not include the $43 billion for the National Broadband Network or the $26 billion for the Ruddbank that has already been racked up. Every Labor government adds to debt. In good times, in bad times, in
peace and in war, this lot will spend your money and they will not pay it back. Do you know what they will do? They want your children or your grandchildren to pay back the debt. They do not mind giving out welfare and hand-outs, so long as you do not have to pay it back. They want the next generation, or the generation after that, to pay it back. So much for intergenerational equity. This is a party that consistently talks about equity. What about what is fair to the next generation? Of course, governments occasionally need to spend in a recession to act as a stimulus. All of us agree with that. The problem with the Labor Party is that they do it every single time—in good times and in bad times, in peace and in war. There is never an exception. They spend more than they raise. That is a fact.

Senator Jacinta Collins—No, it’s not.

Senator MASON—It is a fact. Accumulated Labor government debt is never, ever paid off, Senator Collins; and the disgrace of your party’s history is that you do not mind spending money but you never pay it back. That is the disgrace of the Australian Labor Party and that is why no-one believes that they will pay this money back. In fact, not even Mr Rudd believes it—but let me get to that in a minute. The point is this: it does not need to be this way. It takes a long time to pay back Labor government debt. Twice in our history, under long-serving coalition governments—under the McMahon government and then under the Howard-Costello government—this country has actually been without net government debt. It took a long time to pay off Labor’s debt. When you have government debt, you have to pay the interest bill. After the previous Labor government, the interest bill alone was $8 billion a year. The coalition has twice had to pay off Labor’s debt—under the McMahon government and under the Howard government. So the question with the $124 billion debt at the moment—and it is going to be closer to $200 billion or $300 billion—

  Government senators interjecting—

Senator MASON—When you add the National Broadband Network and the Rudd-bank—and Mr Swan says that he will spend more if he thinks he needs to—that is the figure. When will it be paid back? I will tell you exactly when it is going to be paid back: when a coalition government gets back in. Debt has only ever been paid back by coalition governments. This lot opposite will never pay it back. That is the one certainty. They have never paid back debt in 108 years and they will not pay it back now. The truth is this: Mr Rudd has absolutely no intention of paying back the debt. He will not pay it back.

Mr Rudd’s essay in the Monthly—and I have referred to this a couple of times in this chamber—is poorly written but it is interesting. He was an economic conservative but he now describes himself differently. This is his fourth transformation in public life, and I spoke about that last time. He thinks it is okay for a social democrat to have debt. It is okay. In countries in Western Europe, and in the United States, it is all right to have 10 per cent of the budget going to pay the interest bill. That is okay. That is very common in Western Europe and in the United States.

Mr Rudd is trying to change the political culture of this country. He has no intention of paying back this debt. How do I know that? Because the Labor Party has never paid back debt in 108 years—not once. The political culture of this country is what is under threat here. Every time I hear Mr Swan and Mr Rudd talk, it is about the fact that other countries are much worse off. If we go down this path and change our political culture then we will be spending 10 per cent of our budget on servicing Labor’s debt. That is what is in store for this country—structural debt that
even the coalition cannot solve. If Labor gets to a debt of $300 million or so, it will take generations to pay it off; and we will not be able to do that. That is the appalling part of the Labor Party’s plan. What makes it even worse is that it will be your children and your grandchildren who will have to pay it off—and they will be paying only the interest bill. That is what this country is looking fair and square down the barrel of. How do I know that? We have had 10 Labor prime ministers and not one of them has paid back debt. Is that a coincidence? Does anyone actually think that is a coincidence? That is the DNA we are talking about—it is in their DNA. They cannot help themselves. They never pay back debt. They never have paid back debt—not once in our federal history. Every time they lose office there is more debt. They say that this debt is necessary at the moment because of the recession, but this is always the excuse and it is always the same. I read this morning that Mr Rudd is seeking a job. This is how I know that he will not—

Senator Sherry—Rubbish! That’s a cheap point.

Senator MASON—This is not too cheap, Senator Sherry. We have just been through 10 prime ministers, none of whom have paid back debt. I do not think that is a cheap point. Mr Rudd now seems to be thinking that he might move off to the United Nations General Assembly in a few years time—let us hope it is not to the International Monetary Fund.

Senator JACINTA COLLINS (Victoria) (4.35 pm)—We can always rely on the good and generous Senator Mason for some entertainment, and he has indeed concluded his remarks on that basis. I will have to add to my review of the budget debate in the Senate this week, against Senator Mason’s name, the words ‘cheap commentary’. I will, when I get to it, spend a bit of time reviewing the nature and the quality of the contributions from the other side in relation to the budget, the serious economic circumstances that we are currently dealing with, and their lack of any reference to credible economic commentary. Not one commentator of any credibility has been relied upon by the opposition in the scare campaign, as Senator Arbib called it, that is currently occurring.

For those outside of the Senate, I think it would be useful to enlighten them on the nature of this scare campaign. I am sure they have heard some of the rhetoric and seen some of the news reports, but they may not be aware of the fact that every time you walk past a coalition senator’s office you encounter a poster with a reference to the ‘debt bomb’. The poster, neatly put up on each coalition senator’s window, reads: ‘Labor’s debt bomb: Australians are now playing the price for Labor’s reckless spending’.

When I took the opportunity to speak today—alas, it was not possible for me to speak yesterday—I was grateful for the chance to add some perspective to this debate. There is a serious need for some clear and rational economic perspective in the discussion on what is occurring here, and I will take some time to go through some of that detail. At the outset let me say that I think there is a very severe contrast between the Treasurer’s commentary here and what we are hearing from the opposition. From individual opposition backbench senators entering the debate in the Senate chamber, right up to Mr Hockey and his responses—which Senator Arbib referred to before—there is inconsistency, scare campaigning and an absolute lack of any credible economic support.

Senator Cormann—Are you accusing us of scare campaigning?

Senator JACINTA COLLINS—Since the interjections are occurring at this stage,
let me run through yesterday’s and today’s examples. We had Senator Brandis’s little trip back to the election period and the argument that Kevin Rudd is not really a fiscal conservative; and, as Senator Arbib pointed out, there was no perspective at all in terms of the global financial crisis. Just now we had Senator Mason’s inaccurate and incredible depiction of history.

Senator Mason—Which government paid the debt back, Senator?

Senator JACINTA COLLINS—I wonder if you, Senator Mason, actually joined me last night to listen to Econtech. Were you present—

The ACTING DEPUTY PRESIDENT (Senator Troeth)—Order! Senator Collins, would you please address your remarks through the chair and not respond to individual interjections.

Senator JACINTA COLLINS—Madam Acting Deputy President, I am happy to respond to interjections if you continue to allow them to occur. I made the point that Senator Mason’s characterisation of history was inaccurate and incredible. As I listened to his interjection, I was wondering whether he had indeed attended the post-budget dinner last night at which Chris Murphy gave the Econtech, or KPMG, description of it—

Senator Ian Macdonald—Yes, I was there. He was scathing.

Senator JACINTA COLLINS—Good. It will be good to hear from you, Senator. I would be very interested to hear from you because, so far, we have heard members of the Liberal Party who do not have a business background talking about things such as debt aversion in a way in which no business person would ever contemplate debt. No business person would ever contemplate debt in the manner or fashion in which Senator Mason and Senator Brandis have described it.

Senator Brandis—I have a business background.

Senator JACINTA COLLINS—The perspective that you are putting is incredible. Yours is a somewhat limited business background, Senator Brandis, in the eyes of most people who operate in business environments. Yes, maybe, in relation to your legal practice, that has occurred. But unfortunately, as I have said before, the lack of any credible economic commentary in this debate astounds me.

Let me move on and talk about yesterday. One would have hoped that the representation that was put forward in the debate yesterday might indeed have gone on to those areas. We had Senator Fifield on that occasion making descriptions such as ‘Forrest Gump meets Chauncey Gardiner’. We had Senator Bernardi talking about ‘kevinometrics’. But, again, there is just no substantive element to these debates. Like Senator Arbib, I am very much looking forward to tonight to see if there is any credible substance to this scare campaign that is being mounted. Will we see what additional cuts the coalition would propose to achieve a debt that is $25 billion lower? Will we see those figures? Will we see where those cuts occur? Somehow, I very much suspect not. But I would very much like to see my expectations denied.

Before I go into the broader perspective of our situation, one other element that I want to address about the commentary in this place concerns the interjections that have occurred in recent times in relation to the assessment of this budget. Senators in this chamber have interjected that we have referred to only one credit rating agency, Standard and Poor’s. This is simply not the case. The three major rating agencies have supported our economic standing. If I have the time a bit later—because I do intend to take
my full 20 minutes putting some perspective into this debate—I will go into the detail of what those three rating agencies do indeed say. I will return to my main point about the perspective on our situation and the perspective that has been lacking in this debate so far. Australia is not immune to the global financial crisis.

Senator Polley—I wish we were.

Senator JACINTA COLLINS—We all wish that we were immune, Senator Polley, but we are not. Australians can see the global financial crisis occurring every day. They are not fooled by suggestions that the economy is a result of a Labor government. They know we are confronting a global financial crisis. The coalition maintains its scepticism. Its hypocrisy about the cash splashes that occurred under the Howard government, and the hysteria that has occurred in today’s and yesterday’s debate, partly explains the continued standing of the coalition in this current political environment. We are not immune to the global financial crisis.

The global recession that we are experiencing has resulted in the largest downgrade in Australia’s budget revenues in living memory. Compare that to what we have just heard from Senator Brandis and Senator Mason. The global recession that we are now experiencing has resulted in the largest downgrade in Australia’s budget revenues in living memory. To be very specific on this point, it has wiped approximately $210 billion from the federal budget. In that context, we have the opposition saying that the $188 billion debt, which they call a debt bomb, is irresponsible. To quote them precisely, they class it as ‘reckless spending’. Let me challenge that point with the perspective that needs to be applied around it. Remember that what has been wiped from the federal budget is larger than the total debt that the coalition is complaining about.

Senator Brandis—Say again.

Senator JACINTA COLLINS—I will say it again: the revenue that has been wiped from the federal budget, $210 billion, is larger than the $188 billion debt that—

Senator Ian Macdonald interjecting—

Senator JACINTA COLLINS—I suggest, Senator Macdonald, that you may have that poster up on your window as well—the poster saying that that debt will mean that Australians are now paying the price for Labor’s reckless spending.

I will continue on the reckless spending environment and the hysteria around the claims that such is the case. The revenue downgrades made a budget deficit in Australia inevitable. I think you would struggle to find anyone who would argue with that point. The global financial crisis has led to revenue downgrades, meaning it is inevitable that we face a budget deficit. In the current environment, the only responsible course of action is to borrow to finance a temporary deficit.

Senator Mason interjecting—

Senator JACINTA COLLINS—I think even Senator Mason would have to accept that fact. Since he is giggling and maybe cannot accept it, let me run it by him again. In the current economic environment of global financial crisis, the only responsible course of action is to borrow to finance a temporary deficit. This is in line with international best practice. For example, the IMF called for timely, targeted and temporary action on the part of governments. Indeed, when we dealt with the stimulus packages here in the Senate, this was highlighted time and time again. We are arguing that the deficit must be temporary, and our plan to return to surplus has guided the response we have had from the three major ratings agencies. I hope to visit that in a bit more detail if time does not get away from me.
What the IMF has recommended is exactly what this government has done. The alternatives are to do nothing or, as the previous shadow Treasurer suggested, to just wait and see. This would require significant spending cuts or tax increases. Like Senator Arbib, I look forward to hearing what significant spending cuts or tax increases Mr Turnbull will propose tonight. Raising taxes or cutting back on spending is not the right course of action in this environment. Both of these would result in a deeper and longer recession and much higher unemployment—a point which, if he had elaborated further, Chris Murphy would have made last night. The IMF stated:

While the fiscal cost for some countries will be large in the short run, the alternative of providing no fiscal stimulus or financial sector support would be extremely costly in terms of the lost output.

Given Australia’s relatively low levels of net debt it is prudent to invest in a robust stimulus package. Indeed, given that the ‘lost output’ the IMF refers to would see unemployment rise much more than is necessary, it would be irresponsible of the government to do nothing. Contrast ‘it would be irresponsible for the government to do nothing’ with the coalition’s suggestion that the government is being reckless.

This is why the government has taken action in this budget. The measures taken will deliver a further stimulus of three-quarters of one per cent in GDP growth in 2009-10, when the economy will be at its weakest. When combined with the other stimulus measures taken by the government, the overall stimulus package is expected to raise GDP by 2.75 per cent in 2009-10 and 1.5 per cent in 2010-11. Compare that with taking no action. But we do not pretend that a stimulus package with all of these important benefits comes for free. It requires a temporary deficit and, indeed, the savings measures that have been outlined in this budget. Let us see which further savings measures will be proposed by Mr Turnbull tonight in terms of his deficit that is $25 billion lower.

The 2009-10 budget deficit will be 4.9 per cent of GDP. We need to view this figure in the global context. Australia’s deficit compares favourably with an average deficit of 8.8 per cent of GDP across all advanced economies. Moreover, it is significantly lower than that of several key advanced economies. The US is at 13.6 per cent of GDP, the UK is at 9.8 per cent of GDP and Japan is at 9.9 per cent of GDP. The medium-term forecasts also project that Australia will have a relatively moderate deficit compared to similar economies. It is forecast that in 2014 Australia’s deficit will be 0.4 per cent of GDP compared to 3.9 per cent across all advanced economies.

Let me move on to net debt levels. Total Commonwealth debt levels will rise over the medium term; however, the majority of the increase is due to the collapse in tax receipts resulting from the global recession. This reduction in tax receipts is over $200 billion since the last budget. The $23 billion reduction in 2008-09 is the largest one-year downward revision since the Great Depression. That will be followed by a downward revision of $49 billion in 2009-10, $55 billion in 2010-11 and $47 billion in 2011-12. Again, where are the savings that the coalition would propose as the alternative to managing the consequences of the global financial crisis?

We are not alone in seeing our revenue forecasts fall sharply. Australia has revised down its 2009-10 revenue forecast by approximately 14 per cent. For the US, the fall was 17 per cent; for the UK, the fall was 16 per cent. And yet the opposition act as though Australia lives in a bubble. If they do refer to the global financial crisis—which is
extraordinarily rare—we see no clear plan and no clear policy. These figures reflect that we are facing a global crisis which requires globally coordinated action, and that is what our Treasurer and our Prime Minister are cooperating and functioning within.

Even though revenue has fallen sharply, our projected levels of net debt are lower than those of any of the major advanced economies. I am sure many of us have heard the commentary about how, in an international environment, others are astounded—even those from conservative governments—at the nature of the response of this opposition to our responsible plan about managing our place in this global financial crisis.

In Australia, net debt is projected to peak at 13.8 per cent of GDP in 2013-14. This compares with an estimated 81 per cent of GDP for the 25 largest advanced economies collectively. Let me repeat that. For Australia, net debt is projected to peak at 13.8 per cent of GDP in 2013-14. This compares with an estimated 81 per cent of GDP for the 25 largest advanced economies collectively. Among those large economies, the following are worth noting for comparison: for the US and UK, net debt is projected at 83 per cent of GDP in 2014; for Japan, 136 per cent of GDP in 2014; and for the Euro area, 75 per cent of GDP in 2014. (Time expired)

Senator IAN MACDONALD (Queensland) (4.55 pm)—I think it is very clear to most Australians these days that, whether it be at state or federal level, you simply cannot trust the Labor Party with money. The Labor Party has a long history of incompetence when it comes to managing the economy. Younger people will not recall the Hawke-Keating years. They certainly would not recall the Whitlam years, which really started Australia on a downward spiral that took Malcolm Fraser a long time to correct. The Hawke-Keating years saw the economy get to a stage where it had run up a debt of some $96 billion. It was quite unheard of in those days. We well remember, during the Keating treasurership and prime ministership, paying something like 17 per cent interest on a housing loan. Young people today will not believe that when you tell them, but they might believe it in a couple of years when the interest rates get up that high as a result of this government’s financial ineptitude.

For a business loan in those days—if you could get a loan—you were paying anything from 22 per cent to 28 per cent. This was all a result of Labor’s complete mismanagement of the economy. Unemployment in those days was up around 10 per cent and inflation was into double-digit figures. As Labor does not understand, debt has to be repaid. I was part of a government that took 10 years to pay off Labor’s $96 billion debt. The ability of Mr Keating and Mr Hawke to run up debt pales into insignificance when compared with the current government. A debt of $188 billion is what we are facing now. That money, which was borrowed by this government from lenders, will have to be repaid one day and we will be paying interest of something like $8 billion every year.

The thing that the Labor Party clearly do not understand—and I regret to say that those people who are gleefully accepting their $900 cheques do not seem to realise it either is that there is no such thing as a free lunch. When you borrow money, someone has to repay it. People think: ‘Governments have got money. They can afford to give out $14 billion in cash splashes.’ But that is not right. Governments do not have any money whatsoever. They simply use taxpayers’ money. They use someone else’s money. All of this money that the Labor Party is now borrowing will have to be repaid some day. As Senator Brandis and Senator Mason have said, Labor will never pay off this debt. They do not even anticipate doing it.
Senator Brandis—Even if it lasted for a thousand years they wouldn’t pay it off.

Senator IAN MACDONALD—Even if it lasted for a thousand years and, fortunately, it will not. Quite frankly, the Labor Party know that the electoral cycle will turn—I say in about 12 to 18 months but the Labor Party probably think it might be 12 to 18 years. But they know that, whenever it is, it will be a coalition government which will have to pay back the profligacy of the Labor Party’s borrowing. I heard a ridiculous argument from Senator Collins to the effect that, like all Labor things: ‘Look, it’s not our fault; it’s someone else’s fault. Revenue has fallen and that’s why we’ve had to borrow money.’ We have had to borrow all of this money for useless projects, for cash splashes that have done nothing whatsoever for the economy.

Senator Sherry—The age pension?

Senator IAN MACDONALD—You mention the age pension, Senator Sherry. I am glad you reminded me of that, because we demanded—and you might recall we passed the motion—a vote in this chamber to provide for age pensioners last year and that was opposed by the Labor Party. They spoke against it, they voted against it and they threatened about it, and I am delighted to say that at last they have understood the plight of pensioners and have followed our lead in providing something for them. That is not the useless sort of spending that I am talking about.

You have this strange argument put by Senator Collins that it is not Labor’s fault that revenue has fallen. I will tell you one reason why revenue has fallen. Businesses both big and small have absolutely no confidence in an Australia run by Mr Swan and Mr Rudd. Businesses have seen the industrial relations laws change—I am not giving away any secrets here—and a lot of people in small and medium businesses that I know have laid off workers because they are worried about the ongoing industrial relations aims of this government. That is one of the reasons why revenue has fallen.

Other investment in Australia, the sort of investment that keeps Australia going—investments in mines and mineral technology—is also drying up to nothing because people are petrified by the foolish Wong-Rudd emissions trading scheme proposal. It does not matter who you talk to in business; they are worried about the costs being imposed on Australian business and industry by an emissions trading scheme. Whichever way you look at it, people will not invest when they see the country being managed by people who quite clearly have no idea of the consequences of their actions. This is a Labor government that is completely insensitive to the needs of this country and of its people.

While I am talking about insensitivity, my local member of federal parliament, Mr James Bidgood, who I am embarrassed to say represents the electorate in which I live—and we all know about him through some of his other activities—is quoted in today’s Townsville Bulletin as saying to his electors:

Don’t complain, you are lucky to get anything.

So says Labor’s colourful member for Dawson James Bidgood who sung the praises of the Budget but also reminded constituents that times are tough.

“We are bringing down a Budget in the backdrop of the worst global financial recession in 75 years,” he said. “Quite frankly, we are lucky to get anything.”

He is telling the voters in his electorate that they should not whinge about the fact that they have got very little. He said to his electors, ‘Don’t whinge to me; you’re lucky to have got anything at all.’ This shows how completely out of touch Mr Bidgood is, but
he represents only the same attitude as Kevin Rudd, Wayne Swan and others on the other side. They are treating the Australian public with absolute contempt—‘Don’t whinge about what you didn’t get in the budget; you’re lucky to get anything.’

There are a lot of people not very happy in the north, Senator McLucas, because very little at all has gone to Northern Australia. We have had a reannouncement of some money for the Townsville hospital. I am not sure why the money was needed, because the state Labor Premier promised in the election campaign a couple of months ago that she would fix that all up. Clearly, she was not telling the truth because—

Senator Fierravanti-Wells—You’re lucky! If it’s the New South Wales Premier—

Senator IAN MACDONALD—Indeed, Senator Fierravanti-Wells. They are also claiming that some money went into the Townsville ring road. Of course, that is all money that Peter Lindsay organised two or three years ago. It is the same with the flood-proofing of the Bruce Highway—all money that the coalition government put in the forward estimates two or three years ago. So there is very little in the budget for the area of Northern Australia that I come from.

Senator McLucas interjecting—

Senator IAN MACDONALD—Senator McLucas is telling me that there were some good initiatives.


Senator IAN MACDONALD—That was promised three years ago, before the last election, by your party and nothing has happened for a couple of years. It was committed to by the coalition government. There is one thing: you are building a radar out at Mount Isa as a result of pressure brought on the government through the Senate estimates process on the running down of the Bureau of Meteorology funding. So there is practically nothing for North Queensland in the budget.

Senator McLucas interjecting—

Senator IAN MACDONALD—‘A lot of infrastructure money’, says Senator McLucas. Sure, but it is infrastructure money for Brisbane, Sydney and Melbourne. What about the country? What have the government done for rural and regional Australia in this budget? They have slashed the leading government department, the Department of Agriculture, Fisheries and Forestry, by 40 per cent of its funding. It is just incredible that that department has been gutted by the government, who have no interest whatsoever in rural and regional Australia. I heard Senator Carr waxing on at question time about the absolute necessity for good research and development, but he would not take my interjection about Land and Water Australia and the Rural Industries Research and Development Corporation, one of which has been abolished and the other of which has been gutted such that it will not be able to do any research whatsoever into the future. The Labor Party claim they are interested in research and development, yet they slash funding from the research and development budget.

Even on the Labor Party’s own assessment of the budget, unemployment will go up to almost one million of our fellow Australians. This is getting back to the Whitlam days. If that is the Labor Party estimate, you can be assured that it is going to be much worse. Senator Williams reminded me earlier that, in Mr Kerin’s days as Treasurer, the Labor government used to come in here with forecasts of a $2 billion budget deficit, but by the time the year had elapsed the deficit would be double that. The Labor Party simply cannot be trusted with money. They have no
financial expertise and no real interest in it. They know that they will not be around to pay off the $188 billion debt. They do know, though, that in the next budget they will have to find $8 billion to pay the interest on the debts they are running up.

Who could believe that two short years ago this country had a surplus of $20 billion? We had money put aside in the bank, in reserve, to pay for the future. We were future-proofing Australia. Well, we thought we were future-proofing Australia. We did not count on the fact that there would be a Labor government in charge that simply could not be trusted with money. In two short years we have gone from being the miracle economy of the world, as the OECD used to describe us, to a country that is deep in debt—$188 billion in debt.

Senator Feeney—We are still outperforming the OECD.

The ACTING DEPUTY PRESIDENT (Senator Forshaw)—Order! As much as I am interested in the answer and the question, I would prefer that senators direct their remarks through the chair.

Senator IAN MACDONALD—I do not think it was a question. I think Senator Feeney said the OECD was very astute in saying that the Howard government’s management of the economy was world class, and I agree with him on that. Who would have thought that in a couple of years we would go from a $20 billion surplus, provided for by Peter Costello and John Howard, to a $188 billion deficit?

All of us on this side could speak for hours on the problems that lie ahead because of the way the Labor government mismanage money. I know there are many of my colleagues who want to continue this debate, so I will stop at this time. I simply say that people are now being reminded about, and coming to understand, Labor. They have known all along about state Labor governments, all of which are running into debt. Incredibly, the Queensland government is $76 million in deficit, which is almost what Whitlam ran up in four or five years. The people of Australia, particularly younger people who were not around in the Hawke-Keating days, are now seeing what Labor administration at the federal government level means. It means huge debt, fewer services and an interest bill that we, our children and our grandchildren will all have to pay off in the in the years ahead.

Senator FEENEY (Victoria) (5.12 pm)—I am very pleased to rise today to make a contribution to this important debate. Today, as we have seen on every occasion this week, the coalition have proffered to the Senate one absurd proposal after another. Each of these absurd proposals is born from essentially the same thing—that is, a wellspring of desperation. These are very difficult times not only for the international economy, for every Australian and for every citizen of the planet, but for Liberal Party strategists as well. Liberal Party strategists flummox about from misstatement to fantasy and have not yet found a formula which can shake the community’s faith in the Rudd Labor government.

Somewhere in the dungeons beneath the Liberal Party sit desperate pollsters and advisers who each day try to craft a new message more miserable than the last one. This week we have seen the Liberal Party try to develop a fear campaign around the arrival of desperate people in boats. Today we have seen the Liberal Party try to construct a fantastic, absurd proposition around a fear campaign of debt. In all of these campaigns the Liberal Party has ignored the facts, conjured up implausible images and completely failed to comprehend that we are on a planet that includes more than simply Australia. Desperate people are coming to this country because they are fleeing humanitarian crises in Sri Lanka, Afghanistan and elsewhere. When
one considers the budget and the economy—and I must ring the bell for the Liberal Party and advise that we are part of a global economy and an international set of financial arrangements—we too are in the midst of a crisis. It is a global financial crisis.

I urge the Liberal Party, and those strategists who sit in that dungeon somewhere conjuring up their next fantastic plan, to meditate for a moment on that word ‘global’. The proposition being argued by the coalition here today is a disgrace because of its fundamental lack of intellectual and political honesty. It is a disgrace because it takes the members of this Senate, and anyone who might hear or read this debate, for fools. It is a disgrace because it takes as its starting point the incredible and impossible notion that the current government is operating in a complete vacuum, as though the past had never happened and the rest of the world does not exist. It ignores the record of the Howard government, it ignores what is going on in the rest of the world and it ignores the lessons from what previous governments have done or have failed to do in previous serious economic downturns. It pretends that the Rudd Labor government somehow has what no other government in the world has: complete freedom to set its own policies in the face of a global economic crisis.

Only a fool would be taken in by the terms of this motion, and the good news for all of us is that the Australian community are not fools. Newspoll confirms that—to the terror of those opposite—fortnight after fortnight. The members of the Senate are not fools and the Australian people are not fools, and no-one will be fooled for a moment by this motion, the shallow rhetoric that surrounds it or the implausible propositions that try to sustain it. Senator Brandis may well be a good lawyer and an effective advocate—and I have no doubt that he could get up in the Senate and argue that Jack the Ripper was a misunderstood youth, if that were his brief—but today even he has struggled to make sensible the motion that is before this Senate.

The opposition criticises us for running a budget deficit and carries on as though no Australian government has ever run a deficit before, as though no Australian government has ever borrowed before, and as though it is some new and terrible crime invented by the Rudd government. This is complete and utter nonsense. Australian governments have been borrowing money, going into debt, carrying debt and repaying debt since colonial times. Australia, one might well say, was built on debt. Debt paid for our railways, our ports, our mines and our factories. The Menzies government ran budget deficits in every year that it was in office from 1949 to 1966. Let the Liberal Party strategists, cowering in their dungeons, contemplate that truism. Debt is necessary for developing economies. One might well paraphrase the movie Wall Street and say: debt is necessary, debt is healthy, debt is good.

Of course, the critical issues with respect to debt, as any sensible Aussie knows, are: how much debt can be managed? How much debt can be carried? Is the debt being used for productive purposes? Is it being invested in ways that increase the productive capacity of the economy and the prosperity of the nation and thus make it easier to repay the debt? The Rudd government has the answer to each of those important, critical, threshold questions in its budget, and the answer is yes. What matters is the capacity to repay the debt on schedule, having used the moneys to good effect, having grown the money, having used it to make more money and to build the capacity of the economy as a whole. These are the basic rules of the capitalist system which those opposite have so tragically forgotten or ignored in this debate.
Speakers opposite are today carrying on as though the idea of investing borrowed money to make a profit were some honourable socialist conception that we have just now invented. They seem to have no idea at all of how an economy based on enterprise and risk actually works. It is really quite incredible to hear this nonsense coming from the party led by a man who used to make his living from the business of borrowing and lending money—but, of course, Malcolm Turnbull has never been confined by consistency or the need to tell the Australian people something plausible.

If lenders and investors thought Australia would not be able to repay our debt, they would not lend us the money. They would not buy our bonds. Investors—at least, most of them—are not fools. They do not throw their money at bad-risk economies. They know a good investment when they see one. Australia is a good investment. That is why they are queuing up to buy Australian bonds and to lend us money. They know that, of all the countries where they could be putting their money at this very dangerous time in international finance, Australia is one of the safest, most stable and most profitable places in the world to invest.

Those opposite speak as though the world economy were as calm as a millpond, as it was for most of the time when they were in office. They try to pretend that the howling storm of the world economic crisis is simply not happening. They are deaf to the realities that surround them. Apparently Senator Brandis, Senator Mason and Senator Macdonald have not opened a newspaper or turned on a television since September. Didn’t they notice the collapse of Lehman Brothers? Didn’t they notice the Bush administration spending US$70 billion to bail out the American banking system? No doubt, they believe that to be a socialist conspiracy too. Haven’t they noticed that Chrysler has filed for bankruptcy and that GM might very well be heading in the same direction? The world economy has been hit by an earthquake since last year’s budget. The US is in recession, Japan is in recession and South Korea is in recession. Nine of the top 10 trading partners of this country are now in recession. Europe is in recession. Australia, in these dire straits, can boast that its economy is one of the most internationally exposed, most sound and strongest economies in the world.

When the global financial system catches cold, we get pneumonia. When the world trade system nosedives, our economy suffers too. That is what happened in the 1890s, that is what happened in the 1930s and that is what is happening now. Australia can no more defy the global economic crisis than the people of Darwin could defy Cyclone Tracy in 1974. The task facing an Australian government in 2009 is not to coast easily along in the gentle breezes of prosperity, as those opposite were able to do for so long, but to prevent the Australian economy from capsizing and going down with all hands. We are learning the lessons of the Great Depression.

Given this situation, what choices does an Australian government face? There are, broadly speaking, two choices. The first one is to do what the Rudd Labor government has done, which is to engage in countercyclical spending, first and foremost, by putting money in the hands of consumers who will spend it and sustain demand and keep thousands of small businesses, particularly in the retail sector, afloat. That is what we did last year, and we have seen the success of that policy in retail spending figures and the consumer confidence that those figures represent. The second stage of countercyclical spending is to invest in projects that will support employment—in other words, keep Australians in jobs. That means schools,
roads, bridges, ports, broadband networks and many other socially useful and economically productive projects.

John Maynard Keynes once very famously said that the government could pay the unemployed to dig holes and then fill them up again, and that would have the beneficial effect of stimulating the economy. Of course, that is not what we are doing. What we are doing in this budget and in the work of this government is building the capacity of the economy. And there is a great task to be done there because we inherited a country in which, for more than a decade, critical infrastructure and critical capacity constraints had been imposed on the economy by a government that was asleep at the wheel. We all know that when Australia was booming, only a few short years ago, one of the critical challenges facing our economy was those capacity constraints—capacity constraints that had been put on this country by a failure to invest in our people, in our education and in critical pieces of infrastructure.

In the countercyclical spending that the government is presently engaged in there is the great opportunity for us to build things that need to be built, to create skills that need to be created and to release Australia from the capacity constraints that the neglect by those opposite had bestowed upon us. These are vitally needed infrastructure projects. They will make Australia better educated, more productive, more efficient and more competitive, and it will give us a more prosperous economy. That means that when the world economic situation improves, as it inevitably will do, Australia will emerge from this crisis a stronger and better equipped nation than it was before. The asset that is Australia is being enhanced. As a result, we will have no difficulty repaying the debt that we have incurred, just as the Menzies government had no difficulty in repaying the debt that it incurred while it was engaged in its development work in the 1950s and 1960s—schemes that many have mentioned in this debate, such as the Snowy Mountains scheme and the Queensland beef roads.

What is the second course of action that is open to a government confronted with this set of circumstances? It is, of course, what those opposite would have us do. It is to do too little too late. It is the Liberal Party formula of 2009, whether the challenge be in carbon pollution, the economy or education. Irrespective of the challenge, the Liberal Party consistently want to do nothing. The magic word for the conservatives in this country at the moment is no. If we go back to the days of WE Gladstone and the Manchester School, if we go back to the days of Sir Henry Parkes and Sir George Turner, we start to find the wellspring of contemporary Liberal Party thinking. It is to dig up the mouldering corpse of classical Liberal economics and pretend that in the 20th century, with all its terrible, tragic economic lessons, those things never happened. It is to say that the sacred fetish of the 19th century orthodox economists, the balanced budget, must be revived and put back in its rightful place on the high altar of economic theory and government practice. It is to argue that if government revenues collapse to the tune of $200 billion over the Treasury forecast, which is what has happened in Australia since the last budget, then government spending must be cut to the same amount and that on no account can there be any borrowing to cover that gap. That is the logic of this motion that is being debated in the Senate today. Although it is not actually what Mr Turnbull or Mr Hockey have dared to say in public, it is the logical consequence of the argument those opposite are trying to make.

We know what would happen if this course of action were followed. We know what would happen if the Liberal Party pre-
scription for this country were adhered to. We know what would happen because, although Senator Macdonald spoke a lot about history, it is clear that he has learnt none of its lessons. We know because, in the Great Depression of the 1920s and the 1930s, this country, like so many other developed economies, constructed a plan that looks dangerously similar to what the Liberal Party is advocating today. I am speaking about the Premiers’ Plan and the policies of Sir Otto Niemeyer. Let me give those opposite a few sage words concerning economic history. No country was more severely hit by the Great Depression than Germany. In the space of a year, German trade and manufacturing completely collapsed, and a third of the workforce became unemployed. Government revenue from taxes and tariffs collapsed.

In that situation, what did the Chancellor, Dr Heinrich Bruning, do? He decreed that, above all else, the budget must be balanced. He ordered a 10 per cent cut in prices and a 10 to 15 per cent cut in wages. He cut unemployment benefits to the bone at a time when millions of workers could not pay their rent or feed their children. Every step he took in pursuit of financial orthodoxy made matters worse. It made the recession into a depression and it made the Depression deeper and longer and harder. Germany plunged deeper into depression and misery in the grip of a cyclical descent into deflation. Dr Bruning was not a fool. Nor was he an evil man. He was merely a prisoner of old fashioned economic orthodoxy. But, of course, his actions had terrible consequences. In the 1928 election, before the Depression, the Nazi Party had polled 2.6 per cent of the vote. In 1930 they polled 18.3 per cent and in 1932 they polled 37.4 per cent. It was the destruction of the German people’s faith in the free market system and in their own political and economic order.

I am not suggesting that Australia is the Weimar Republic, and I am not suggesting that if Mr Turnbull were Prime Minister he would lead us into a world war. But I am suggesting that the lessons of history are very, very clear, and I am suggesting that the lessons of history have not been learnt by those opposite. What I am saying is that there are lessons we must learn from the Great Depression. If we fail to learn them, if we come to this place with absurd motions like the one that those opposite have brought here today, then we are in fact advocating that this country take a road that has already been tried and has already been demonstrated to fail. Those opposite are advocating a path that would lead to a deeper and harsher depression and to millions of Australians finding their circumstances dramatically worsened. Of course, the wellspring for this notion is the fact that those opposite believe that people are blood and bone for the economy. But we believe that the economy is actually there for the people. Every responsible government in the world at this moment, whether it be conservative, liberal or social democrat, knows that what I am saying is true.

Senator McGauran—No, they are not. Germany is not; France is not.

The ACTING DEPUTY PRESIDENT (Senator Forshaw)—Order! Senator McGauran, you will not just stand up in your chair and scream out across the chamber. This debate has been heard in silence since it commenced when I took the chair and it will continue that way.

Senator FEENEY—That rare spark of life from those opposite, cruelly crushed!

The ACTING DEPUTY PRESIDENT—Order! Senator Feeney, just return to your speech, please.

Senator FEENEY—Every responsible government in the world knows that the pre-
scription being laid out by those opposite is nonsense. The IMF knows it; the World Bank knows it; the OECD knows it; every leader of Australian business knows it; the Treasury and the Reserve Bank know it; virtually every leading academic knows it—everyone knows it, it seems, except those opposite. Even the British Tories know it. The only people in the world who want to argue that depression is preferable to debt and deficit spending are the US Republican Party and their faithful followers opposite.

Tonight I hope we find out what Mr Turnbull really thinks Australia ought to be doing. I hope he puts those opposite out of their misery by making it clear that he is not a total economic Luddite—the role that Senator Brandis and those opposite have tried to take on today. I hope he will reassure us that, if he were in government, he would not be cutting spending by $200 billion but would instead embark upon the same responsible course that the Rudd government has embarked upon: prudent borrowing, responsible countercyclical spending on important infrastructure projects, capacity building and protecting as far as possible in an open market the jobs, the homes, the businesses, the farms and the investments of the Australian people. That is the opportunity Mr Turnbull will have tonight—to engage in a thorough re-education of his Senate team, who have become the true radicals in this debate and who offer an economic prescription that flies in the face of the lessons of history and flies in the face of what is happening in the rest of the world.

If Mr Turnbull does not take that opportunity tonight, if he follows instead the path of complete political fantasy, if he continues to rely on the Liberal Party strategists hunkered down in the dungeon I described earlier—

(Time expired)

Senator BARNETT (Tasmania) (5.32 pm)—I stand today proudly in the Senate to support the motion that the Rudd government’s poor economic management in the 2009-10 budget has crippled Australia’s economic future for this generation and beyond. I would like to outline some of the reasons why.

We have debt, debt and debt as far as the eye can see. We have record debts, record deficits and unemployment on the rise, big time. They are at levels not seen before in Australia’s history since World War II. The budget that has been delivered just this week reveals the very high price that will be paid by all Australians: every man, woman and child. We must think in particular of the children, the next generation, who will be paying for Labor’s reckless spending. They will be paying for the reckless spending that has occurred over the last 18 months and that was announced just two days ago.

We are headed to one million people unemployed in 2010-11—8.5 per cent unemployment—a record $58 billion deficit next year and a record net debt of at least $188 billion by 2012-13. They are all key markers of the failure of the Rudd Labor government and its inability to properly, professionally and adequately manage Australia’s economy. Fascinatingly, two-thirds of the debt owed by taxpayers in 2012-13 will be due to spending decisions taken by the Rudd government over the past 18 months.

As Tasmanians—I am a Tasmanian senator—we know that $22 billion has been earmarked in this budget for infrastructure. We know that $8 billion has been earmarked for road, rail and ports. But how much was expended south of Bass Strait? Not one dollar for Tasmania, so, despite Labor’s reckless spending, Tasmania has been duded big time. The Leader of the Opposition in Tasmania, Will Hodgman, said that Tasmanians
have been shafted and he is right. Peter Gutwein made similar comments just yesterday: we have been shafted.

In terms of Tasmania, let’s just comment in regard to a few of those concerns. In terms of the Bell Bay port, the current Minister for Infrastructure, Graeme Sturges, announced that Bell Bay would be receiving a $150 million development upgrade. This is in northern Tasmania at the mouth of the Tamar River. In fact, not only did he announce that some weeks ago but, on 27 April, he said:

TASMANIA will get $800 million of federal money to spend on road and rail …

And it goes on:

The sum had been floated late last year but yesterday agreement between the federal and state governments was announced.

Well, there you go: they had an agreement at the end of April that we would get $800 million, and what did we get? We got diddly-squat, zero, nothing. In terms of Bell Bay, this particular report from the Mercury newspaper says that they included eight hectares of land reclamation for shipping containers at Bell Bay, widening Hobart’s Brooker Highway, improving the Franklin freight corridor in the West Tamar and general road freight upgrades.

We have seen a lot of initiatives and spending, particularly north of the Bass Strait on the mainland, but in Tasmania we have missed out big-time. There is no new federal money for the Launceston Airport road. That is a goat track; there is no better phrase to describe it than ‘goat track’. It has been neglected and that is a great shame. In short, Tasmanians, like their cousins on the mainland, will get a $9,000 debt per man, woman and child. They will each have to make a $500 interest payment every year for the reckless spending of the Rudd Labor government. What have we got in return in Tasmania? Very little indeed—in terms of infrastructure, road and rail, not one cent.

Since November 2007, Labor have announced measures which have increased Commonwealth spending by $124 billion. That is an average of $225 million of new spending per day. They pretend that the destruction of our nation’s balance sheet is an unavoidable consequence of the global financial crisis, but Labor in my view, and I know in the view of many others, have lost control of our public finances. We have seen record spending, we have a record deficit and the jobless rate is on the way up, and fast. By 2012-13, that net debt figure will surge to $188 billion, and we heard in the Senate today that it could be even higher than that. That remains to be seen; it may be even higher. The interest payment will be $8 billion per year by 2012-13.

We know that it was a Labor budget because this is typical, traditional Labor. They tax and spend. We know that, in the future, taxes will be going up; interest rates will be going up; the debt, both domestic and foreign, will be going up; and unemployment is on the way up. Interestingly, the five consecutive deficits in Labor budgets will add up to $220 billion over the next five years. Labor are forecasting a 4.5 per cent GDP growth rate within two years. Goodness me! Where do they get that from? They are relying, they say, on figures from Treasury, but there are very few people who have any confidence in that figure whatsoever. They are not confident. That is very high growth. Labor are saying boom times will be back within two years or so. Come on! Let us get back to the real world. They are relying on that to say that this is the way to go and to back up their reckless spending—because that is what it is.

They have gone on this spending binge because they believe this is the way to get...
out of the trouble that they are in. They have inherited a legacy to die for. What legacy did the coalition leave them? We know that, at the end of November 2007, unemployment was under four per cent and that, by 30 June next year, it is headed for 8.5 per cent. We know that there was a surplus of $20-odd billion at the end of our term of government, and we know that it took over 10 years to pay back Labor’s $96 billion worth of debt. We know that this debt is going to increase fast, but the question is: how long will it take for it to be paid back? What plans do they have in place to pay back that debt?

Senator Cash—None.

Senator Barnett—They have no plans. Senator Cash is right; they have no plan at all. There is not one skerrick of a business plan or an approach to say that this is the wrong way to go.

Some of these points were made very strongly and forcefully at a federal budget breakfast which I hosted with KPMG in Launceston on the Wednesday morning after the federal budget. We had a packed audience of 275 people. In fact, 50-odd guests were turned away. Martin Rees, the managing partner at KPMG, was the chairman. Michael Hine, a partner at KPMG, spoke on the tax aspects of the budget. We had Dr Graeme Wells, who is an associate professor from the University of Tasmania and an economist and independent commentator, as well as Michelle Grattan, the senior political columnist with the *Age* newspaper. We had as a special guest Michael Keenan, a very good shadow minister for employment and workforce participation from Western Australia. It was an excellent breakfast. The key theme was debt, the second key theme was debt and the third key theme was debt. Those attending were very concerned about the consequences that flow through from that debt. Interestingly, the local federal member for Bass, Jodie Campbell, who joined and participated in the federal budget breakfast last year, declined to participate this year. I was very surprised and disappointed. Fortunately Senator Nick Sherry accepted the invitation. The invitations went out to all and sundry in and around Northern Tasmania, and a few weeks ago Ms Campbell unfortunately declined to participate for different reasons. As I say, Michelle Grattan was kind enough to participate in that budget breakfast. We learnt quite a bit about some of the concerns and consequences for Tasmania, including the fact that, with respect to infrastructure, Tasmania received not one dollar. I want to thank KPMG on the record for their efforts, particularly Michael Hine and Martin Rees, together with their offices. They did a great job in pulling it all together with the support of my office and those who attended, and I thank them for it. It was very worthwhile, informative and educational.

On Tasmania, I would like to say a few more things. I still have hope that there will be funding support for the upgrade of Bell Bay. But the government have gone on a reckless spending spree, so the question is: how much money is left at the bottom of the barrel? I suspect there is very little, if any at all. They have to justify their plans into the future.

With respect to the private health insurance premium—goodness me!—it is a very sad indictment of Labor and a broken promise from the last federal election. We on this side support having a balance between the private and public sectors. On the evening of the federal budget I met with Colleen McGann, who is the deputy president of the Australian Health Insurance Association, and she was not a happy pumpkin. She advised that there are some 600,000 policyholders and 1.3 million Australians who will be adversely impacted by this tragic decision by Labor. Obviously there will be consequences
to their decision. The possible consequences include increases in private health insurance premiums, and the flow-on effects of people moving into the public hospital sector will be increased waiting times and an increased number of people on waiting lists.

What else has happened for Tasmania? We saw nothing in the way of funding for combating the problem of silt in the Tamar River in Tasmania. The Tamar River is very important for the future health and welfare of Northern Tasmania. The local member has decided not to fight for, support or advocate funding for combating silt.

On cancer support services at the Launceston General Hospital, there was a report in the Examiner noting that the linear accelerator for the LGH had been announced and would be set up in Launceston. This was an election promise in 2007, but it has not happened yet. It should now be up and running. In fact, the money was promised by the Howard government but unfortunately was taken back. The promise was made and, according to the report in the Examiner, the promise will be kept. It was even in the editorial of the local newspaper. But the budget papers say something different. They say it will be set up between Northern Tasmania and north-west Tasmania. So the question is: who is right? Are the budget papers right or is the information set out in the local paper correct? Further inquiries for further information will be made on this particular matter, and I hope that we can get to the bottom of it as soon as possible.

We know that, prior to the last election, Sid Sidebottom, the federal member for Braddon, with his hand over his heart and standing next to Kevin Rudd, promised that there would be an MRI machine for the north-west coast. In a full-page ad in the Advocate newspaper they said, ‘You will have an MRI machine on the north-west coast if we are elected.’ Well, the federal budget has put paid to that promise; it will not happen. I commend the Advocate newspaper today for its commentary, observations and report. I commend it for including some of the comments made by Senator Richard Colbeck, who has highlighted these concerns for and on behalf of the people of the north-west coast. This is another broken promise.

In terms of the GST in Tasmania, yes, there will be about a $1 billion drop over the next four years and that will have serious consequences for the state government and for the way Tasmania is being run. Already under the Labor government in Tasmania the mismanagement and maladministration is a shame. Indeed, it is a great shame. So we have many concerns in Tasmania and we have to stand up.

One of the big issues that have questions hanging over them is the future of broadband for Tasmania. We know that promises have been made, but we also know that the Prime Minister must clarify which Tasmanian towns will benefit from the National Broadband Network rollout and which towns will miss out. The Prime Minister has said that it would be ‘feasible to link up a whole bunch of quite small communities’ in Tasmania to the National Broadband Network because of the concentration of smaller towns and transport arteries. He was quoted in the Examiner on 1 May, thanks to a story from Peter Wells. But which communities will benefit from this promise and which ones will miss out? He has the ‘1,000 people in a town promise’ for the rest of the country, but different rules apply in Tasmania. The Premier has said that different rules will apply and these towns will not miss out. But we do not know which ones will miss out and which ones will benefit. We need to know.

We would like an ironclad guarantee that no Tasmanian will pay more for broadband
services under the government’s new broadband plan for Tasmania. Why can’t the Prime Minister give us that guarantee? He has all this money to splash around, so why can’t he give that ironclad guarantee? The average family currently pays under $50 a month for home internet access. Industry experts put the cost to families at approximately $100 per month as a minimum, with some estimates putting the cost at above $200 per month, under the new arrangements. But what will the cost be per household? Exactly who will receive these improved services, and when and where will they be available? We know that the Tasmanian rollout is set to start in July. These questions need answering, and they need answering fast, because we are already in mid-May.

We also want to know the division of responsibilities between the federal and Tasmanian governments on the National Broadband Network. These should be clarified. The government must come clean on the details. We want to see the business plan behind not only the federal government’s broadband plan but also the state government’s plan. The cost for the project in Tasmania has been estimated at as high as $700 million. Is this correct? And who is actually paying for it? Is it the federal government alone or, because of these new rules and criteria on who can and cannot access this service, is the state government chipping in? If so, how much? We need to know this information, so please release the plan for Tasmania. Come clean and release the business plan for the National Broadband Network across the board.

We are very concerned about the federal budget because of the record debt, the $58 billion deficit and the $220 billion deficit over the next five years. It is a great shame. It is the next generation, not just us, who are going to be paying through the nose for these reckless decisions by federal Labor. For those on the unemployment scrap heap, federal Labor have a lot to answer for. We know that the number of people in unemployment queues will be going up and going up fast. There are further concerns. We know that small business have missed out. Superannuation and the co-contribution scheme have been changed. I stand in support of the motion.

Senator CAMERON (New South Wales) (5.52 pm)—I am pleased to participate in this debate. I find it absolutely ludicrous that the other side would be putting a proposition that the Rudd government is engaging in poor economic management and that the budget will cripple Australia’s economic future for this generation and beyond. That is an absolute nonsense. It is not based on reality. I think this demonstrates how far out of touch the opposition are in terms of the global financial crisis that is facing this country. We are in the deepest global recession since the Great Depression and what do we have from the opposition? We have an ideological position that continues to say that government should not intervene in the economy in the interests of ordinary workers, in the interests of communities and in the interests of this nation; that the market will fix the problems; that you should not go into debt to save jobs in this country; that you should allow the building workers of this country to lose their jobs; that you should allow manufacturing workers to lose their jobs; and that you should allow communities to lose breadwinners in households throughout those communities. That is the philosophy that the Liberal Party and the coalition are pushing here. The days of Hayek, the days of Thatcher and the days of Reagan are over. Those days have led to a situation of greed and incompetence dominating the international economy. That is why governments around the world have said that we must intervene in the interests of our socie-
ties and make sure the market serves society and that society is not the servant of markets.

The problem we have with the coalition is that they cannot move away from the proposition that we should simply let the market rip. What do you see when you let the market rip? You see this great recession, you see a failure of the financial system and you see ordinary families unable to pay their debts, put food on the table and meet the commitments that they have into the future. Yet the coalition simply want to argue that we should wait and see what happens. One minute they are going to have debt of $25 billion less than Labor; the next minute that is off the table. What is happening with the conservative parties in this country? Where are you going in terms of the great argument that was put up about your economic competence? Since I have been here I have seen nothing but economic incompetence from the conservative forces in this country. You cling to the past. You think that the market can solve all the problems and you are prepared to let ordinary working families lose their jobs, lose their incomes and lose their dignity on the altar of your dogma and your ideology.

The Labor Party are not prepared to sacrifice one job that does not need to be sacrificed in this country. If that means we have to take steps to intervene in the economy then we will. The steps that we are taking will underpin 210,000 jobs in this economy. No country that is taking progressive economic steps to deal with the financial crisis is engaging in the debate that we are hearing from the coalition. No country is saying that you should not go into debt to try to protect jobs and protect communities. No other country is as foolhardy and stupid enough to have the ideology that we hear from those on the other side. The Labor Party are determined to take the steps to protect our families in this great challenge.

It is so fortunate that the Labor Party is in government now, because if the Liberal Party and the coalition were in government now we would still be back on the same old merry-go-round that we had before, the merry-go-round where people simply say: ‘Let the money roll in; let us sit back, rock back and depend on the mining boom to give us our income and that income will do us. We will throw out tax cut after tax cut after tax cut and we will not invest in infrastructure, we will not invest in research and development and we will not invest in innovation. We will not do the things that are required to build the economy for the future.’ Instead of being an economically competent government, the Howard and Costello government were amongst the most economically incompetent. When you measure all of the key factors that drive a modern economy against the Howard-Costello legacy, you will see that you failed and you failed badly.

Debate interrupted.

**BUSINESS**

**Rearrangement**

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (5.59 pm)—by leave—I move:

That the order of the Senate agreed to on 12 May 2009 be varied to provide that:

The hours of meeting for Thursday, 14 May 2009 be from 9.30 am to 6 pm and 7.55 pm to adjournment.

Question agreed to.

**Sitting suspended from 6.00 pm to 7.55 pm**

**EMPLOYMENT AND WORKPLACE RELATIONS AMENDMENT BILL 2008**

Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendments requested by the Senate to the bill.
Third Reading

Senator ARBIB (New South Wales—Parliamentary Secretary for Government Service Delivery) (7.56 pm)—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

BUDGET
Statement and Documents

Debate resumed from 12 May, on motion by Senator Sherry:
That the Senate take note of the Budget statement and documents.

Senator PARRY (Tasmania) (7.56 pm)—I seek leave to incorporate for the information of honourable senators the Leader of the Opposition’s response to the budget speech, delivered by Mr Turnbull in the House of Representatives earlier this evening.
Leave granted.

The speech read as follows—
Mr Speaker:
Australians are now paying the price for Labor’s reckless spending.
The enterprise and the energy of Australians coupled with the richness of our resources mean that with the right leadership our greatest days, our most prosperous days, should be in front of us.
But opportunities can be seized or they can be squandered.

On Tuesday night we should have had a Budget that laid out a foundation for recovery and growth.
We should have had a Budget that marked a path out of this downturn, offering confidence and hope for a better future.
Instead, what we were offered was a counsel of despair setting out no credible or convincing plan for economic recovery.
A Budget that just doesn’t add up.
A Budget so unbelievable that the Prime Minister is already running away from it - racing to an early election so that he can get to the polls before the full consequences of his mismanagement are felt by the Australian people.

Last year the Treasurer was filled with pride as he proclaimed a surplus built by others.
This year, he was so ashamed he could not bring himself, in a speech of 30 minutes, to even mention the $58 billion deficit he had created himself.
And he could not utter the words “$188 billion of net debt – the highest in our history – double the record under Paul Keating”.
That’s $9,000 for every man, woman and child in Australia.
The Prime Minister will run up more than twice as much debt in less than half the time as Paul Keating.

He says that this colossal figure of $188 billion is peak debt.
Mr Speaker, it is only a foothill at the base of what will be the Prime Minister’s towering summit of debt.
His Budget Papers boast for page after page of his national broadband network – $43 billion worth he says.
But the massive borrowings it will demand are not taken into account.
And who is to say it will be $43 billion?
The Prime Minister went on television to say it would be commercially viable and called on mums and dads to invest.
He did so without any business plan, any financial analysis – any responsible or reasonable basis to support what he was saying.
So what price the Prime Minister’s broadband dream?
Nobody knows – least of all the Prime Minister.
But we do know this – we will all pay for it and it will build that Labor mountain of debt.
And what about Rudd Bank – it will require $28 billion of Government borrowings – that isn’t to be found in the debt calculations.
And if all that is not enough – consider this: the Prime Minister is asking us to believe that between now and his $188 billion of “peak debt” there will be no new spending initiatives from his spendthrift Government.
Mr Speaker, there will come a time when Australians will look wistfully at $188 billion of debt and ask not when our debt will rise to that peak, but when it will descend to it.

And every single Australian will pay the price – it took the Coalition together with the Australian people ten years to pay off $96 billion of Keating Labor debt.

How many years, how many decades will it take us to pay off hundreds of billions of dollars of Rudd Labor debt?

The Prime Minister’s reckless borrowing and spending today is guaranteed to deliver higher interest rates and higher taxes in the future. Because as we all know, debt has to be repaid with interest – whether it is a family’s credit card, or the credit card of the nation.

Already, self-reliant Australians who take out private health insurance are being asked to pay more in order to offset Labor’s reckless spending.

While the Coalition welcomes the Government adopting our proposal for an increase to the single age pension, the news was not good for all seniors, particularly those self-reliant Australians who seek to put money away for their retirement.

But that is the Labor way – making prudent and thrifty Australians pay for reckless and spendthrift Governments.

Labor blames this ocean of red ink entirely on the global financial crisis.

We can not forget that in November 2007 this Prime Minister was dealt the best hand of economic cards of any Prime Minister in our history. All of Labor’s debt had been repaid – there was $45 billion of cash in the bank!
The Budget was strongly in surplus.

Unemployment was at historic lows and growth was strong.

Since November 2007 the Labor Government has chosen to increase spending by $124 billion – that is two thirds of the $188 billion debt we will accumulate in just four years.

And what we have got for it?
The same old Labor cocktail of higher debt, higher unemployment and higher deficits.

As it became more and more obvious that tax revenues were declining.

The Rudd Government embarked on the most profligate spending spree in our nation’s history.

The idea that a Government faced with a worsening financial climate would borrow $23 billion and give it away defies common sense.

They did not spend it on roads, or railways or bridges or ports.

They gave it away.

Most of it, naturally, was not spent, it was saved. And so its impact on the economy was modest and short-lived.

In February when Labor presented its $42 billion economic stimulus package – so-called – we took the unpopular decision to oppose it and to offer a smaller and better targeted package, that would have more effectively protected Australian jobs.

Our advice was dismissed scornfully by a Prime Minister who always knows best. Who claims, repeatedly and untruthfully, that it’s his way or nothing.

The truth is that it didn’t have to be this way. Australia didn’t have to embark on this irresponsible, dangerous course of high deficits, high debt, and high unemployment. There was a better way forward, involving less debt, and less risk.

Our Measures

Our Plan for Recovery will be based on four key principles:

- The protection and creation of jobs for all Australians.
- Government should not incur one dollar more in debt than necessary.
- Spending should be targeted at creating jobs and building economic infrastructure.
- Private enterprise and small business must be supported as the drivers of economic growth.

As we develop and expand this Plan we have been meeting with small business people around the nation at nearly 50 Jobs for Australia Forums. These enterprising men and women are the engine room of our economy.

We have listened to the challenges faced by small business in these difficult times and we have de-
veloped and will develop policies that will meet their concerns and respond to their suggestions.

At every forum whether it was in Darwin or Terrigal, Coffs Harbour or Burnie we heard concerns about the need for more effective incentives to take on and keep apprentices during these tough times.

Right around the country we heard complaints about the incredible burden of red tape – at Cleveland a young woman managing a small business told us of the elaborate five hour accounting exercise she was legally obliged to go through to calculate a diesel rebate – worth $27.

Or at Coffs Harbour, in the vital tourism industry, another woman told us of the incredible rigmarole she had gone through to establish a bed and breakfast and hire one part-time housekeeper.

And at every meeting there were concerns about cash flow – the Government’s 30 per cent depreciation allowance for equipment purchases was noted – but many said it was not much good to you if you were short of cash or didn’t need any new equipment.

Tonight, drawing on what we have learned from thousands of small business people around Australia, we propose a number of practical measures to support jobs and businesses, especially small businesses.

All of them have a modest cost – proving you don’t need to borrow recklessly to do the right thing by small business.

**Tax loss carryback for business**

If businesses make operating losses this year or next year, they should be able to carry them ‘back’ against previous year’s profits and recover, as a refund, up to $100,000 of taxes paid over the past three years.

This tax refund would bolster cash flows in difficult times. Because the tax loss carried back could not be carried forward the budgetary expense should be relatively neutral over the business cycle.

**Fairer rules to deal with troubled businesses**

Australia’s insolvency laws do not encourage the reconstruction and rehabilitation of businesses that hit hard times. Too many jobs, and too much value is lost when viable businesses are wound up or their assets sold in fire sales.

We support a change to our laws which will emphasise reconstruction of these businesses. Reform in this area, in these times, could save thousands of jobs that would otherwise be lost.

**Cutting red tape and making it easier to do business with Government**

The most consistent complaint we have heard from small businesses is excessive regulation and compliance.

The Coalition would reduce this burden to the lowest in the OECD, and join state and local governments to deliver a one-stop online portal for filings.

Many small businesses find the paperwork for Government tendering overly complex and inconsistent between departments and governments. Part of our reform will be to standardise and streamline procurement contracts and other processes.

**Helping employers provide training for the recovery**

We are taking up a suggestion we heard from many employers of apprentices in traditional trades who came to our Jobs For Australia Forums. They told us that two of the biggest barriers to apprenticeships are small business cash flow and wage costs. So we would direct a greater proportion of the incentives for those who take on an apprentice to the first two years of a traditional trade apprenticeship meaning employers will receive this support when they need it the most.

All of these measures are practical, pragmatic and job-focused measures that would greatly assist the economy in this difficult period.

They have been drawn from our first hand and ongoing engagement with small business – whether it is meeting in community halls around the country or on our www.jobsforaustralia.com website.

**Budget Honesty**

The sheer magnitude of the deterioration in our nation’s finances revealed by the Treasurer on Tuesday night raises a more serious and unsettling set of issues.
Labor has no strategy to return the Budget to surplus other than hoping that “something will turn up” – the something in this case being an incredible six successive years of above-trend growth of 4.5 per cent of GDP from 2011-12 – a scarcely believable boom.

Contrast it to the IMF’s more sober growth forecast for Australia in 2010 of 1.1 per cent.

Nobody believes this “best of all possible worlds” scenario is credible.

The recovery from this recession will not come in a rush – the days of cheap and easy credit that helped fuel the last boom are over, if not forever, for many, many years.

Australians deserve, and are entitled to expect an honest, objective and upfront appraisal of the nation’s circumstances – not to be buried beneath a daily avalanche of spin and media manipulation.

Commission for Sustainable Finances

We will appoint an independent Commission for Sustainable Finances to undertake a top-to-toe review of Commonwealth spending after the next election, to determine what levels of expenditure are sustainable and consistent with the need to address intergenerational equity.

The alarming expansion of spending under Labor makes this vitally important. Annual spending is projected to rise from $272 billion in 2007-08 to $342 billion in 2010-11 – the largest three year increase since the mid-1970s. The Commission’s task will be to help the next Coalition Government to identify and cut the waste in that spending.

Parliamentary Budget Office

The Coalition believes that honesty in fiscal policy would be served by the creation of an Australian version of America’s Congressional Budget Office which has for many years provided the Congress with objective and impartial advice and analysis on fiscal policy and the effects of new policies.

We would establish a Parliamentary Budget Office which would be:

- Chartered to provide Parliament with independent, objective analysis of fiscal policy, including long-term projections of the impact of various measures on the economy, employment, real interest rates and debt levels.
- Responsible to the Parliament rather than the Executive, much like the Auditor-General or Commonwealth Ombudsman.
- Staffed with economic, accounting and actuarial experts, and overseen by a director with an independent tenure.

Governments never welcome greater scrutiny, and so I’m under no illusion that this proposal will be greeted with any great enthusiasm by the Prime Minister and the Treasurer. But such a body would contribute greatly to a better-informed debate about fiscal policy alternatives and the consequences of different choices and trade-offs.

The Parliamentary Budget Office will be an invaluable mechanism in seeking to ensure that the damage done to this economy in just 18 months by this inexperienced and incompetent government never happens again.

2009 Budget Measures

Turning to the Budget measures themselves, the Prime Minister, in his desperate rush to find an excuse to go to an early election, has called on the Coalition to indicate how it will respond to the major savings measures in his Budget – the decisions that increase Government revenues or reduce Government expenditures.

Given the magnitude of the deficit, these so-called major savings measures are hardly heroic – in 2009-10 they amount to $1.5 billion, compared to a $57.6 billion deficit.

We in the Coalition showed our commitment to fiscal discipline in February by proposing a much smaller stimulus package and when that was rejected out of hand, by voting against the $42 billion package and its $14 billion cash splash.

Only this side of the House has had the courage to take a tough decision to restrain this debt and deficit blow out.

None of the savings measures in this Budget will make, by themselves, a material difference to the deficit.

We will consider them carefully and respond to them reasonably.

This deficit is already too big – we do not want to make it bigger.
But there is one savings measure in this Budget which we will oppose.

The changes to the private health insurance rebate are just the latest phase in Labor’s unrelenting war against private health insurance.

Labor hates private health insurance.

Labor hates it because it encourages self-reliance and because it offers choice.

Australians know that and that is why in the lead up to the last election the Prime Minister was asked time and time again whether he would change the private health insurance rebate.

Again and again he and his shadow health minister said they would not.

Never was an election promise given more emphatically and then broken so brazenly.

Every Australian knows that the cost of public health is growing as are the waiting lists for public hospitals.

Every Australian knows that as our population ages the need for more self-reliance in the provision of health services becomes greater.

This broken promise will be a direct hit on the family budget of at least 1.7 million Australians and indirectly will result in higher premiums for all Australians – including those on very low incomes.

And it is just the beginning – the thin edge of the wedge.

And as private health insurance costs go up, more pressure is put on public hospitals.

The Prime Minister claims to be concerned about public hospitals and yet I see in his Budget’s Infrastructure document spending on health and hospital infrastructure receives less than ten per cent the amount allocated to his broadband network.

So much for priorities.

The private health insurance broken promise contributes $1.9 billion of savings over four years – when total revenues will exceed $1200 billion. That fact underlines the point that the Prime Minister’s attack on private health insurance is based in ideology, not economics.

There are plainly hundreds of opportunities for the Prime Minister to offset that saving if the measure is defeated – he could do worse than starting with his own foreign affairs spendathon in support of his UN ambitions.

But tonight I will make one suggestion of a suitable offset for the Prime Minister’s consideration.

One that would make for a healthier Australia and lessen the burden on public hospitals rather than increase it.

The Government could comfortably afford to retain the current private health insurance rebate without any cost to the published Budget outcome by increasing the amount of excise collected on tobacco by 12.5 per cent (or about three cents extra per cigarette).

Tobacco is the single most preventable cause of ill health and death in Australia.

So there’s a tough choice for a weak Prime Minister.

Raise $1.9 billion by making health more expensive and putting more pressure on the public hospital system or by adding about 3 cents more to the price of a cigarette and taking pressure of the public health system.

You see, Mr Speaker, budgets are indeed about priorities.

Conclusion

Mr Speaker:

History tells us that an addiction to debt and excess spending is in the DNA of the Labor Party.

Too many times, Labor governments both here in Canberra and in the states have taken us down this dead-end street.

This time, we were told, it was all going to be different.

Australians took on trust this Prime Minister and this Treasurer.

When they swore hand on heart at the last election that they were economic conservatives, Australians took them at their word.

They hoped this government would govern wisely and prudently.

And they genuinely wanted this Prime Minister to succeed.

They were prepared to give him every chance.
Yet, today, Australians see our national balance sheet drowning in red ink.
They see our nation’s future mortgaged for as far as the eye can see.
To repay the principal and interest on Labor’s $188 billion debt over the next 10 years will cost taxpayers $25 billion a year – our largest ever surplus, the Coalition’s last, was $20 billion.
And if the debt turns out to be higher – say $250 billion – then the repayments would be $33 billion a year.
Australians wonder how it could have come to this, in only 18 months?
Now, you might have expected a bit of humility, a bit of contrition, from a Prime Minister and a Treasurer who have failed this nation.
Instead, all we get are sanctimonious lectures about how the Opposition should either lock in behind this Government’s failed strategies.
Or provide Labor with the policy alternatives, with the map and compass, that will get them out of the mess in which they find themselves.
Mr Speaker:
Tonight, our job as political leaders is to build hope for the future.
For at least 60 years our proudest boast as a nation is that no generation of Australians has been left worse off than their parents.
That optimism, that confidence and certainty in what the future promises, is central to the success of modern Australia as a safe and prosperous place to bring up a family – the anchor of our society.
It is our responsibility, the members of this Parliament, to ensure that, whatever challenges we may confront, we will do all we can to ensure our children will have the opportunity to build an even better Australia than the one we know today.
Enterprise, opportunity and optimism – these are core Australian values.
They are core values of mine and of the Coalition.
They are essential building-blocks if Australia is to continue to fulfil its destiny as a strong, vibrant and prosperous nation
Yet, tonight, we cannot avoid the hard questions:
Will we be the first generation of Australians to bequeath to our children a lower standard of living?
To what extent are our actions today consigning the next generation of working Australians to higher taxes, higher interest rates and higher debt – a lesser opportunity to give their families what we ourselves enjoy in life?
And, when the time comes to answer to the Australian people for these failings, who will be judged the Guilty Party?
That day of reckoning is approaching for the Rudd Labor Government.
Its gross policy miscalculations have made much worse the impact of difficult global economic conditions.
The Treasurer admits it will be many years before Australians are as well off as they were before this Government came to power.
The Prime Minister has no idea how to fix the mess he has made.
He cannot even summon the courage to try.
The Prime Minister’s threat of a double dissolution and an early election proves to all of us what this Budget is really about.
It isn’t about protecting the jobs of Australians.
Least of all the one million Australians it says will soon be out of work.
It is about the job security of one man and one man only.
A Prime Minister frightened of the consequences of his mismanagement, now wants to cut and run before he is found out.
Mr Speaker, history tells us it always the job of the Liberal and National Party Coalition to repair the damage done by Labor governments; to rescue Australia from Labor debt.
It will not be easy.
But on this side of the House we are ready to take up that challenge – and to do so with the confidence and determination that comes from knowing that the Coalition has the experience and the expertise to get the job done.
Mr Speaker, it is only a Coalition Government that can and will restore this great nation to prosperity.
Senator PARRY (Tasmania) (7.57 pm)—
I also seek leave to incorporate a speech in response to the budget by the Leader of the Nationals in the Senate, Senator Barnaby Joyce.

Leave granted.

The incorporated speech read as follows—

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (7.57 pm)—The budget has failed to show the path to the reduction of debt and with the forward projection of total liabilities of the net financial worth in excess of half a trillion dollars in 2012-2013 Mr Rudd and Mr Swan are sleepwalking.

Without a determined path to debt reduction Australia is on a path to destitution. The previous prediction of a forward budget surplus in 2008 of $21.7 billion has vanished and now there is a deficit of $57.6 billion and also little belief that can be left in the capacity of Labor to stay to budget. Even in November Mr Swan was predicting a surplus and six months later we are on the abyss.

In more recent predictions Dr Neil Hyden in February from the Australian Office of Financial Management said that the $200 billion facility would be fully drawn in 2012-2013 and now three months later we are being asked to consider that the limit will have to be extended to $300 billion. The cost of funds on this appears to be less than 5% which is just not possible if, in the same breath, the government believes there will be growth of 4.5% which would signal a return globally to a substantial increase in economic conditions. The economic turnaround would be contemporaneous with an increase in demand for funds and an increase in the cost of funds.

There is somewhere between $450 billion to $500 billion owed by governments within the sovereignty of Australia which the Federal Government has promised to repay and that means that somewhere within our Nation in the near future, at a conservative cost of funds of say 6% considering we’re at historic lows at the moment, we will have to find at least $27 billion a year just to pay the interest. Now they won’t find it so you know what they will do, they will just borrow more money to pay the interest. The demise will be uncomfortable.

In the budget regional Australia has been decimated in some areas such as funding for the Department of Agriculture, Fisheries and Forestry which has lost close to a third of its funding. Yet it is such industries as Agriculture that we will be relying on to refinance our Nation. Likewise leaks to The Australian newspaper about the allocation of funding to the Inland Rail have turned out to be not the case. Infrastructure on reducing port interconnectivity and bottle necks and traversing the coal, wheat, cotton, cattle industrial belt between Brisbane and Melbourne would be more conducive to economic growth that will allow us to repay our debts than new motorways on the coast for the family car.

Australia has compromised its future with Labor’s management and insistence on the perverse logic that retail expenditure on imported goods from an arrival in the mail of a $900 cheque will turn around a global recession in a service-based economy.

There is no evidence that this gift to Chinese manufacturing has helped Australia. Instead of learning from their mistakes, the Rudd Labor Government pushes ahead with its plans to introduce a new tax. The foreshadowed Emissions Trading Scheme is completely counterintuitive to economic growth to pay our debts and keep Australian Working Families in work. It will be a boon for the carbon permit market but there will be nothing in it but debt for the producers of our nation’s vital food supplies.

Rural health only gets an extension of $9 million which means the Labor Government’s belief in ceiling insulation is 400 times greater than their belief in the delivery of basic health services to people away from metropolitan Australia.

Off the coast there is very little in the way of major road infrastructure however, it is inland Australia that produces the export wealth for our Nation.

Pensioners have been given an increase and this is something that the National Party has been calling for, for quite some time.
The Nationals have foreshadowed major cost reductions, such as a tier of the removal of a major layer of government, and while this obviously become a gallling point for so many it may become essential with the sale of major public assets to start reigning in the current debt which if it proceeds on its current trajectory will be terminal for Australia’s financial capacity.

We should not forget the position both Ireland and Iceland, and the trouble the Eastern European states have got themselves into. We should never gain any comfort from saying our position is not as bad as the United States as their position is extremely dire, however, as a nation their capacity to turn their financial position around is immensely more dynamic than Australia’s.

The budget is in essence a reflection of Mr Rudd’s attention with matters overseas whilst the finances at home have gone into freefall. His continual distraction with issues secondary are now seen in the state of the nation’s finances and the tokenistic nature of such things as the 2020 summit have come into absolute focus in that far from being able to predict what would happen in 2020 they could not predict what would happen 12 months ahead.

It is absolutely fundamentally important for the long-term stability of our Nation that the Labor Government and any that follows them grasps the nettle and makes decisive structural moves to reign in the debt. This has not been done in this budget so the task is still in front of us.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (7.57 pm)—At a time when the community is facing unprecedented environmental and economic challenges, this budget should be transforming Australia to a low-carbon economy. This budget should be, but is not, a green new deal for Australia. When the recession ends, Australia should be in place to reap the benefits of the global green jobs boom, not at the back of the queue. Instead, this budget is a clear demonstration of the Rudd government’s commitment to the old economy, a commitment that will delay Australians having the opportunity of the new jobs, innovative research, developmental opportunities, ecological security and social benefits that would come from a move to the new green economy. This is an opportunity that has been seized by governments around the world, as with the progressive decisions made by President Obama in his multibillion-dollar green new deal stimulus package for the United States.

Tonight I will set out some of the ways we Greens would grab this transformative opportunity with both hands. The Prime Minister has called on the Senate to pass this budget in its entirety. I say to the Prime Minister: this Senate is the house of review. It is the people’s backstop and innovator. We are not here to be a rubber stamp, and this budget is far from perfect. It fails single parents, the unemployed and the environment, so the Greens will responsibly scrutinise and improve it and we will be moving amendments in the Senate in later debate.

I do know that Australians do not want an early election, nor do we Greens, and we say to the Prime Minister: ‘Let’s work together to improve this budget in the same way that we Greens worked with the government to improve its economic stimulus package earlier this year.’ We are proud that through our effective work in the Senate we were successful in adding some $350 million for local green jobs to the government’s $42 billion stimulus package. It was a package which originally did not create many jobs outside the building and construction sector, and the Greens-inspired local jobs programs which went into it are now highlights in this budget. The millions of dollars for jobs in heritage, cycleway infrastructure and a range of community project grants will create thousands of jobs for Australians throughout the country, and, of the $60 million for heritage grants to be rolled out in the next year, $2 million has already been allocated to support important conservation restoration work at...
the National Heritage listed Old Government House in Parramatta, for example. The Budj Bim National Heritage Landscape in southwestern Victoria, the first place included in Australia’s National Heritage List, has also received just over $360,000, and earlier this month these funds were provided to the Gunditj Mirring Traditional Owners and the Winda Mara Aboriginal Corporations for the Budj Bim Tracks project—more jobs created in regional Australia.

In March we also came to an agreement with the Treasurer for improvements to the liquid assets tests so that people who were on lower incomes would get better access to income support when they became unemployed. Our negotiations also sealed an increase in funding for the bushfire research centre in Melbourne.

The Australian Bureau of Statistics plays a vital role in collecting and analysing social data and providing essential information for research and policy development. We went in to bat for it. Sixty million dollars has been allocated to it over four years in this budget. This is a significant improvement for this agency. Having said that, I note recent job losses in the Australian Bureau of Statistics and I would expect that this funding will ensure that the jobs cuts there will stop.

We are particularly proud that Australia’s 1.2 million age pensioners and carers, who have been struggling to make ends meet, have seen an increase in this budget. Single age pensioners, forced to live on less than $285 a week, have been particularly vulnerable. That is an income which the Prime Minister, the Deputy Prime Minister and the Treasurer have admitted they could not live on. We have been campaigning for a minimum $30-a-week increase in the single age pension since before the 2007 budget.

Increased funding for the nation’s broadcasters is also welcome and long overdue. There is an additional $167 million to the Australian Broadcasting Corporation in this year’s federal budget to increase Australian content and to roll out a children’s station, which will benefit millions of families. But we recognise that it will take much more than this to reverse the effects of a decade of neglect. There is an extra $20 million to SBS, which we welcome, but it is not even enough to remove the broadcaster’s reliance on advertising revenue, and we ask the government to look at better funding for this important alternative and creative component of Australia’s broadcasting. The Greens solidly back the ABC and SBS, and it is great to see that our public broadcasters, at least the ABC, have done better in the budget. But it is disappointing that the government has neglected smaller community broadcasters across the country.

Australian parents have been calling for action on paid parental leave for years. While the Greens are pleased to see a commitment in Tuesday’s budget to the introduction of an 18-week scheme, the fact is it will be delayed until 2011—that is after the next election—and will not require employer superannuation contributions to continue. It will not go well with the electorate. Senator Sarah Hanson-Young’s paid parental leave bill is currently before the parliament, and I urge the government to back our fully costed model for 26 weeks paid parental leave and to adopt this model before the next election.

We Greens welcomed the substantial increase in new rail projects, particularly the investment in metropolitan rail networks in Melbourne, Sydney, Brisbane, Adelaide and Perth, but it is a pity that these initiatives do not extend to rail projects for Tasmania or the ACT or to getting more of the nation’s freight off roads and onto the rail network. It is an even greater pity that one of the projects simply services the coal industry in Newcastle, which the Prime Minister visited
today. We note that many of the rail projects in the budget are scoping rather than construction, rather than getting things underway. The government should ensure that these projects or their equivalents actually move on to action and fruition. For example, in Melbourne the announcement of $40 million for preconstruction work on the east-west rail tunnel is a real but preliminary victory for the ‘No road tunnel’ campaign and the Greens, who have been very active in supporting it. But the cost of this project, if it is to go ahead, is put at $3.5 billion. The fact is that there is no funding for tollways in Melbourne in the budget, and that is real recognition of the community’s increasing call for low-carbon transport options, particularly of course public transport. The Greens will pursue more funding for extending existing train lines and building more tram routes.

Australians want greener and more affordable transport options to reduce greenhouse gas emissions, to improve public health and to reduce obesity but also to reduce the cost of transport—and I cannot help but think, with the massive allocations we are continuing to see for building prime arterial roads like the Pacific and Hume highways, and indeed the major thoroughfare in my home state from Launceston to Hobart, that the government should be looking expeditiously at providing space on these great arteries for a very fast passenger train network and for a cycleway linking the great cities of this country. It will be much more expensive to do this in retrospect.

I was speaking with a European ambassador today about the spread of these very fast trains in Europe. The most recent Spanish budget had €56 billion allocated to extend their very fast train network, which already services such cities as Valencia, Madrid and Barcelona. I can report to the Senate that these fast trains have taken 20 per cent of the air traffic out of the skies over Spain. I talked to people from France in recent days, and the 800-kilometre trip from Paris to Marseilles is now a matter of 3½ hours. It is faster than having to go to the airport through clogged traffic in both of the biggest cities of France, it is cheaper and it is much more comfortable. These trains are crowded—they are very, very attractive. We should look at that future for Australia as well.

The government has determined to keep its $4.5 billion tax cuts for the rich in this budget while at the same time ignoring those suffering real financial hardship. While the pension increase which I mentioned earlier is welcome, the Greens are disappointed that the government has failed to provide similar support for single parents or for the million or so Australians that the government expects may lose their jobs in the coming year. Unemployed people, whose incomes are even lower than those of pensioners, were ignored in the stimulus package cash payments back in March despite the Greens’ efforts to have them included. Now they are ignored in this budget. Unemployed Australians, increasingly out of jobs because of the recession, must try to scrape by on $227 a week. That is $90 less than the new single age pension rate of $317. It is a pittance, it is too hard, it is too punishing and it ought to have been increased in this budget. Not only have the Greens been calling for that increase but I have just pointed to the tax cuts as an alternative way of funding a reasonable increase. I will be pointing to more alternatives later in this delivery. The inequity in the income support system should be addressed. Based on 2008-09 data, the Australia Institute estimates the cost of an increase to the unemployment benefit to achieve parity with the pre-budget pension would be approximately $1.7 billion in 2010.

For the first time since the single mothers pension was introduced, pension payments to single parents will be paid at a different rate
from other pensions. The Prime Minister has stated that he could not live on the pension, yet with this budget he is asking single parents—more than 85 per cent of whom are single mothers—to raise children on $285 a week. These children are effectively growing up in poverty, and this wealthy nation can do better—even in a recession. The Greens welcome changes to the eligibility for youth allowance, making it easier for many young people in education to access income support. We believe these changes should be brought forward to benefit students now, however. The tightening of the workforce participation criteria should not start until 2011 to ensure that young people who are planning to commence study in 2010 are not disadvantaged.

The decision to index the family tax benefit A against the consumer price index instead of being linked to pension indexation will hit those at the low end of the income scale, including more than one million children with parents in receipt of the family tax benefit A maximum rate. Instead of hitting these people, why did this Labor government not raise this revenue by reversing its tax cuts to the megarich? The government has also announced that taper rates will be increased from a 40c in the dollar to a 50c in the dollar reduction in a person’s pension, depending on how much income they make. This measure will also have the effect of lowering the rate at which the pension will cut out. That is very harsh; it is a harsh option for raising revenue when Labor could have raised contributions from wealthier Australians. This will affect pensioners, including old age and disability pensioners, to raise $1 billion or so when, again, there were better options. I will mention some of those very shortly.

When it comes to private health insurance—and I note the Leader of the Opposition’s comments a little earlier tonight—the Greens will move in the Senate to have money saved from means testing the private health insurance rebate allocated to public hospitals. We think it simply should not be put into consolidated revenue. We will also look very closely at the means testing of the private health rebate and the consequent increase in the Medicare levy surcharge—something that gives me some misgivings.

We will continue to be very vocal about Public Service sector job cuts, opposing the additional two per cent efficiency dividend which has already cost around 1,700 jobs in the nation’s Public Service. We welcome the government’s decision to in fact reduce this to the 1.25 per cent general efficiency dividend. But in the recession Public Service jobs should be retained rather than shed. We are pleased that there will be new Public Service jobs flagged in this budget in Centrelink, CSIRO, the Child Support Agency and the Australian Bureau of Statistics. But the decision to axe Land and Water Australia is a particularly nasty budget cut, in which not only will 51 public servants lose their jobs but a valuable research agency will be lost. Cutting this program for a saving of a measly $13 million at a time when climate change is creating the most significant challenges for rural Australia, not least amongst all Australians, is simply irresponsible and the government should think again about that cut.

The budget has no dedicated response to job creation in the form of labour market programs. While the government is spending big on major infrastructure projects, public housing and schools, creating building and construction centre jobs—and the Greens welcome that expenditure, in the main—there are no significant measures to create jobs in other sectors of the community. In the past, in tough economic times, it has been Labor governments that have instituted large-scale labour market programs for people who have lost their jobs as a consequence
of the economic downturn. It appears now to fall to the Greens to try to get some of that back into economic planning in this country. Our changes to the economic stimulus package, which will create up to 10,000 jobs, show how a more targeted expenditure can create jobs as well as stimulate business. However, the extra $228 million injected into Adelaide’s desalination plant in the budget, on the agreement that it will double output from 50 gigalitres to 100 gigalitres, is concerning, considering we have seen a cut of $16.4 million over two years from water reform programs for the Murray-Darling Basin. Surely this money could have been better spent on water buybacks to give the Murray a bigger flow and the Lower Lakes the lifeline they need.

There is no worse demonstration of the old-style thinking of this budget than the massive expenditure on coal—almost double the amount to be invested in clean, renewable energy projects. In fact, that single coal project in the Hunter Valley, where the Prime Minister went today, will receive almost the same amount of money as the entire $1.5 billion Solar Flagship program over the next six years. This budget banks on coal mining and burning booming again. While it gives some much-needed support to renewable energy and energy efficiency, it remains locked into the coal-reliant past instead of forging a path towards a vibrant, carbon-neutral economy for Australia.

President Obama’s recent multibillion-dollar stimulus package points to the kind of priorities we need to emulate to set Australia on track to deliver a zero-carbon jobs boom. In President Obama’s package, funding to roll out renewable energy technologies was well over double the corporate welfare for coal. By contrast, the Rudd government’s budget support for coal is higher than all of the market-ready renewable technologies combined. The Obama package sets aside a much higher proportion of funding for energy efficiency than this Rudd budget. The most visionary aspect of the Obama stimulus is the massive injection of funding into an intelligent grid infrastructure—something that Senator Milne has been advocating in this place. Upgrading our grid is perhaps the most important investment our governments can make in energy. Building a high-quality, intelligent grid will save money for every Australian household, every business and every factory. It enables much greater energy efficiency and it will modernise our outmoded energy network into cutting-edge technology that can repair itself, avoid blackouts and be open to being 100 per cent renewably powered.

The government has at least recognised that that grid investment is necessary, but it has put aside only $100 million, equivalent to only 1½ per cent of its expenditure on renewables and coal. Put that against Obama, who has set aside $11 billion, as much as his total investment in renewables and coal combined. Australia, 1½ per cent; the US, 100 per cent. The comparison is very stark. If this budget had followed President Obama’s albeit imperfect prescription, Australia would have invested $2 billion in renewable energy, $750 million in coal, $4 billion in energy efficiency and $2.2 billion in upgrading the grid. While renewable energy would have received slightly less direct funding, the indirect benefits from the grid upgrade, as well as the raft of supportive policies, would have driven investment many times further.

Of course, the Greens would rather see the coal sector invest its own profits in its infrastructure needs. The last figures I saw for the coal industry, which I remind senators has a very large component of overseas ownership and therefore drainage of profits out of the country, were $48 billion in income. This is an industry that has known about climate change coming for at least the last four dec-
ades and has no excuse for not having invested itself in the renewable component of its potential future to deal with the onrush of climate change. It should now not be falling back on, nor should it be given by this government, the very important billions that need to go into energy efficiency and renewable energy.

President Obama has been investing tens of millions of dollars in jobs-training packages to prepare the American workforce for the huge task of transforming its energy infrastructure. Instead of bowing to polluters' demands, Obama is protecting the workers' futures by preparing them for the jobs that are needed to deliver a renewable energy and energy efficiency boom. The Rudd government should take heed. The Greens will be doing all we can to ensure that the parliament does.

There are many opportunities in the budget to fund the fairer, jobs-rich, green economy I have touched on here tonight. The Greens share community concern about the $57.6 billion deficit. That is money that must be repaid and cannot therefore be spent on transforming our economy or supporting schools, hospitals, public housing or transport in the years ahead. However, in these extraordinary economic circumstances, a moderate budget deficit is prudent if the funds are spent on investing in transforming Australia's economy and creating the jobs that would flow from the transformation. However, the government has chosen to prop up the old economy, in the main, rather than transforming to the new economy, where it should be going.

We have identified very large savings which can be made by redirecting funds from the old, polluting economy. Over the budget period of the next four years the Greens would save $35 billion in the following ways. Removing the tax cuts for people with incomes of more than $100,000 would save $4.5 billion. Maintaining the current rate of defence expenditure but not increasing it by the proposed three per cent above inflation—we are not a country threatened by any other country on earth—would save $7.3 billion. We would save $22.2 million per year on public funding of research into carbon capture and storage; there is $89 million. The $1 billion to be spent on the Hunter Valley coal project, as I have said twice earlier tonight, would go. The additional $280 million to be given to the biggest polluters under the government's carbon pollution reduction program would follow suit. I might add that we do support Mr Turnbull's call for higher taxes on cigarettes.

In addition, the Greens would make further substantial savings by abolishing some long-running industry subsidies that damage both the environment and the budget bottom line. In particular, we would remove the fringe benefits tax subsidy for company cars—including those used by public servants—to save about $8.2 billion over four years. A further $3.2 billion over four years would be saved by ending fuel subsidies to the aviation industry and $10.3 billion would be saved by ending fuel subsidies to mining, electricity, transport and related businesses, such as gas, water, waste, postal and warehousing. We are talking here about taking out the massive public subsidies there are for burning fossil fuels and putting that across to transforming the economy as well as to a social dividend, which I would have expected of a Labor government but which we are not seeing in this budget.

The Greens have economically sound alternatives to this budget. Our ideas are much more job rich, more environmentally sound and more socially responsible than those Labor has produced. This government has flagged changes to the superannuation system, the private health insurance rebate and

CHAMBER
the pension age. Many of its measures require legislation. We Greens will be looking at them all closely. We will be consulting widely with the community and we will work to ensure that best outcomes for Australia can be made in this Senate. As with our job-creating changes to the $42 billion stimulus package, we can and will help the government make this budget more productive for the taxpayers’ dollar.

We are a constructive entity in this Senate and this parliament and for this nation. We are an ideas bank that is badly needed by a new government which has failed to rise to the challenge of this new century. We are a component representing a vigorous and thoughtful part of the Australian community which is intent upon improving poor quality ideas and legislation and improving upon the failure to innovate and be at the forefront of world thinking and government decision making. We intend to keep our foot on the accelerator to ensure better outcomes from this government and better governance in the future. The opportunities that were wide open for this government to transform to a new green economy in this budget, and which were actually in some cases enhanced rather than made more difficult by this recession, have, almost without exception, been missed. The power of those who have invested in the last century’s thinking is time and time again expressing itself in the budget that the Treasurer delivered on Tuesday. This country can and should do better, and we Greens are going to keep the pressure on this government to ensure that that happens for the benefit of all Australians.

Senator FIELDING (Victoria—Leader of the Family First Party) (8.26 pm)—On Tuesday night, the Treasurer delivered to an anxiously waiting Australian public a budget that was in deficit in more that just numbers. This is a budget that punishes incentive. This is a budget of broken dreams. For weeks now the government, through its carefully orchestrated leaks, has been sending the Australian public the message that this would be a different kind of budget to that which we are used to. Unlike previous budgets, the days of generous spending across the board were coming to an end.

This came as no surprise to anyone. Family First understood that Australia was in the midst of a global financial crisis. We understood that tax revenues had plunged dramatically and left a gaping hole in the government’s budget, while the unemployment rate had skyrocketed. We understood this very well because we have spent countless hours talking to those Australians who have been affected by the global financial crisis. We also understood that a government that was raiding the taxpayers’ kitty as if it were a bottomless pit was one day going to wake up and realise that, if it did not change its spending habits quickly, the money was eventually going to run out. We understood that we were going to have to tighten our belts and do our part for the economy.

But what we also wanted to hear from the Treasurer was how our individual sacrifices would eventually lead us out of this hole. We looked to this government to show leadership and bring forward a budget that was not only honest for these times but also gave us hope for the future, hope for better times. Instead of hope, Australians were left with a budget that punishes those who want to improve their lot in life—a budget that punishes incentive. It is a budget that takes the opposite view of the Australian ethos that if you work hard to
build a good life for yourself and your family, you will reap your rewards.

On Tuesday night the government broke one of the most important dreams: the expectation of honest government. Australians, perhaps naively, had hoped that this time their government would be true to their election promises and that the election promise not to touch the private health insurance rebate would be honoured. But it was not. They tried to say it was a ‘change in policy’ and not a broken election promise, but who are they kidding? The cuts to the private health insurance rebate have left many Australians disillusioned not only because it exposes the Rudd government’s dishonesty but also because means testing the health rebate is exactly that: mean.

It is an unfair system because it looks only at the household or individual income and does not take into account how many children there are in the household. As any Australian parent knows, the cost to families can increase significantly depending on the number of children to be cared for. Under the government’s proposal, a couple on $149,000 a year with no children will be eligible for the full rebate while a family of five with a household income of $150,000 would have their rebate reduced. That makes no sense and undermines the family.

However, it is not only the government’s cut to health care which will have a serious impact on families. The decision of the Rudd government to cap the Medicare safety net for fees relating to pregnancy and IVF treatment has broken the most basic dream of all Australians—the dream of having a family. The government reforms will now see the costs involved in having children increase enormously, in some cases by thousands of dollars, for many people. This is hardly consistent with the commitment of the Rudd government to help working families. If the government has resorted to taxing mums then it has clearly lost touch with ordinary Australians. Over 11,000 babies are born to Australian families through assisted reproductive treatments each year. The government’s budget proposal would jeopardise those Australians who rely on this treatment to have children; this treatment is their only hope.

Having children is the greatest blessing in life. It should not be reserved for the rich. Birthrates are still below replacement levels, and families who have children are actually helping Australia. We have an ageing population, and this means the number of full-time workers we have to support our pensioners is decreasing. The government, however, has taken a short-term approach, making it less affordable to have children without a thought to the consequences that this may have in the future. It has shattered the dream of a family for so many Australians and failed to see the future consequences for our nation. Family First is also concerned that the drastic rise in out-of-pocket obstetric expenses will force many Australians out of the private system and into the public hospitals. We believe this move is short-sighted and will end up costing Australians money rather than saving money. This will place an even greater strain on our overstretched public hospitals because many people just will not have the money to afford these price increases. That means longer waiting times and even greater shortages of hospital beds for those who need them.

Family First welcomes the government’s announcement that it will be introducing paid parental leave. It would be an understatement of gross proportions to say that this decision is long overdue. Gone are the days when a family could easily be supported by one working parent. The rising costs of living have, sadly, made this a luxury most Australians simply cannot afford. As a result, many Australians have been forced to delay
having families; for those who have not, the financial strain can often be incredibly demanding. This scheme will provide much-needed financial support to families wishing to have children but who have struggled to stay afloat on only one income. Most importantly, it recognises the inherent social value of raising children in the community. It recognises that it is not just those people who hold a full-time job who are productive members of our society.

The biggest winner of all, however, will be our nation’s children, who will benefit from having the care of their mother on a full-time basis, not only in the scarce few hours juggled between work and sleep. Family First is disappointed that the government has decided to delay implementing this vital scheme until 2011. Australia is already lagging behind 157 other countries which have paid maternity schemes, including places such as Chad, Mongolia and Rwanda, and we believe this issue is too important to wait. Given the numerous government backflips and broken promises which we saw in Tuesday’s budget, how can we be sure that the government will be true to its word on paid parental leave when the time comes? How can we be sure that this is not just some ploy to mask the bitter budget pill that all Australians were forced to swallow this week? If the government were serious about helping working Australian families, surely this would be the first item on its list of reforms.

The government cries poor and says it just does not have the money to fund the scheme now, but it has no problem splashing out $1.7 billion of taxpayers’ money to fund costly overseas military operations. We find the government’s priorities surprising. Family First is also disappointed that this scheme will leave stay-at-home mothers out in the cold. Those women who have made the choice to become full-time mothers will be penalised by the government and will not be eligible under the proposed scheme. Whilst they will still be entitled to receive the baby bonus, in some cases this will result in stay-at-home mothers receiving almost 50 per cent less than women who have recently exited the workforce. This sends the message to mothers that the Rudd government only cares about people who can pay tax and fill its coffers. This is not good enough. The Rudd government is telling those mothers who stay at home to raise their children that their contribution to Australia is not valued. Family First believes we should not punish parents because they choose to stay at home to take care of their children and our future.

This budget also puts at risk the dream of a safe and secure retirement. This will now need to be delayed by another two years for many Australians. These are the same Australians who have worked hard all their lives, putting money away for retirement only to see the retirement nest eggs fall sharply in the last 12 months. They are now being told by this government that all the hard work is not enough and that they need to work for another two years. Many hardworking Australians will be forced to forgo a decent retirement, as they will have to work till age 67.

Whilst the budget does go some way towards fulfilling a promise to Australia’s long-suffering pensioners that their dire position will improve, it is only single pensioners who are the real beneficiaries. A year ago, I stood shoulder to shoulder with hundreds of pensioners at a protest rally in Melbourne in solidarity with their plight and called for an increase for all pensioners. It was this pensioner rally that was the turning point in forcing the government to increase the pension. However, in this budget, married pensioners have been given the scraps and hush money, a token increase of only $5.07 each a week. That will barely get them a loaf of bread and a litre of milk. There seems to be a
misconception by this government that, because married pensioners share a home, living must be cheaper for them. The Rudd government is sending pensioners a clear message here, and it is a disgraceful message: you are better off getting divorced and becoming a single pensioner if you want to survive in this budget.

Family First is also disappointed with the government’s decision to draw back on its first home owners grant. It has broken the simple dream of all Australians to one day own their home. We find it puzzling that the government would set up the Ruddbank and dole out up to $28 billion of taxpayers’ money to prop up the commercial property industry but cut back support to the residential sector for getting a home. It is a statement that the government is happy to help big business hold on to their assets but not to help young Australians get a start in life and aspire to the dream to buy their own home.

This is a budget of broken dreams. It is a budget that lacks courage and lacks foresight. Significantly, there is nothing in the budget to address the real issues of alcohol abuse and binge drinking which have plagued Australia. For too long, Australians have been held to ransom by a society ripped apart by alcohol fuelled violence and despair. Thanks to the inaction and lack of courage from the Rudd government, Australia’s binge-drinking culture continues unabated. The Rudd government has once again failed to invest sufficient money in critical areas such as alcohol prevention and education programs for our youth. Most importantly, it has again failed to break the link between alcohol and sport by de-hooking alcohol advertising and sport. I believe the government will look back in regret at this failed opportunity to tackle the blight of binge drinking in our community. If the government could look beyond the short term, it would see that binge drinking and alcohol abuse are costing us $15 billion each year. What better way for the government to reduce the budget deficit than by investing in our future to dramatically slash this $15 billion alcohol toll?

The government has announced a massive infrastructure spending program which will upgrade some of the country’s rail, ports and roads and create thousands of new jobs for Australians. Family First welcomes this policy direction and sees it as one of the more positive aspects of the budget. However, we are disappointed that the $750 million Peninsula Link road project in Victoria, a key infrastructure project that creates significant job opportunities, was not given any funding in this budget. This is a project that is ‘shovel ready’ and a road that will make an enormous difference to Victorians.

Family First is also concerned that not enough is being done to help Australia’s small businesses. Small businesses account for 95 per cent of all businesses in this country and are responsible for over 4.5 million jobs. They are the lifeblood of our community. If the government wants to be supporting jobs then helping small businesses should be the primary focus. Family First recognises the important tax breaks which have been included in this budget for capital investment and sees them as a good step. However, they remain just that: one step. The Rudd government must do more to protect small businesses from the full impact of the global financial crisis. One of the major problems being faced by small businesses is financing. Financing is not easy to come by. When the banks are willing to provide it, they extract a heavy price. We have seen the Reserve Bank slash the cash rate to the lowest level since March 1960. While not all of these rate cuts have been passed on to homeowners, the gap is even wider when it comes to business loans. If the government is serious about helping small businesses then it must look at taking decisive action to address
this issue. The government must ensure that any rate cuts are passed on to business loans and overdraft facilities as well.

I understand that times are tough, and that is why we expect tough decisions be made by the government. Superannuation has been one of the biggest areas to take a hit. However, I find it remarkable that the one type of superannuation which has been left untouched is the excessive superannuation paid to politicians. This is the same outrageous superannuation that will see the Prime Minister one day leave parliament on an annual salary of over $166,000 for the rest of his life and the Treasurer with an annual salary of over $105,000. It is the same outrageous superannuation that sees politicians receive a whopping contribution of up to 69 per cent of their salary each year while ordinary Australians are asked to make do with nine per cent. It is the same outrageous superannuation that lets the pollies access their money immediately upon retirement, while the rest of us are forced to wait until 60—or maybe 67, if the government gets its way. All this, of course, does not apply to those setting the rules.

In a budget which calls for tough measures, it seems the only people who are not doing it tough are the pollies themselves. In fact, the Rudd government have actually boosted the money for politicians by generously awarding them an additional $90 per week for their electoral allowance. It amazes me that the Rudd government can implore Australians to knuckle down and do it tough and then have the gall to continue sticking their own snouts in the trough of perks paid for by hardworking Australians. It is a real smack in the face to all Australians who are struggling to stay afloat when they see their politicians feathering their own nests. Most incredibly, tucked away in this budget is a little gift for the Prime Minister himself: a boost to the Department of the Prime Minister and Cabinet of $13 million and an injection of 65 extra staff. At a time when Australians are told to cut back and make do, this excess by the Prime Minister is obscene.

On Tuesday, the Rudd government delivered a budget that offers no hope and no incentive and crushes the simple dreams of many Australians to own a home and to have a family and a secure retirement. The Rudd government needed to be cost conscious, but, in doing so, it has failed to also be family conscious. It has forgotten that taxpayers are real people, not just another line on the balance sheet, so when you slug taxpayers you are also slugging hardworking Australian families.

The Rudd government has trumpeted that this budget is a nation-building budget. But nation building is about much more than infrastructure and roads. It is about building a nation of people who are connected, who have hope and a belief in where they are headed. It is about building our families and building our future. Nation building is about building a sense of unity and common purpose, particularly in challenging times. In this difficult economic climate we must be working together to support those who will be out of work and to assist those who will struggle in these tough times. Our focus must be on one simple thing: looking out for one another and rebuilding this nation not just with bricks and mortar but with human infrastructure.

Debate (on motion by Senator Arbib) adjourned.

**ADJOURNMENT**

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop)—Order! It being 8.45 pm, I propose the question:

That the Senate do now adjourn.
Breast Cancer
Mrs Francesca Gwyther

Senator CAMERON (New South Wales) (8.45 pm)—Last Sunday was Mother’s Day and each year thousands of women, men and children participate in the Mother’s Day Classic, the biggest community fundraising event for breast cancer research in Australia. One in nine women will be diagnosed with breast cancer during their lifetime and only knowledge, awareness and investment in research will ensure this statistic improves. The Mother’s Day Classic is a fantastic community event that promotes awareness of breast cancer. It also highlights the importance of improving the quality of life of those suffering from the disease and how inspirational their stories and the stories of breast cancer survivors can be.

Overall, survival from breast cancer in Australia has been on the increase for several years. About 90 per cent of women aged between 40 and 69 years when diagnosed will be alive after five years. For younger women, the statistics are not so favourable. Survival is lower. Only around 82.4 per cent of those aged 20 to 29 years and 84.8 per cent of those aged 30 to 39 years will still be alive five years after being diagnosed with the illness. The bravery and strength of breast cancer survivors cannot be underestimated. Treatment is draining and sometimes invasive. It is at times like this when the support of family and friends is crucial for making these challenges that little bit easier to face.

I would like to take this opportunity to honour the memory of a dear friend of mine, Francesca, or Fran, Gwyther, who lost her battle with breast cancer in November 2008. Fran was a woman who left an impression on everyone she met. I was honoured and fortunate to know Fran during my years at the Australian Manufacturing Workers Union, where she was a great support to my colleagues and me during some of the more difficult times. She was a tremendously talented woman, an expert in the printing and mailing industry. Fran was loyal and had enormous energy, integrity and a great sense of humour. Married to John, mother to three young children—Ellie, Kate and Mark—and successful in business with her printing and mailing company, G&G Trade Publishing, Fran lived a full life—a life full of achievements, family happiness and commitment to the community.

Never content with simply watching from the sidelines, Fran put her heart and soul into everything she did. The Boroondara and North Balwyn netball associations, where she was a multiple premiership coach, Balwyn Combined Football Club and Balwyn Primary School are just a few of the many organisations Fran devoted her time to. She approached her community commitments with enthusiasm and energy. Fran put her heart and soul into everything she did—whether it was parenting, sport, coaching or being a fan of the Carlton Football Club. Fran was passionate about the Carlton Football Club and was a proud member of the club. She attended games even on the days when her illness dictated she should have stayed at home. Fran was a member of the Women of Carlton group and, always true to her strong sense of social justice, Fran fought strongly for the rights of her fellow Carlton members.

Fran was a champion of working people and always fought for the underdog. She was a generous person who was always prepared to give people a fair go. Fran was never judgmental and helped many young people get a start in their working lives. Her desire to protect the rights of her peers and to speak her mind was apparent even during her school days. This was never more evident than when she called A Current Affair after
the nuns at St Bede’s made her class let the hems of their skirts down because they were too short.

Running her own business for over 20 years gave Fran the opportunity to put her strong sense of integrity and social justice into practice. She was always open to giving people a chance and did whatever she could to help anyone she knew who was unemployed or struggling financially. Fran really understood the importance of self-respect. Giving people a reason to get out of bed and the opportunity to recognise they had something to give to society was more valuable to Fran than material wealth. Fran pursued not a life of riches but the richness of life. Despite her hectic schedule, Fran’s No. 1 priority was her family and friends. Being a mother brought her happiness and joy. Growing up, Fran had a close, loving relationship with her family and was the favourite of her father, Lennie, a hardworking and proud Italian migrant. She was a loyal sister to her two brothers and sister, and the friends she made during her years at school became friends for life.

The strong sense of fun and curiosity she had as a child remained with her until the end. It is heartbreakingly when someone so young, so loved and so vibrant leaves us before we are ready to say goodbye. After a four-year battle with breast cancer, Fran remained strong and positive well beyond a time when she could have easily given up. Questions about how she was going were always answered with humour and a smile. I will never forget the way Fran embraced life with such energy and courage. Her commitment to the union movement, her commitment to her family and her commitment to giving the underdog a chance will always remain with me. My thoughts are with her family, who displayed incredible strength during this difficult time.

The premature loss of exceptional people like Fran is a reminder to us all that so much more work needs to be done in the field of breast cancer research. As one of the top five causes of death in Australian women and the leading cause of death in 45- to 64-year-olds, breast cancer is a mystery far from being solved. However, there have been some recent medical breakthroughs and encouraging initiatives to make the lives of Australian women with breast cancer that little bit easier. These initiatives do not make things any easier for Fran’s family, who have already watched a loved one lose her battle with cancer.

Fran’s story is a sad one but one of courage—a loving wife and mother and a fantastic friend to all who knew her. Vale, Fran. You will be missed by your family; you will be missed by your friends. Your family and friends paid their respects at a packed and overflowing St Bede’s church. You will always be remembered as a beautiful, intelligent and courageous woman. Thank you for giving me the honour of being your friend.

Mrs Barbara Tweed Payne

Sir Geoffrey James Foot

Senator Barnett (Tasmania) (8.53 pm)—Tonight I stand to pay tribute to two outstanding Tasmanians who lived in Launceston, Barbara Tweed Payne and Sir Geoffrey James Foot. Barbara Payne was born in Devonport in 1926 to a family that has given much service to the people of Tasmania and Australia. She died at the age of 83 on Tuesday, 3 March 2009. She attended the local high school and then studied at the University of Tasmania, earning a Bachelor of Science in 1949. On completion of her studies she taught in Tasmania in both government and non-government schools, as well as in England, Scotland and Wales. On her return she again contributed to education in Tasmania. She was the first consultant in
science education to the Tasmanian education department and was later a teacher-educator at the Tasmanian College of Advanced Education in Launceston.

In 1952 she married Stan Payne, with whom she raised four children while continuing to remain actively involved in the community. Along with her husband, Stan, she followed in the footsteps of her family tradition by devoting her time, energy and expertise to the benefit of others. Her contribution to the community included longstanding commitment over many years to many organisations wide and varied in nature—too numerous to list in total, but I will attempt to list some.

She was President of the Australian Federation of University Women (North) from 1976 to 1977, a committee member of the Launceston Women’s Shelter from 1976 to 1979, a member of the Tasmanian Library Board from 1979 to 1984 and a committee member of the Tasmanian Duke of Edinburgh awards from 1985 to 1990. She was a director from 1980 to 1989 of the Australian Bicentennial Authority, which delivered many projects of long-lasting benefit to the community, perhaps the most spectacular of which was the Tall Ships visit to Hobart in 1988. She was also a longstanding member of the World Education Society and the National Council of Women, to which her long-standing membership and service were honoured by life membership in 2002. Barbara Payne was elected as an alderman to the Launceston City Council in 1974. She was elected deputy mayor in 1978 and mayor in 1979 and is one of three women to hold the position of Mayor of Launceston. On that note, I interpose and say that my grandfather Sinclair Thyne was the Mayor of Launceston City Council in 1950 and 1951.

In her life’s work, she was always positive and sought to better the human condition, bringing much enlightenment and wellbeing to others. Her integrity was unquestionable and she was always a role model for others to follow. Barbara Payne was never a self-promoter. Her motivation was always to provide assistance to others. This was evident when she was recognised for her contribution with an OBE in 1982 and an AM in 1989. In 1996 she was awarded the Freedom of the City of Launceston.

Together with members of my family, I had the honour and privilege of knowing both Stan and Barbara Payne. It is a great honour to pay tribute to Barbara tonight. Barbara Payne remained active in the community her entire life. In 2003 she, together with her two sisters, established the EMB Mann Tasmania University Scholarship for the promotion of science education in honour of their mother. At the time, Barbara Payne said she was honoured to give the gift of making a difference to someone else’s education.

The Hon. Sue Napier, state member for Bass and shadow minister for women, on 5 March this year tabled a notice of motion in the Tasmanian House of Assembly drawing attention to the significant contribution made by Barbara Payne, who died earlier that week. She noted that Barbara was significant in civic affairs and in promoting science both at schools and at the University of Tasmania. She said that Barbara Payne played an active role in community affairs, in so many ways benefiting Launceston and education generally. Thank you to Sue Napier and the Tasmanian Liberals for your tribute; likewise, on behalf of the Tasmanian Liberal Senate team, I pay this tribute to her tonight.

With respect to Sir Geoffrey James Foot, I met Sir Geoffrey Foot and he was also a good friend of my stepfather, Sir Raymond Ferrall. I had the privilege of being with my mother, Lady Sallie Ferrall, at the thanksgiv-
ing service in his honour just last week. Tas-
mania, in my view, lost one of its most dis-
tinguished residents with the passing of Sir
Geoffrey Foot in Launceston last week.
Apart from a few years when he lived in
Hobart during World War II, he lived all his
life in Launceston. Sir Geoffrey made an
exceptional contribution in a wide range of
fields. He was a leading accountant and
served for several years on the University of
Tasmania Council, including as Chairman of
the Finance Committee. He was an Inde-
pendent member for Cornwall in the Legisla-
tive Council from 1961 to 1972 and Leader
On 6 May, the Examiner newspaper had a
well-written article entitled ‘Accolades for
Sir Geoffrey’ by Alison Andrews. It said:
Tributes flowed yesterday for leading Launceston
businessman and former State politician Sir Geo-
frey Foot who died peacefully on Monday, aged
93.
Sir Geoffrey received accolades from both
within politics and the community that he served
for so long yesterday as a man whom people re-
spected for his integrity no matter what their po-
itical colours.
Denison Liberal MHA Michael Hodgman,
who served alongside Sir Geoffrey on the Legis-
lateive Council from 1966 to 1972, said that he had
never heard anyone say a bad word about Sir
Geoffrey.
And I’ve never heard him utter a cross word
about anyone …
He was a great Tasmanian and probably the
finest financial and economic expert that the Par-
dliament has seen.
Launceston MLC Don Wing, who provided a
eulogy at the thanksgiving service, said that
the former accountant was a leader in the
business community and a leader in his
church. ‘He was one of the most significant
Launcestonians,’ said Don Wing. Sir Geoff-
frey is survived by his daughter Jocelyn and
his two sons Warwick and Greg and their
families, including his grandchildren and
great-grandchildren. He died at the ripe old
age of 93.
In terms of his contribution, in 1980 he
was invited to accept the highest honour
within the Churches of Christ, the office of
President of the Conference of Churches of
Christ in Victoria and Tasmania. He travelled
extensively across both Tasmania and Victo-
ria during his term, visited many churches
and met many members of the Churches of
Christ. With dignity and grace he represented
the church at many ecumenical activities. In
1985, the National Executive of the
Churches of Christ requested Geoff to under-
take an investigation into the work of the
church’s Federal Aborigines Board, which
was located in Perth. He did this by travel-
ling’ much of the time at his own expense,
and visiting mission fields in Queensland
and Western Australia.
Sir Geoffrey enjoyed almost 30 years on
the council of the Australian Bible Society—
a wonderful institution—where he travelled
to Sydney and, again at his own cost, served
four years as national president and 20 years
as national treasurer. It was understandable
that, in the year 2000, the Australian Bible
Society awarded him a very rare honour—
the Elizabeth Macquarie Award—for his life-
long service.
For about a decade Sir Geoffrey was trus-
tee and treasurer of the Launceston City Mis-
sion and played a significant contribution
when he encouraged his fellow trustees to
purchase a property on the corner of Freder-
wick and William streets and build an exten-
sion to join the existing Mission Hall. Sir
Geoffrey also made a contribution to the
Salvation Army, where he was appointed
chairman of the Launceston advisory board
and served for 10 years. He was also a long-

serving director of the Tasmanian Permanent
Building Society, which endowed the Sir
Geoffrey Foot Award to acknowledge Sir Geoffrey’s contribution to the Tasmanian financial sector. The award is periodically awarded to a young University of Tasmania student studying business or economics. He was knighted in the New Year Honours List of 1984 for his long and distinguished community service and was awarded the honorary degree of Doctor of Laws by the University of Tasmania in 1988.

It has been an honour and a pleasure for me to pay this tribute to such a man and, as a good friend of his son Greg Foot, to also pay tribute to him, to his brother Warwick Foot and to his sister Jocelyn Freedman and note that, in particular, Greg’s son Tim Foot wrote a lovely poem. He was in the USA and the tribute—that poem—was paid to his papa at the thanksgiving service just last week. Finally, he was a strong supporter of the Blues, both the Launceston Football Club and the Carlton Football Club, and he loved them dearly. He will be much missed.

Australian Wine Industry

Senator FARRELL (South Australia) (9.03 pm)—I rise to speak about the Australian wine industry, and I trust be Senate will forgive me if I become a little parochial and refer specifically to my own state of South Australia.

It was recently my pleasure to meet with a delegation from the Winemakers Federation of Australia and to hear how the industry is doing and the challenges and opportunities it faces. The wine sector is one of Australia’s major success stories. Over recent decades, wine has enjoyed strong production and export growth, substantial investment, high levels of innovation and increased employment, particularly in regional communities. Its contribution to employment and regional Australia has been substantial. In regional communities, the number of wineries has more than doubled in 10 years to approximately 2,300 in 2008. Wine grape growing contributes to the economy in 89 defined wine areas throughout Australia. Importantly, the wine sector supports almost 30,000 jobs directly and another 30,000 jobs indirectly. In several regions direct employment in grape growing and wine production constitutes more than 20 per cent of total employment. When supported employment is included, the contribution of the wine industry to these regions is much higher.

As of 2008, there were 2,299 wineries operating in Australia, with Victoria having the highest number of wineries at 687, followed by South Australia with 607. New South Wales and the ACT have a combined total of 452, Western Australia has 356, Queensland—your home state, Mr President—has 107 and Tasmania has 90. In fact, the Northern Territory is the only state or territory where the wine industry is not a major employer in regional areas. The vast majority of these wineries are small, with around 70 per cent having an annual crush of less than 100 tonnes. South Australia still produces most of Australia’s wine and boasts some of the oldest individual wines in the world, partly because many vines in Europe were destroyed by phylloxera in the late 1800s. There has been a strong rise in regional investment in infrastructure. Around $1.8 billion was invested in new vineyard development in the 1990s and $1.1 billion was invested in the first seven years of this decade. There was around $1.6 billion of capital investment in winery infrastructure between 2001 and 2005. Unlike many industries, wine has the side benefit of being a major contributor to tourism, and the nation’s 1,625 wineries that offer cellar door sales are all key players. Between 2000 and 2006, the number of domestic overnight wine visitors increased at an annual average rate of six per cent, while domestic and international day visitors in-
creased by five per cent and eight per cent respectively.

Wine is Australia’s third largest agricultural export and reached a record $3.02 billion in July 2007. Export volumes have increased by over 225 per cent in the past decade, while export value has grown by 170 per cent. Meanwhile, domestic sales of Australian wine have grown by 22 per cent by volume over the same period. This growth has been broadly based, with the number of major export markets penetrated increasing from six to 17 over the same period. The total number of export markets for Australian wine has doubled from 66 to 130. Australian wine has achieved its growth by improving its market share against other overseas competitors, with Australian sales share of global wine market growing from three per cent in 2000 to five per cent in 2006. The Australian wine share of world trade value has similarly increased from 6.6 per cent in 2000 to 9.4 per cent in 2006. Today Australia is the world’s sixth largest wine producer and the world’s fourth largest wine exporter by volume. Our top export markets include the United Kingdom, worth $795 million; the United States, worth $685 million; Canada, worth $221 million; New Zealand, worth $84 million; China, worth $73 million; and Holland, worth $60 million.

Despite its success, the wine sector faces a number of serious challenges. There has been strong production growth in the New World wine producing region, including Argentina, California, Chile and South Africa, while the Old World wine areas, such as France and Italy, are responding to such growth by improving marketing, adjusting production methods and making regulatory changes to increase their efficiency. In the Australian market, locally produced wine is losing share to imports, resulting in a reversal of a longstanding growth trend. Imports have significantly increased their market penetration in Australia, from three per cent in the year 2000-01 to 11 per cent in 2007-08. In the export market, Australian wine is suffering volume and margin declines in its largest markets of the United Kingdom and the United States. This is not being offset by growth in the newer markets of China, Hong Kong, Japan and the United Arab Emirates. The volume of Australian wine exports declined by 12 per cent in 2007-08 and the value of exports fell by 11 per cent, the first drop in more than 14 years. Retail consolidation and the trend to discounting are also hitting wine manufacturers. Small producers in particular are facing an increased challenge to find a route to market and maintain margins, with many relying more heavily on cellar door, mail order and internet sales.

While there are significant challenges facing the industry, there are also many opportunities. In May 2007 the Australian wine sector launched Wine Australia: Directions to 2025, an industry strategy for sustainable success. Directions was developed to reassess the priorities and challenges facing the industry and identify the potential for the Australian wine sector to sell an extra $4 billion worth of wine over the next five years, lifting cumulative domestic sales and export sales for the period to $30 billion. In addition, emerging markets, such as China, present a significant opportunity for Australian producers. In June 2007 China became the top export destination for Australian bottled wine in Asia. It is expected that this demand will continue to grow, although the global financial crisis is affecting wine sales, as it is with scores of other products.

Of course, South Australia, as the leading wine state, has played an important national role in this industry. Wine grapes were first grown by John Reynell, who planted 500 cuttings near the present township of Reynella in 1841. He was quickly followed by George Anstey, who planted 2,000 cuttings
in Highercombe in 1843, and Dr Christopher Rawson Penfold, who quite rightly believed that wine was a useful medicinal and planted his first vineyard at Magill at the foot of the Mount Lofty Ranges in 1844—roughly where the renowned Grange Hermitage vines are now located. German settlers also pioneered the Barossa Valley, where Johann Gramp planted the vines at Jacob’s Creek in 1847. He was followed by Samuel Hoffman, who settled at Tanunda in 1848, and Samuel Smith, who planted the Yalumba vineyards in 1849. Scottish born John Riddoch settled in the Coonawarra in 1861, where he established the Penola Fruit Growing Colony in 1890. It was subsequently renamed Coonawarra in 1897, signalling the birth of Coonawarra’s internationally renowned quality wine. Even by the late 1840s, South Australian wines were making their appearance at dinners given in London by promoters and friends of the new colony. Government regulations, however, were strict, especially on distillers, and this checked expansion of the industry for a while. When one vigneron sent a case of wine to Queen Victoria and got a medal from Prince Albert in 1846, Mount Barker magistrates fined him 10 pounds for making wines without a licence.

In closing, I would like to add that the wine industry will not be immune from the current economic crisis affecting many of our trading partners around the world. Collapsing consumer confidence means that discretionary purchases, including wine, are typically deferred, and the impact of the global financial crisis along with exchange rate volatility would appear to already be having an effect on our export markets. It is said that wine improves with age, and I heartily concur. The older I get, the more I like it!

**Sudan**

**Senator FEENEY** (Victoria) (9.14 pm)—I rise this evening to talk about the continuing crisis in the Darfur region of Sudan, a crisis which the world, very sadly, seems to have turned its back on. As we enjoy glorious autumn days in Canberra, the rainy season is now beginning in the Sudan. In Sudan, the rainy season is known as the hunger season. Today, more than two million people in Sudan and over the border in the refugee camps in Chad are facing a slow death through starvation and disease.

Two months ago, the Sudanese dictator, General Omar al-Bashir, expelled international aid agencies from the country, ending one of the largest humanitarian relief operations in the world, an operation that was bringing at least a bare minimum of food, water and health care to these millions of hopeless, wretched people. President al-Bashir took this callous action in retaliation for the International Criminal Court’s decision to indict him for crimes against humanity. His reaction to being accused of crimes against humanity was to prove the validity of those charges by committing an even more dramatic crime against humanity—that is, ensuring the lingering death of tens of thousands of people by cutting them off from their lifeline, the work of international aid agencies.

These agencies were supplying health services to 1.5 million people and water and sanitation for 1.2 million. The World Food Program had been distributing food rations to nearly two million displaced people in refugee camps. Deaths in these squalid refugee camps will now escalate as these people are cut off from aid, with no ability at this time of year to find alternative sources of food. Immunisation programs and disease control have also been suspended, so the risk
of infectious disease will rise rapidly with the arrival of the rainy season.

The situation in Darfur has been an international scandal ever since President al-Bashir launched his campaign of racist genocide against Sudan’s black minority in 2003. President al-Bashir seized power in a coup in 1989, overthrowing the elected government. Since then he has sought to bolster his power by imposing radical Islamism on his country and by inciting racial, religious and ethnic hatred among the majority Arab population against the black minorities in the south and in the Darfur region.

The fact that the Darfuris are Sunni Muslims like the Arab majority has not deterred President al-Bashir, his armed forces or the murderous Janjaweed militias which he has armed and unleashed against the defenceless villages of Darfur. What sets the Darfuris apart is not their religion but the fact that they are black Africans. The word ‘Sudan’ derives from the Arabic ‘bilad al-sudan’, which means ‘land of the blacks’. The Arab world sees Sudan as a frontier zone, an area contested historically between the Arab and African peoples.

The al-Bashir regime has sought to drive all the Darfuri people out of Sudan through a ruthless campaign of violence, rape, terror and starvation. The campaign has claimed over 300,000 lives and forced 2.7 million people from their homes. Several hundred thousand of these are in neighbouring Chad, also a poor country, which cannot afford to house or feed them. The rest are internally displaced inside Sudan, unable to return to their homes for fear of the army and the militias.

The international response to this human catastrophe has been frankly pathetic. The Arab League, not surprisingly, has unconditionally supported President al-Bashir and has opposed any sanctions against Sudan. They also apparently share Sudan’s views about the black majority. We should remember that African slavery was only legally abolished in Saudi Arabia in 1962, and it is alleged that it may still be covertly practised there as well as in Sudan, Yemen, Mauritania and other states on the Arab-African frontier. This is why it was so grotesque that Sudan was one of the organisers of the recent UN anti-racism conference in Geneva, generally known as Durban II.

In 2004 the African Union set up the African Mission in Sudan, AMIS, as a peacekeeping force for Darfur, but the sad fact is that the states of the African Union, many of which have their own internal problems, are too weak and/or too poor to mount an effective challenge to the Sudanese military, even if they had the political will to do so. Pledges of aid to the African Union from western countries were not honoured. Most notably, the Bush administration promised $50 million but failed to deliver it.

In 2007 it was recognised that the African Union was not up to this task, and a joint EU-NATO mission under UN auspices, known as UNMIS, which was designed to put AMIS on a better footing, was launched. But in the face of noncooperation from Sudan, and without a mandate to use force to prevent armed attacks on Darfuri villages and refugee camps, the effectiveness of this force has been very limited. Seven years after the onset of Sudan’s murderous campaign against its own people, and despite many expressions of good intentions from western and African leaders, the people of Darfur are still largely defenceless and friendless in the face of these attacks.

The Darfur peacekeeping mission is supposed to be the world’s biggest but, 15 months after its launch, only 15,700 of its planned 26,600 soldiers have been deployed, and few of them are adequately equipped or
trained for their mission. We should remember that the region of Darfur is in fact larger in size than the nation of France. Professor Amanda Grzyb, author of the book *The World and Darfur*, says:

There just isn’t that will from the individual governments to contribute to the mission … It is under-staffed, under-resourced and under-funded. There is just no will to support the mission in the international community.

And what about the United Nations? Why is the world body not imposing tough sanctions on Sudan? The answer is that China and Russia have used the threat of their veto on the UN Security Council to block any attempt to impose serious sanctions on Sudan. President al-Bashir knows that he can rely on diplomatic cover, arms supplies and financial assistance from both China and Russia. The reason is that Sudan has large reserves of oil and natural gas and that China has made huge investments in oil wells, refineries and transport infrastructure to facilitate Sudanese oil exports to China. Russian oil companies are also active in Sudan. In 2003 China signed a US$70 billion deal with Sudan, basically an oil-for-arms swap, which gave China a huge stake in the survival of President al-Bashir’s regime. Sudan also imports arms from Russia.

It is not possible for Australia to solve the crisis in Sudan on our own. But we can and should use our international influence to keep the Darfur issue on the international agenda and particularly to persist in raising the Darfur question in our dealings with China, President al-Bashir’s principal ally. Over the past five years Australia has given $40 million in aid to Sudan, of which $30m has been allocated to assist refugees in Darfur. This does give us a stake in the international response to the crisis, which is a completely man-made crisis. Australia, like other western countries, is spending money to help people who have been rendered homeless and destitute by the criminal acts of President al-Bashir. It is time the international community took a much tougher line with the government of Sudan and we must not forget the humanitarian crisis that continues to unfold there.

**Senate adjourned at 9.22 pm**

**DOCUMENTS**

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]


2009/10—Defence Endowments Account Variation and Abolition 2009 [F2009L01750]*.


2009/12—Fedorczenko Legacy Fund Account Variation and Abolition 2009 [F2009L01752]*.

2009/13—Fedorczenko Legacy Special Account Establishment 2009 [F2009L01753]*.

Fisheries Management Act—Eastern Tuna and Billfish Fishery Management Plan 2005—ETBF Direction No. 09/01—Daylight Setting Closure [F2009L01745]*.

Higher Education Support Act—Higher Education Provider Approval (No. 4 of 2009)—Southbank Institute of Technology [F2009L01780]*.

Military Rehabilitation and Compensation Act—Military Rehabilitation and Compensation (Pay-related Allowances) Determination 2009 (No. 2) [F2009L01615]*.

National Health Act—Instrument Nos PB—

40 of 2009—Amendment determination—pharmaceutical benefits [F2009L01712]*.
43 of 2009—Amendment Special Arrangements — Highly Specialised Drugs Program [F2009L01716]*.

44 of 2009—Amendment Special Arrangements — Chemotherapy Pharmaceuticals Access Program [F2009L01715]*.

* Explanatory statement tabled with legislative instrument.

**Department and Agency Appointments**

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

Departmental and agency appointments—Budget estimates—Letter of advice—Broadband, Communications and the Digital Economy portfolio agencies.

**Department and Agency Grants**

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

Departmental and agency grants—Budget estimates—Letter of advice—Broadband, Communications and the Digital Economy portfolio agencies.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Kyoto Protocol
(Question No. 1301)

Senator Cormann asked the Minister for Climate Change and Water, upon notice, on 18 February 2009:
In regard to Australian financial liability for failing to meet requirements under the terms of the Kyoto Protocol ratified by the Rudd Government in December 2007:
(1) (a) What is the current estimated financial liability for the 2008-12 period; and
   (b) what specific requirements does any of this liability relate to.
(2) (a) What is the current estimated carbon price; and
   (b) what is the estimated total emissions in excess of Australia’s emissions target.
(3) How is the estimated carbon price determined.
(4) (a) When does the financial liability accrue to Australia; and
   (b) to whom will this liability be paid.

Senator Wong—The answer to the honourable senator’s question is as follows:
Please refer to the response to question on notice 1300.

Finance and Deregulation: Vehicle Leasing
(Question No. 1302)

Senator Ronaldson asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 18 February 2009:
With reference to the Commonwealth Government’s whole-of-government vehicle leasing arrangements:
(1) How many vehicles are currently leased by each department, including their portfolio agencies.
(2) By department, how many of the vehicles in (1) above:
   (a) are powered by Liquefied Petroleum Gas or Liquefied Natural Gas engines;
   (b) are powered by hybrid electric-petrol engines;
   (c) are purely petrol-driven four cylinder engines; and
   (d) have either: (i) turbocharged engines, (ii) supercharged engines, or (iii) eight cylinder engines.
(3) (a) What was the total cost of the Commonwealth Government’s vehicle contract for the 2007-08 financial year; and (b) what amount of the total cost was for petrol.

Senator Sherry—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:
(1) As at 30 June 2008, there were 7,900 commercial and passenger vehicles leased under the whole-of-government Fleet Management Agreement (FMA). This includes all agencies that operate subject to the Financial Management and Accountability Act 1997 and some agencies that operate subject to the Commonwealth Authorities and Companies Act 1997 which have elected to use the FMA.
(2) (a) 214 vehicles are powered by Liquefied Petroleum Gas. No vehicles are powered by Liquefied Natural Gas engines.
(b) 172 vehicles are powered by hybrid electric-petrol engines;
(c) 2,509 vehicles are purely petrol-driven four cylinder engines; and
(d) 74 vehicles have petrol powered turbocharged engines. No vehicles have supercharged engines. 160 vehicles have eight-cylinder engines.
Please refer to the table at Attachment A.
In preparing the answer, the following assumptions have been made:
- The dual-fuel (petrol / liquefied petroleum gas) Holden Commodore has been listed as LPG-fuelled.
- Turbocharged and supercharged vehicles have been interpreted as referring to high-performance passenger vehicles. Small passenger vehicles powered by four-cylinder turbo-diesel engines have been listed in the table as diesel fuelled vehicles because they are not high-performance vehicles. Similarly, commercial vehicles powered by a range of turbo-diesel engines have been listed as diesel vehicles.

(3) (a) The total cost for the Commonwealth Government’s vehicle leasing arrangements (inclusive of fuel) for the period of 1 July 2007 to 30 June 2008 was $118,756,846 (ex GST).
(b) The total cost for petrol for the period from 1 July 2007 to 30 June 2008 was $20,727,307 (ex GST).
Attachment A
The table below details the vehicles in each category as at 30 June 2008. With regard to Question 2(a), there are no vehicles in the fleet fuelled by Liquefied Natural Gas.

<table>
<thead>
<tr>
<th></th>
<th>Number of Vehicles</th>
<th>4-Cyl Petrol</th>
<th>8-Cyl</th>
<th>Hybrid</th>
<th>LPG</th>
<th>Turbo (petrol)</th>
<th>Diesel (inc turbo diesel)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agriculture, Fisheries and Forestry Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Agriculture, Fisheries and Forestry</td>
<td>76</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>21</td>
<td>41</td>
</tr>
<tr>
<td>Australian Quarantine and Inspection Service</td>
<td>455</td>
<td>177</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>42</td>
<td>235</td>
</tr>
<tr>
<td><strong>Attorney-Generals Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attorney-General’s Department</td>
<td>67</td>
<td>13</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>48</td>
</tr>
<tr>
<td>Administrative Appeals Tribunal</td>
<td>20</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Australian Customs and Border Protection Services</td>
<td>374</td>
<td>58</td>
<td>4</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>61</td>
<td>243</td>
</tr>
<tr>
<td>Australian Federal Police</td>
<td>1,025</td>
<td>177</td>
<td>41</td>
<td>1</td>
<td>68</td>
<td>25</td>
<td>102</td>
<td>611</td>
</tr>
<tr>
<td>Australian Federal Police Association</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Australian Institute of Police Management</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>Number of</th>
<th>4-Cyl</th>
<th>8-Cyl</th>
<th>Hybrid</th>
<th>LPG</th>
<th>Turbo</th>
<th>Diesel</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>Petrol</td>
<td>Cylinder</td>
<td>(petrol)</td>
<td>(petrol)</td>
<td>(inc turbo diesel)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Transaction Reports and Analysis Centre</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>CrimTrac Agency</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Family Court of Australia</td>
<td>49</td>
<td>3</td>
<td>14</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td>Federal Court of Australia</td>
<td>52</td>
<td>3</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>31</td>
</tr>
<tr>
<td>Federal Magistrates Court of Australia</td>
<td>54</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>41</td>
</tr>
<tr>
<td>Human Rights and Equal Opportunity Commission</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Insolvency and Trustee Service Australia</td>
<td>8</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>National Capital Authority</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>National Native Title Tribunal</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Office of Parliamentary Counsel</td>
<td>7</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Office of the Director of Public Prosecutions</td>
<td>15</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Broadband, Communications and the Digital Economy Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Broadband, Communications and the Digital Economy</td>
<td>20</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>Australian Communications and Media Authority</td>
<td>37</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Australian Broadcasting Corporation</td>
<td>293</td>
<td>72</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>185</td>
</tr>
<tr>
<td><strong>Defence Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Defence</td>
<td>458</td>
<td>82</td>
<td>27</td>
<td>1</td>
<td>3</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Defence Services Homes Insurance</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Defence Housing Authority</td>
<td>163</td>
<td>161</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Employment, Education and Workplace Relations Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Education, Employment and Workplace Relations</td>
<td>320</td>
<td>82</td>
<td>9</td>
<td>9</td>
<td>3</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>Australian Industrial Registry</td>
<td>43</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Office of the Australian Building and Construction Commissioner</td>
<td>21</td>
<td>16</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Office of the Workplace Ombudsman</td>
<td>60</td>
<td>42</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Number of Vehicles</td>
<td>4-Cyl Petrol</td>
<td>8-Cylinder</td>
<td>Hybrid</td>
<td>LPG (petrol)</td>
<td>Turbo (petrol)</td>
<td>Diesel (inc turbo diesel)</td>
<td>Other</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------</td>
<td>------------</td>
<td>--------</td>
<td>-------------</td>
<td>---------------</td>
<td>------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Comcare</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Environment, Water, Heritage and the Arts Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Environment, Water, Heritage and the Arts</td>
<td>56</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>2</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>Australian Antarctic Division</td>
<td>12</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Parks Australia</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Office of Supervising the Scientist</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Great Barrier Reef Marine Park Authority</td>
<td>12</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Bureau of Meteorology</td>
<td>87</td>
<td>15</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>27</td>
<td>43</td>
</tr>
<tr>
<td>Australian Film Television and Radio School</td>
<td>5</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>National Film and Sound Archive</td>
<td>5</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>National Library of Australia</td>
<td>8</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>National Museum of Australia</td>
<td>14</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Sydney Harbour Federation Trust</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ionospheric Prediction Service</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Families, Housing, Community Services and Indigenous Affairs Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Families, Housing, Community Services and Indigenous Affairs</td>
<td>296</td>
<td>58</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>147</td>
</tr>
<tr>
<td>Social Security Appeals Tribunal</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Finance and Deregulation Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Finance and Deregulation</td>
<td>53</td>
<td>8</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Australian Electoral Commission</td>
<td>25</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>COMCAR</td>
<td>148</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>ComSuper</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Ministerial and Parliamentary Services</td>
<td>276</td>
<td>9</td>
<td>12</td>
<td>16</td>
<td>5</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td><strong>Foreign Affairs and Trade Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Foreign Affairs and Trade</td>
<td>126</td>
<td>24</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>AusAID</td>
<td>24</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th></th>
<th>Number of Vehicles</th>
<th>4-Cyl Petrol</th>
<th>8-Cylinder</th>
<th>Hybrid</th>
<th>LPG (petrol)</th>
<th>Turbo (petrol)</th>
<th>Diesel (inc turbo diesel)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australian Centre for International Agricultural Research</strong></td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Australian Trade Commission</strong></td>
<td>9</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Health and Ageing Portfolio</strong></td>
<td>91</td>
<td>67</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>Department of Health and Ageing</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Australian Radiation Protection and Nuclear Safety Agency</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Australian Sports Anti-Doping Authority</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>National Blood Authority</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>National Health and Medical Research Council</td>
<td>22</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Aged Care Standards and Accreditation Agency Ltd</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Human Services Portfolio</strong></td>
<td>9</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Department of Human Services</td>
<td>945</td>
<td>741</td>
<td>1</td>
<td>2</td>
<td>50</td>
<td>0</td>
<td>44</td>
<td>107</td>
</tr>
<tr>
<td>Medicare Australia</td>
<td>105</td>
<td>43</td>
<td>0</td>
<td>12</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Australian Hearing Services</td>
<td>40</td>
<td>19</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Health Services Australia Ltd</td>
<td>53</td>
<td>6</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>37</td>
</tr>
<tr>
<td>Child Support Agency</td>
<td>32</td>
<td>27</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>CRS Australia</td>
<td>224</td>
<td>114</td>
<td>1</td>
<td>0</td>
<td>14</td>
<td>0</td>
<td>4</td>
<td>91</td>
</tr>
<tr>
<td><strong>Immigration and Citizenship Portfolio</strong></td>
<td>193</td>
<td>43</td>
<td>0</td>
<td>20</td>
<td>7</td>
<td>1</td>
<td>26</td>
<td>96</td>
</tr>
<tr>
<td>Department of Immigration and Citizenship</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Migration and Refugee Review Tribunal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Infrastructure, Transport, Regional Development and Local Government Portfolio</strong></td>
<td>53</td>
<td>17</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>34</td>
</tr>
<tr>
<td>Department of Infrastructure, Transport, Regional Development and Local Government</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airservices Australia</td>
<td>144</td>
<td>10</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>54</td>
<td>78</td>
</tr>
<tr>
<td>Australian Rail Track Corporation Ltd</td>
<td>106</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>48</td>
<td>58</td>
</tr>
</tbody>
</table>
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Number of Vehicles</th>
<th>4-Cyl Petrol</th>
<th>8-Cylinder</th>
<th>Hybrid</th>
<th>LPG (petrol)</th>
<th>Turbo (petrol)</th>
<th>Diesel (inc turbo diesel)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Civil Aviation Safety Authority</strong></td>
<td>39</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Innovation, Industry, Science and Research Portfolio</strong></td>
<td>86</td>
<td>15</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Department of Innovation, Industry, Science and Research</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian Research Council</td>
<td>7</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>IP Australia</td>
<td>8</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Parliament Portfolio</strong></td>
<td>7</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Department of the Senate</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Department of the House of Representatives</td>
<td>16</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Prime Minister and Cabinet Portfolio</strong></td>
<td>37</td>
<td>13</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Department of the Prime Minister and Cabinet</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian Institute of Family Studies</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian National Audit Office</td>
<td>7</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian Public Service Commission</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>National Archives of Australia</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Office of the Commonwealth Ombudsman</td>
<td>13</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Resources, Energy and Tourism Portfolio</strong></td>
<td>15</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Department of Resources, Energy and Tourism</td>
<td>27</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Geoscience Australia</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Treasurer Portfolio</strong></td>
<td>64</td>
<td>31</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>The Treasury</td>
<td>21</td>
<td>9</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian Bureau of Statistics</td>
<td>9</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Number of Vehicles</th>
<th>4-Cyl Petrol</th>
<th>8-Cylinder</th>
<th>Hybrid</th>
<th>LPG (petrol)</th>
<th>Turbo (petrol)</th>
<th>Diesel (inc turbo diesel)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Taxation Office</td>
<td>456</td>
<td>147</td>
<td>11</td>
<td>37</td>
<td>0</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Commonwealth Grants Commission</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Australian Valuation Office</td>
<td>68</td>
<td>21</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Productivity Commission</td>
<td>11</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Royal Australian Mint</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Veterans’ Affairs Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Veterans’ Affairs</td>
<td>73</td>
<td>29</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Australian War Memorial</td>
<td>10</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>7,900</strong></td>
<td><strong>2,509</strong></td>
<td><strong>160</strong></td>
<td><strong>172</strong></td>
<td><strong>214</strong></td>
<td><strong>74</strong></td>
<td><strong>778</strong></td>
</tr>
</tbody>
</table>

1 Diesel and diesel turbo vehicles have been included in the response to provide a more complete picture of the fleet.

**Dr Geoff Mulgan**

(Question No. 1303)

**Senator Cormann** asked the Minister representing the Prime Minister, in writing, on 24 February 2009:

(1) Under what terms was Dr Geoff Mulgan contracted to the department in June 2008.
(2) For what period of time is Dr Mulgan contracted to the department.
(3) Are there any provisions to extend any initial contract period.
(4) What services has Dr Mulgan provided to the department since June 2008.
(5) What services is Dr Mulgan expected to provide over any remaining period under the contract.
(6) What fee or remuneration is Dr Mulgan or any associated business entity being paid under his contract with the department.
(7) Is Dr Mulgan contracted by any other Commonwealth department, agency or authority or directly by any minister or the Prime Minister; if so, what are the terms, as per (1) to (6) above, of any such contracts.
(8) Have any additional contracts been entered into by the department with Dr Mulgan, Mr Alan Milburn, Mr Tom Bentley, the Young Foundation or Demos since coming to office in November 2007; if so, what are the terms, as per (1) to (6) above, of any such contracts.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator’s question:

(1) The Department of the Prime Minister and Cabinet (the Department) contracted Dr Geoff Mulgan between 20 June 2008 and 19 June 2009. The maximum value of the contract was $50,000 plus allowances and involved the provision of:

- advice and assistance in establishing the new Strategy and Delivery Division, including lessons from the Prime Minister’s Strategy Unit in the United Kingdom; and
- support for the development of a strategic approach to Australia’s future directions, arising from, and in connection with, the outcomes of the Australia 2020 Summit.

(2) The Department contracted Dr Mulgan between 20 June 2008 and 19 June 2009.

(3) There are no provisions to extend Dr Mulgan’s contract period.

(4) and (6) To date Dr Mulgan has provided three periods of services to the department since 20 June 2008:
   - a week in June 2008, provided at a total cost of $15,210;
   - a week in September 2008, provided at a total cost of $14,950; and
   - a week in February 2009, provided at a total cost of $14,950.

(5) At this time Dr Mulgan is not expected to provide any further services over the remaining contract period.

(7) The Department does not hold information regarding the contracts of other Commonwealth departments, agencies or ministers’ offices.

(8) The Department has not entered into contracts with Mr Alan Milburn, Mr Tom Bentley, the Young Foundation or Demos since November 2007. The Department has not entered into additional contracts (beyond that detailed above) with Dr Mulgan.

**Deputy Director-General of the Australian Secret Intelligence Service**

*(Question No. 1304)*

Senator Ludlam asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 February 2009:

With reference to the article by Mr Patrick Walters, ‘Intelligence shake-up as ASIO chief Paul O’Sullivan shifts to diplomatic job’, in The Australian of 21 February 2009:

(1) Was the public identification of Mr Stephen Robinson as the deputy Director-General of the Australian Secret Intelligence Service (ASIS) authorised or consented to by the Minister or the Director-General of ASIS in accordance with section 41 of the Intelligence Services Act 2001.

(2) If the identification of a person as the deputy Director-General of ASIS was authorised or consented to: (a) when was this done; and (b) was it made in writing.

Senator Faulkner—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

The Government notes some speculation in the media regarding the identity of the Deputy Director-General of ASIS. Section 41 of the *Intelligence Services Act 2001* provides that

**A person is guilty of an offence:**

(a) if:
   (i) the person identifies a person as being, or having been, an agent or staff member of ASIS; and
   (ii) the identification is not of the Director-General or such other persons as the Director-General determines; or

(b) if:
   (i) the person makes public any information from which the identity of such a person could reasonably be inferred, or any information that could reasonably lead to the identity of such person being established; and
   (ii) the Minister of Director-General has not consented in writing to the information being made public; and
(iii) the information has not been made public by means of broadcasting or reporting proceedings of the Parliament (other than proceedings of the Committee) as authorised by the Parliament.

Penalty: Imprisonment for 1 year or 60 penalty units, or both.

No approval has been given by the Director-General or the Minister for the identification of any ASIS officer other than the Director-General.

As a result of speculation in a number of media outlets regarding movements within the Australian Intelligence Community, including ASIS, the Government felt it timely to draw the attention of several editors to the terms of Section 41 of the Intelligence Services Act 2001 by way of a formal letter from the Australian Government Solicitor.

Defence: Staffing

(Question No. 1305)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

(1) As at 31 December 2008: (a) how many uniformed staff are there in each of the three service areas (i.e. army, navy and air force); and (b) how many civilian staff are there in each of the service areas.

(2) In the period 1 October to 31 December 2008, how many uniformed personnel were recruited to each of the service areas.

(3) In the period 1 October to 31 December 2008: (a) how many uniformed staff resigned from each of the service areas; and (b) how many civilian staff resigned from each of the service areas.

(4) In the period 1 October to 31 December 2008, how many temporary civilian positions existed, or were created, in each of the service areas.

(5) (a) In the period 1 October to 31 December 2008, how many civilian employees have been employed on contract; and (b) what is the average length of their employment period in each of the service areas.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s questions:

(1) (a) Army: 26,695
Navy: 12,669
Air Force: 13,873
(b) Army: 1,047
Navy: 899
Air Force: 920

(2) Army: 768
Navy: 188
Air Force: 204

(3) (a) Army: 533
Navy: 241
Air Force: 172
(b) Army: 14
Navy: 13
Air Force: 8
Thursday, 14 May 2009

(4) Army: 77
    Navy: 15
    Air Force: 24
(5) (a) Army: 0
    Navy: 5
    Air Force: 9
    (b) There is insufficient data available to determine the average length of employment contracts.

**Defence: Staffing**

(Question No. 1306)

*Senator Johnston* asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

(1) In the period 1 October to 31 December 2008, was there a reduction in uniformed staffing numbers as a result of the efficiency dividend and/or other budget cuts in the army, navy or air force; if so, where and at what level.

(2) In the period 1 October to 31 December 2008, was there a reduction in civilian staffing numbers as a result of the efficiency dividend and/or other budget cuts in the army, navy or air force; if so, where and at what level.

*Senator Faulkner*—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) No.

(2) No

**Defence: Submarines**

(Question No. 1307)

*Senator Johnston* asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

(1) In the period 1 October to 31 December 2008: (a) which submarines in the Royal Australian Navy (RAN) fleet were: (i) fully operational with full crew compliments, and (ii) non-operational; and (b) for each submarine that was non-operational, what was the reason for its non-operational status.

(2) In the period 1 October to 31 December 2008, how many fully qualified personnel were permanently employed in the RAN to operate submarines.

*Senator Faulkner*—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (a) (i) HMA Ships *Collins and Waller*. HMAS *Farncomb* was fully crewed but not fully operational as it conducted post-docking sea trials and work-up training during this period.

    (ii) HMA Ships *Dechaineux, Sheean, Rankin*.

    (b) HMA Ships *Dechaineux* and *Sheean* were non-operational undergoing Full Cycle Docking in Adelaide as part of the planned maintenance and upgrade cycle. HMAS *Rankin* is unmanned in Adelaide awaiting the start of its Full Cycle Docking.

(2) 422 submarine-qualified personnel in the RAN. Not all of these officers and sailors are posted to submarine positions; some are working in other parts of the Navy or Defence.

QUESTIONS ON NOTICE
Defence: Frigates
(Question No. 1308)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

In the period 1 October to 31 December 2008: (a) which frigates were fully operational with full crewing commitments; (b) of those frigates that were not operational, what were the reasons for their non-operational status; (c) what were the operational strengths of the engineering officers and sailors on the frigates; and (d) what were the operational strengths of non-engineering officers and sailors on the frigates.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(a) HMA Ships Anzac, Parramatta and Toowomba.

(b) HMAS Stuart was fully operational until November when the ship entered scheduled maintenance. HMA Ships Sydney, Arunta, Ballarat, Perth and Warramunga were at a lower level of operational readiness due to scheduled maintenance, post maintenance trials, assessments and training exercises. These ships also undertook at-sea training activities.

HMAS Melbourne was at a lower level of operational readiness, and was at sea for most of the period conducting navigational training and regional engagement activities.

HMAS Darwin was at a lower level of operational readiness, completing trials following the Adelaide Class upgrade program and submarine consort activities.

HMAS Newcastle was at a lower level of operational readiness, completing the production work phase of the Adelaide Class upgrade, followed by contractor sea trials in November 2008.

(c) Anzac Class Frigates were on average 91 per cent crewed with engineering officers and 97 per cent engineering sailors. Adelaide Class Frigates were 100 per cent crewed with engineering officers and 89 per cent engineering sailors.

(d) Anzac Class Frigates were on average 88 per cent crewed with non-engineering officers and 95 per cent non-engineering sailors. Adelaide Class Frigates were on average 88 per cent crewed with non-engineering officers and 86 per cent non-engineering sailors.

Defence: Budget
(Question Nos 1309 and 1310)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

For each agency within the responsibility of the Minister/Parliamentary Secretary:

(1) (a) In the period 1 October to 31 December 2008, what discussions or meetings were conducted regarding the Government’s ‘Razor Gang Mk II’; and (b) has the razor gang indicated any cuts or savings to be made by the department or agency.

(2) (a) What special accounts does the agency currently hold; (b) as at 31 December 2008, how much is in these accounts; (c) does the agency use the interest from these accounts to fund ongoing operations; and (d) has the razor gang given any indication about the future of these accounts.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (a) None. (b) No.

(2) (a) and (b) Please see below.
Questions on Notice

Account Name | Balance
-------------|---------
Defence Endowments Account (Defence) | $304,509
Fedorczenko Legacy Fund Account (Defence) | $158,689
Other Trust Moneys Account (Defence) | $2,991,211
Services for Other Governments and Non-Agency Bodies Account (Defence) | $80,420,550
Young Endeavour Youth Program Operating Fund Account (Defence) | $875,713
Defence Material Special Account (Defence Materiel Organisation) | $4,957,307,081
Other Trust Money – Defence Materiel Organisation Special Account | $945,537

(c) No. Where the benefit of interest earned is retained, as is the case for the Defence Endowments Account and the Fedorczenko Legacy Fund Account, it is used in accordance with the purpose of the account. In regard to the Young Endeavour Youth (YEY) Program Operating Fund Account, approval has been sought from the Minister for Finance and Deregulation to have interest equivalency payments made to the account. When first established, the YEY Program Trust Deed envisaged that the interest earned on monies collected from the public would be applied to further YEY Program activities.

(d) No.

Defence: Program Funding

(Question Nos 1311 and 1312)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

For each agency within the responsibility of the Minister/Parliamentary Secretary:

(1) In the period 1 October to 31 December 2008, how many programs were under spent.
(2) (a) As at 31 December 2008, what requests have been made to roll-over under spends to 2008-09; and (b) were these requests successful.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) and (2) Details of Defence’s output and project spending can be found in the Defence Portfolio Additional Estimates Statements 2008-09.

Defence: Communications Program Funding

(Question Nos 1315 and 1316)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

For each agency within the responsibility of the Minister/Parliamentary Secretary, in the period 1 October to 31 December 2008: (a) what communications programs were undertaken or were planned to be undertaken; and (b) what has been the total spend in each communications program.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(a) and (b) Please see below.

During the period 1 October to 31 December 2008, Defence Force Recruiting spent $7,771,050 on a single advertising program broken down into the following streams:
Army – $3,567,668, covering general branding and job specific executions for Army Officer and General Entry priority positions.
Air Force – $426,300, covering general branding and job specific executions that showcased the diversity of jobs and skills offered by the Air Force.

Navy – $2,830,690, covering general branding and job specific executions for Navy Officer and General Entry priority positions. During the period, a new Navy brand execution ‘7 Days in the Navy’ was developed to launch in 2009, specifically designed to portray Navy lifestyle in addition to Navy jobs. Research identified that this initiative would substantially enhance the appeal of the Navy to the core target audience (16-24 year olds).

Education – $107,254, advertising for the Australian Defence Force Academy and sponsored undergraduate positions.

Sporting properties – $839,138 covering advertisements bought during major sporting events such as V8 Supercars and the cricket to supplement the campaigns currently running.

In addition to the advertising program for Defence Force Recruiting, Defence Housing Australia (DHA) spent $1,297,037 which encompassed marketing activity undertaken during the period to promote DHA’s sale and leaseback program (specifically press, radio, cinema and online advertising). Ongoing promotion is necessary to ensure sufficient gross demand is generated for the program. Achievement of sale and leaseback program targets is crucial to the financial viability of DHA’s operations.

Minister for Defence and Parliamentary Secretary: Overseas Travel

(Question Nos 1321 and 1322)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

For the period 1 October to 31 December 2008:

(1) (a) Did the Minister/Parliamentary Secretary travel overseas on official business; if so: (i) to what destination, (ii) for what duration, and (iii) for what purpose; and (b) what was the total cost of: (i) travel, (ii) accommodation, and (iii) any other expenses.

(2) (a) Which ministerial staff accompanied the Minister/Parliamentary Secretary; and (b) for these staff, what was the cost of: (i) travel, (ii) accommodation, and (iii) any other expenses.

(3) (a) Which departmental officers accompanied the Minister/Parliamentary Secretary on each trip; and (b) for these officers, what was the total cost of: (i) travel, (ii) accommodation, and (iii) any other expenses.

(4) (a) Apart from ministerial staff and departmental officers, who else accompanied the Minister/Parliamentary Secretary on each trip; and (b) for each of these people, what was the total cost of: (i) travel, (ii) accommodation, and (iii) any other expenses.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) to (4) See my response to Senate Question on Notice No. 1013 and 1032.

Defence: Freedom of Information Requests

(Question Nos 1323 and 1324)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

For each agency within the responsibility of the Minister/Parliamentary Secretary, in the period 1 October to 31 December 2008:

(1) Did the department or agency receive any advice on how to respond to freedom of information (FOI) requests.
(2) How many FOI requests has the department or agency received.
(3) How many FOI requests have been granted or denied.
(4) How many conclusive certificates have been issued in relation to FOI requests.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:
(1) No.
(2) 36.
(3) See table below.
(4) None.

<table>
<thead>
<tr>
<th>Granted in full</th>
<th>Partial disclosure</th>
<th>Denied</th>
<th>Withdrawn</th>
<th>Pending decision</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>5</td>
<td>2</td>
<td>8</td>
<td>13</td>
<td>36</td>
</tr>
</tbody>
</table>

Minister for Defence: Community Cabinet Meetings
(Question Nos 1327 and 1328)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:
In the period 1 October to 31 December 2008:
(1) What was the cost of the travel and expenses for the Minister/Parliamentary Secretary for Community Cabinet meetings.
(2) (a) How many ministerial staff and departmental officers travelled with the Minister for these Cabinet meetings; and (b) what was the total cost of this travel.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:
(1) Minister for Defence: $2,015.22. There were no relevant costs for the Minister for Defence Science and Personnel, as the Minister did not attend any Community Cabinet meetings during this period.
Advice from the Department of Finance and Deregulation is that the above figures include airfares and Travelling Allowance (including Motor Vehicle Allowance) claims. They do not include travel by taxis (due to the difficulties determining exact destinations using the electronic information as provided by Cabcharge) or travel on Special Purpose Aircraft.
(2) (a) The Department of Finance and Deregulation advises that four ministerial staff accompanied the Minister for Defence across two Community Cabinet meetings. One departmental officer accompanied the Minister for two Community Cabinet meetings.
(b) The Department of Finance and Deregulation advises that the cost of travel for ministerial staff was $4,036.22. The cost of travel for the departmental officer was $1,183.10.

Defence: Reviews
(Question Nos 1329 and 1330)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:
For each agency within the responsibility of the Minister/Parliamentary Secretary:
(1) How many reviews are currently being undertaken in the portfolio/agency or affecting the portfolio/agency.
(2) What was the commencement date of each review.

QUESTIONS ON NOTICE
(3) When will each review be concluded.

(4) (a) Which reviews were completed in the period 1 October to 31 December 2008; and (b) when will the Government respond to the each of these reviews.

(5) As at 31 December 2008, what has been the cost of each of these reviews.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) to (4) Please refer to my response to Senate Question on Notice No. 820 and 821.

In addition, the remaining reviews associated with the delivery of the Defence White Paper are being completed. The Defence White Paper will be delivered by the Government this year.

(5) Please refer to my response to Senate Question on Notice No. 950.

Defence: Programs Funding
(Question Nos 1331 and 1332)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

(1) For each agency within the responsibility of the Minister/Parliamentary Secretary, in the period 1 October to 31 December 2008, what programs or projects were cut, curtailed, postponed, delayed or terminated as part of the Government’s $10 billion ‘redirection of priorities’ program.

(2) For each program affected by the ‘redirection of priorities’ program, how much has been redirected to ‘higher priority programs/projects’.

(3) What ‘higher priority programs/projects’ have benefited from cuts or savings made in ‘lower priority programs’.

(4) How much funding has been allocated to each of these ‘higher priority projects’.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (3) and (4) Please refer to tables 1.2.9 (page 22-23) and 1.2.12 (page 28) in the Defence Portfolio Budget Statements 2008-09.

(2) All.

Health: Community Service Obligation
(Question No. 1358)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 March 2009:

(1) What analysis has been done by the department to verify that payments made pursuant to the Community Service Obligation (CSO) have fulfilled the objective of achieving ‘timely delivery of the full range of [Pharmaceutical Benefits Scheme] PBS medicines’.

(2) (a) What measures does the department use to assess CSO compliance; and (b) how often are these figures collected and assessed.

(3) Is there any variation between the various state and territories in terms of CSO compliance.

(4) Are any CSO wholesalers/distributors currently delivering to specific states or territories rather than distributing nationally; if so, which states or territories are not receiving the full range of PBS medicines.
Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Under the CSO Funding Pool, payments are made on a monthly basis to CSO Distributors who demonstrate compliance with the CSO requirements and service standards, one of which includes the supply of any PBS medicine to any community pharmacy within 24 hours. Monitoring of compliance is undertaken by an appointed independent CSO Administration Agency, Australian Healthcare Associates.

(2) CSO Distributors’ compliance is assessed against defined CSO compliance requirements and service standards. This information is assessed on a monthly basis by the appointed CSO Administration Agency.

(3) CSO Distributors (both state-based and national) must all meet minimum standards to access the CSO. This is monitored on a monthly basis by the CSO Administration Agency.

(4) There are two state-based CSO Distributors: Friendly Society Medical Association services South Australia and Victoria and Central Hospital Supplies services Victoria only. However, as the three national CSO Distributors service all states and territories, all states and territories have access to the full range of PBS medicines.

Community Pharmacy Agreement
(Question No. 1359)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 March 2009:

(1) When will negotiations regarding the next Community Pharmacy Agreement (CPA) commence.

(2) Will the next CPA be expected to deliver savings to the Government.

(3) Will the $1.1 billion compensation package for pharmacists introduced as part of the Pharmaceutical Benefits Reform in 2006 allow for savings to be made when negotiating the next CPA.

(4) Does the Government have any plans to end the $1.50 incentive paid to pharmacists to dispense generic medicines.

(5) Will the $1.50 incentive payment be incorporated into the next CPA.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) The timing of the negotiations Fifth Community Pharmacy Agreement will be determined by the Government in consultation with the Pharmacy Guild.

(2) This is a matter for the Government to determine.

(3) This is a matter for the Government to determine.

(4) The $1.50 Premium Free Dispensing Incentive Payment will continue to be paid to pharmacists to dispense generic medicines until the 30 June 2011, as stipulated in clause 6.2 of the Fourth Community Pharmacy Agreement.

(5) This is a matter for the Government to determine.

Pharmaceutical Benefits Scheme
(Question No. 1360)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 March 2009:

With reference to the Pharmaceutical Benefits Scheme reform which began in 2006:

QUESTIONS ON NOTICE
(1) What has been the net savings from the reforms to date.

(2) Will the Government achieve the $580 million in savings originally projected over 4 years; if not, why not.

(3) Of the $1.1 billion allocated to compensate pharmacists for the reforms, how much has been spent to date.

(4) (a) In the first round of price reductions, how many drugs will be removed from therapeutic groups; and (b) what will be the average price reduction of those drugs.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Currently there is insufficient data available. As required under s 104B of the National Health Act 1953, I will be providing a report to both Houses of Parliament on the impacts of the reforms in early 2010.

(2) PBS Reform was originally expected to save around $580 million over 2006-2007 to 2010-2011. This estimate has been reduced to approximately $103 million due to several factors, including:
- reclassification of Alendronic acid and five other medicines from F2T to F2A, reducing savings from Statutory Price Reductions;
- high uptake of PBS Online, resulting in increased incentive payments to pharmacies;
- extension to the phasing of price reductions for single brand F2T medicines; and
- a 20 per cent ad hoc price reduction for Simvastatin which generated additional savings for the PBS but reduced the base price for that medicine, thus reducing savings attributable to the PBS Reform.

(3) The compensation package to pharmacy over the period 2007-2008 to 2010-2011 involved a range of measures including the PBS Online uptake incentive, the $1.50 per script premium free dispensing incentive, increases to dispensing fees and pharmacy mark-ups. As at 28 February 2009, these measures excluding the pharmacy mark-up measure cost approximately $201 million. The cost of increased pharmacy mark-ups is not yet available but will be provided in the report to Parliament as stated in part (1).

(4) Nil.

Chemotherapy Drugs
(Question No. 1361)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 March 2009:

With reference to the item in the 2008-09 Budget papers ‘Responsible Economic Management – Chemotherapy Drugs – more efficient arrangements’, which is projected to save the Government $105 million over 4 years:

(1) How many pharmacies dispensed chemotherapy drugs covered by this item during the following financial years: (a) 2006-07; (b) 2007-08; and (c) 2008-09.

(2) How many pharmacies dispensed chemotherapy drugs covered by this item in regional Australia during the following financial years: (a) 2006-07; (b) 2007-08; and (c) 2008-09.

(3) What is the Government doing to ensure that the dispensing of chemotherapy drugs in regional Australia is not negatively impacted by this measure.
Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) In 2006-07, 449 pharmacies dispensed chemotherapy medicines covered by this item. In 2007-08, 475 pharmacies dispensed chemotherapy medicines covered by this item, and 372 pharmacies have dispensed chemotherapy medicines covered by this item in 2008-09 (as at 28 February 2009).

(2) In 2006-07, 145 pharmacies dispensed chemotherapy medicines covered by this item in regional centres. In 2007-08, 160 pharmacies dispensed chemotherapy medicines covered by this item in regional centres, and 112 pharmacies have dispensed chemotherapy medicines covered by this item in regional centres in 2008-09 (as at 28 February 2009).

(3) The Government has undertaken extensive stakeholder consultations on the measure to assess the impact on patients receiving treatment in regional and remote areas resulting from the Chemotherapy Budget Measure.

The Government is confident that the Measure will not compromise chemotherapy treatment for patients in rural and remote centres. Regional pharmacies and hospitals will still be able to provide effective cancer chemotherapy once the measure comes into effect. Where it is not possible or efficient for a pharmacy in a regional centre to prepare an infusion for a patient, a third party reconstitution provider can supply completed infusions to all areas of Australia within 48 hours.

Wheat Exports Australia

(Question No. 1362)

Senator Cormann asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 4 March 2009:

With reference to the chartering report handed to the Minister by the Wheat Export Commission in June 2008, and noting section 5DC(9) of the Wheat Marketing Act 1989 (the Act) which states ‘If a report, or a part of a report, under this section relates to a person’s affairs to a material extent, the Commission may: (a) at the person’s request; or (b) on its own initiative; give the persona copy of the report or a part of the report’:

Has the Minister, the department, or Wheat Exports Australia sought or received advice as to whether growers who contributed to the export wheat pools covered by the chartering arrangements considered in the report, are entitled to receive the report pursuant to section 5DC(9) of the Act; if so, what was that advice; if not, will the Minister, as a matter of urgency, consider the question as to whether the report should be released to affected growers.

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

Wheat Exports Australia sought legal advice on whether growers who contributed to export wheat pools covered by the chartering arrangements considered in the report, are entitled to receive the report pursuant to section 5DC(9) of the Act; if so, what was that advice; if not, will the Minister, as a matter of urgency, consider the question as to whether the report should be released to affected growers.

Under section 5DC of the Act, Wheat Exports Australia provided the chartering report to four other agencies for investigation and possible further action. Some of these agencies are still considering the report. I consider it inappropriate to release the chartering report while those agencies are still considering if further action is required.

Health: Bringing Nurses Back into the Workforce

(Question No. 1363)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 March 2009:
(1) How many of the following were employed under the BNBW program during the 2008 calendar year:
   (a) Full-time equivalent (FTE) nurses and/or midwives in the public hospital sector;
   (b) FTE nurses and/or midwives in the private hospital sector; and
   (c) FTE nurses in the residential aged care sector.
(2) Why was the program extended to nurses in the community sector in December 2008.
(3) How many nurses took up the community sector position under the program:
   (a) In December 2008; and
   (b) To date.
(4) Why were changes made on 2 December 2008 to the $1,000 employer bonus, removing the pro-rata payment for part-time workers.
(5) How many part-time nurses have been recruited under the program:
   (a) In December 2008; and
   (b) To date.
(6) If the target of 1,000 nurses into the hospital sector and 400 nurses back into the aged care sector during 2008 has not been met, does the Minister consider the program a failure.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) (a) and (b) The reporting from fund holders does not provide information based on FTE. (c) The Funding Agreement reporting for the residential aged care component does not allow for the identification of FTE nurses.
(2) The October Interim Review of the Bringing Nurses Back into the Workforce (BNBW) identified that the limited eligibility of the program restricted engagement of nurses. In December 2008 the BNBW was expanded to include day surgery and public community settings.
(3) (a) and (b) The expansion to include nurses in the community sector was only announced in December 2008; therefore, data is not yet available.
(4) The interim review identified that the reskilling /retraining of part time nurses was the same regardless of whether they are part time or full time.
(5) (a) and (b) The reporting from fund holders does not provide information based on FTE.
(6) An interim review resulted in improvements to the program such as expanding criteria, removing the pro rata limit for training payments and a promotional campaign. This is a five year program.

Health: Prescription Medicines
(Question No. 1364)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 4 March 2009:

With reference to the dispensing of medicines in remote areas under section 100 of the National Health Act 1953:

(1) What is the current rate per item for dispensing prescription medications.
(2) When was that rate set.
(3) Has the Government, at any time since 24 November 2007, agreed to a rate increase; if so: (a) what was the amount of the increase; (b) when did the Government agree to the increase; and (c) when will the increase take effect.
(4) Has the Minister or the department considered the impact on the availability of prescription drugs in remote Australia if the rate is not increased; if so, what was the impact considered to be.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Pharmacists supplying approved health services under the s100 Remote Aboriginal Health Services Program (s100 Remote Program) are remunerated in a different way to typical pharmaceutical dispensing (s85) because of the bulk supply arrangements under s100. Pharmacists receive the approved price within subsection 98B(3) of the National Health Act 1953, which aligns with the pricing under s85 (wholesale price and retail markup). In recognition of the bulk supply arrangements under the s100 Remote Program, a handling fee is also added (rather than a dispensing fee). The handling fee is either the difference between the dispensing fee for the supply of ready-prepared medicines and the concessional co-payment or $1.14, whichever is greater.

(2) Remuneration for pharmacists under the s100 Remote Program was put in place when the Program began in 1999. The $1.14 floor was established in 2000.

(3) There has been no decision by Government to increase the handling fee.

(4) The Department has been consulting with pharmacists supplying under the program, and the Pharmacy Guild of Australia, about the handling fee paid under the s100 Remote Program. The Department is aware of concerns amongst pharmacy about the level of the handling fee. In addition, the handling fee is being considered under a review as part of the Fourth Community Pharmacy Agreement, due to report in mid 2009. The outcome of this review should provide guidance on the appropriate quantum of the handling fee.

Health: Mersey Community Hospital
(Question No. 1365)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 March 2009:

With reference to the hand back of the Mersey Community Hospital to state government control:

(1) Have all federal election commitments regarding the resourcing of Tasmania’s hospitals, including the Mersey Community Hospital, been met.

(2) Does the Minister or the department maintain any oversight or control of the Mersey Community Hospital outside the Heads of Agreement.

(3) Were any special conditions outside the Heads of Agreement agreed to between the federal and Tasmanian governments regarding the ongoing administration of the Mersey Community Hospital; if so, what were those conditions.

(4) Were any additional funding commitments above those promised during the 2007 election campaign made to any parties, including the Tasmanian Government and the Mersey Community Hospital board, to achieve the transition to state government control.

(5) Have there been any variations to the Heads of Agreement signed on 28 August 2008; if so, what.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Federal election commitments regarding the resourcing of Tasmania’s hospitals have all been met or are being progressed.

(2) The Heads of Agreement (HoA) sets out the responsibilities of both Tasmania and the Commonwealth with respect to the management, operation and funding of the Mersey Community Hospital.
This includes obligations for Tasmania in relation to reporting and data provision, and a requirement for the establishment of a community regional advisory body on which the Commonwealth must be represented. To monitor the implementation of the Agreement, regular teleconferences are held between senior officials of the Tasmanian and Commonwealth departments and the hospital. The Commonwealth also continues to own the land and the buildings of the hospital and as such has certain responsibilities associated with owning assets, such as insurance and valuation, which are met independently of the HoA.

(3) No.

(4) No.

(5) There have been no variations since the Heads of Agreement was signed on 27 August 2008.

**Private Health Insurance**

(Question No. 1366)

**Senator Cormann** asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 March 2009:

(1) (a) In approving the most recent increases in private health insurance premiums, what did the Government consider to be ‘the minimum necessary to meet legal requirements’; and (b) did this assume funds maintaining contribution reserves above statutory requirements; if so, to what extent.

(2) Since 24 November 2007, has the Government made any changes to: (a) the ‘minimum necessary to meet legal requirements’ parameters; if so, what were they; and (b) any additional allowable contribution reserves above statutory requirements; if so, what were they.

(3) Did the Minister or the department take into account advice from the Private Health Insurance Administration Council (PHIAC) that by the end of December 2008 the private health insurance industry had, on the whole, more than doubled the statutorily-required capital reserves.

(4) Did the Minister or the department take into account that the ‘Board of Medibank Private has established a capital adequacy target in excess of the prudential capital adequacy requirements to cover both investment and non-investment risks’.

(5) Has the Minister or the Government given special approval to the board of Medibank Private to maintain a ‘buffer’ of approximately $800 million above the minimum required capital reserves.

(6) In determining the adequacy of premiums to meet solvency requirements and projected claiming, did PHIAC or the department incorporate assumptions about the participation impact of the Government’s changes to Medicare Levy Surcharge thresholds in the 2009-10 financial year.

(7) If the answer to (6) above is yes, will the Government release any such assumptions; if not, why not.

**Senator Ludwig**—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) (a) The minimum necessary was the premium increase required to ensure a particular insurer’s solvency, support its benefits outlays, and meet prudential standards concerning capital adequacy, while also ensuring the affordability and value of private health insurance products. (b) All applications were considered on their own merits according to whether the proposed premium increase was the minimum necessary taking into account the factors outlined in (1) (a) and whether the proposed increase would be contrary to the public interest.

(2) (a) See response to (1). Further, in assessing whether the proposed premium increase would be contrary to the public interest, a range of factors were considered. (b) See response to (1).
All applications were approved by the Minister following consideration of advice from the Private Health Insurance Administration Council. In assessing whether the proposed premium increase would be contrary to the public interest, a range of factors were considered.

All applications were considered on their own merits according to whether the proposed premium increase was the minimum necessary taking into account the factors outlined in (1) and whether the proposed increase would be contrary to the public interest.

The Minister for Finance and Deregulation is the Government’s sole shareholder in Medibank Private. Therefore, questions concerning Government approvals or directions to Medibank Private to take particular actions are a matter for to the Minister for Finance and Deregulation.

All applications were considered on their own merits taking into account the factors outlined in (1).

See response to (6).

Private Health Insurance
(Question No. 1369)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 March 2009:

What variations to the forward estimates have been made in respect of private health insurance rebate outlays in the light of the most recent premium change process and the anticipated effects of the Medicare Levy Surcharge threshold changes.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

The original Medicare Levy Surcharge (MLS) threshold (which represents an increase in the threshold for singles from $50,000 to $100,000 and for families from $100,000 to $150,000, with effect from 1 July 2008) estimated savings, as stated on Page 33 of the May 2008 Budget Measures, Budget Paper No. 2 2008-09, as follows:

<table>
<thead>
<tr>
<th>Published Estimated MLS threshold Savings measure 2008-09 May Budget</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original MLS threshold Measure</td>
<td>$(232.0)</td>
<td>$(236.5)</td>
<td>$(245.6)</td>
<td>$(245.6)</td>
</tr>
<tr>
<td>(100/150)</td>
<td>$ millions</td>
<td>$ millions</td>
<td>$ millions</td>
<td>$ millions</td>
</tr>
</tbody>
</table>

With the subsequent changes to the MLS thresholds measure (an increase in the thresholds for singles from $50,000 to $70,000 and for families from $100,000 to $140,000, indexed for the outer years), a further variation was made to private health insurance rebate estimates in the Mid Year Economic Fiscal Outlook 2008-09 page 126, as follows:

Published Estimated increase cost in the MLS threshold Savings measure 2008-09 MYEFO

<table>
<thead>
<tr>
<th>Published Estimated increase cost in the MLS threshold Savings measure 2008-09 MYEFO</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>New MLS threshold MYEFO Measure (70/140 indexed)</td>
<td>$140.8</td>
<td>$50.5</td>
<td>$26.5</td>
<td>$1.4</td>
</tr>
<tr>
<td>$ millions</td>
<td>$ millions</td>
<td>$ millions</td>
<td>$ millions</td>
<td></td>
</tr>
</tbody>
</table>

Aged Care
(Question No. 1371)

Senator Cormann asked the Minister representing the Minister for Ageing, upon notice, on 5 March 2009:

(a) When will the next Aged Care Approvals Round (ACAR) commence?
(b) What is the expected duration of the next ACAR; and
(c) Will beds that have not been taken up in last ACAR be included in the new round.

Senator Ludwig—The Minister for Ageing has provided the following answer to the honourable senator’s question:

(a) The 2009-10 Aged Care Approvals Round is expected to commence in October 2009.
(b) The results of the 2009-10 Aged Care Approvals Round are expected to be announced in June 2010.
(c) Yes. Zero Real Interest Loans and capital grants will be targeted towards areas of undersupply.

Private Health Insurance
(Question No. 1373)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 March 2009:

(1) What was the deadline health insurers had to lodge their premium applications for the most recent premium change process.

(2) Subsequent to this date, on what date/dates did:
   (a) the Private Health Insurance Administration Council complete passing recommendations to the department on insurers’ premium applications;
   (b) the department formally advise the Minister of the details of these applications, and the department’s views on any or all of them;
   (c) the Minister request the department to prepare letters for the Minister’s signature to insurers whose applications the Minister wishes to query;
   (d) the Minister write personally to the 17 funds whose applications the Minister is known to have queried;
   (e) the last response to these formal queries arrive from an insurer; and
   (f) the Minister’s final sign-off on the next premium round.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) 17 December 2008.
(2) (a) The Private Health Insurance Administration Council (PHIAC) completed providing advice to the Department of Health and Ageing (the department) on 26 February 2009.
   (b) The department provided frequent oral and written advice to me and my adviser during December 2008, and January and February 2009.
   (c) On 8 December 2008, I met with departmental officers to discuss the premium approval process. At this meeting, I reinforced with the department that I would like personal involvement in the process. This included writing to insurers in circumstances where there were queries on their applications and/or the amount of increase in premiums.
   (d) 21 January 2009 and 27 January 2009.
   (e) 24 February 2009.
   (f) The date of approval for lodging applications for the 2010 premium round was 26 February 2009.
National Health and Hospitals Reform Commission
(Question No. 1375)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 March 2009:

With reference to the National Health and Hospitals Reform Commission:

(1) Have any external consultants been commissioned to support the commission’s work; if so, for each consultancy: (a) who was the consultant; (b) what was the project title; and (c) what was the cost.

(2) Since the commission commenced, have any departmental officers travelled to any overseas destination to find out more about local health financing and/or social insurance arrangements, or any other matter under consideration by the commission; if so: (a) who undertook the travel; (b) to where did they travel; and (c) what subjects were under consideration.

(3) Has the commission, out of its own budget, undertaken overseas travel to look at international developments; if so: (a) who undertook the travel; (b) to where did they travel; and (c) what subjects were under consideration.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) (a) and (b) The National Health and Hospital Reform Commission (NHHRC) has utilised experts in the field of health service policy, governance, financing and delivery to inform their deliberations on future reform of the Australian Health and Hospital system. External Consultants engaged, to the end of February 2009, include:

<table>
<thead>
<tr>
<th>Name of Consultant</th>
<th>Total Cost $ GST incl</th>
<th>Project Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Tridgell Pty Ltd</td>
<td>34,650.00</td>
<td>To investigate, research and further develop matters related to the National Health and Hospitals Reform Commission’s remit to develop a long-term health plan for Australia and provide reports.</td>
</tr>
<tr>
<td>Jamieson Foley</td>
<td>10,896.36</td>
<td>To develop a paper on what would a balanced public-private system look like in 2020 to be consistent with and to deliver on the NHHRC design principles.</td>
</tr>
<tr>
<td>Consultants in Health Service Development</td>
<td>7,728.55</td>
<td>A joint options paper about workable governance arrangements for the Australian health care system addressing measures for improved governance.</td>
</tr>
<tr>
<td>Jamieson Foley</td>
<td>7,021.75</td>
<td>To develop a paper on the establishment of a Prevention Benefits Schedule and a Prevention Benefits Advisory Committee.</td>
</tr>
<tr>
<td>Judith Dwyer</td>
<td>8,859.55</td>
<td>To deliver reports on the following research: Incidence and distribution of out of pocket expenses, Trends and projections of health expenditure 1998-99 to 2003-04 and Healthcare affordability comparison to other areas of household expenditure.</td>
</tr>
<tr>
<td>Monash University</td>
<td>7,998.61</td>
<td>Prepare a paper that examines options for the creation of a new funding stream targeted at primary health care.</td>
</tr>
<tr>
<td>University of Canberra (NATSEM)</td>
<td>60,882.00</td>
<td>To deliver reports on the following research: Incidence and distribution of out of pocket expenses, Trends and projections of health expenditure 1998-99 to 2003-04 and Healthcare affordability comparison to other areas of household expenditure.</td>
</tr>
<tr>
<td>University of South Australia</td>
<td>7,656.00</td>
<td>Prepare a paper that examines options for the creation of a new funding stream targeted at primary health care.</td>
</tr>
<tr>
<td>Name of Consultant</td>
<td>Total Cost $ (GST incl)</td>
<td>Project Title</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>University of Melbourne</td>
<td>3,828.00</td>
<td>Prepare a paper that examines the development of incentives (both individual and systemic) that are effective in encouraging greater personal responsibility for health.</td>
</tr>
<tr>
<td>University of Sydney</td>
<td>2,296.00</td>
<td>Develop a paper that explores new models of service delivery for primary and community care (including both general practice and other primary and community care more broadly) that have regard to international experience but are pertinent to the Australian environment in urban and rural settings.</td>
</tr>
<tr>
<td>University of Sydney</td>
<td>3,062.40</td>
<td>Develop a joint paper that explores new models of service delivery for primary and community care (including both general practice and other primary and community care more broadly) that have regard to international experience but are pertinent to the Australian environment.</td>
</tr>
<tr>
<td>University of WA</td>
<td>3,062.40</td>
<td>Develop a joint paper that explores new models of service delivery for primary and community care (including both general practice and other primary and community care more broadly) that have regard to international experience but are pertinent to the Australian environment.</td>
</tr>
<tr>
<td>Charles Darwin University</td>
<td>6,124.80</td>
<td>Develop a joint paper that explores new models of service delivery for primary and community care (including both general practice and other primary and community care more broadly) that have regard to international experience but are pertinent to the Australian environment.</td>
</tr>
<tr>
<td>Victorian Health Promotion Foundation</td>
<td>10,700.00</td>
<td>An Options paper for the establishment of a National Agency for Illness Prevention and Health Promotion.</td>
</tr>
<tr>
<td>Professor John Wakeman</td>
<td>4,872.00</td>
<td>A joint discussion paper on primary health care in rural and remote Australia: achieving equity of access and outcomes through national reform.</td>
</tr>
<tr>
<td>Professor John Humphreys</td>
<td>4,872.00</td>
<td>Support and research on hospitals of the future.</td>
</tr>
<tr>
<td>Australian Healthcare &amp; Hospitals Association</td>
<td>13,486.70</td>
<td>Support and research on hospitals of the future.</td>
</tr>
<tr>
<td>Professor Claire Jackson</td>
<td>3,480.00</td>
<td>Achieving a patient-centred, effective, efficient, robust and sustainable primary and community care sector 2020.</td>
</tr>
<tr>
<td>Price Waterhouse Coopers</td>
<td>19,140.00</td>
<td>Developing options for a National Social Insurance Scheme for Dental Care including high-level costings, an indicative premium structure and an assessment of the viability of alternative delivery models for the scheme.</td>
</tr>
<tr>
<td>Price Waterhouse Coopers</td>
<td>10,718.00</td>
<td>To prepare high level costings and develop options for a National Patient Travel and Accommodation Assistance subsidy for people who have to travel long distances to receive health treatment.</td>
</tr>
<tr>
<td>Price Waterhouse Coopers</td>
<td>10,718.00</td>
<td>A short paper to support the Commission reaching a position on a preferred long term governance structure and high level road map to achieve this.</td>
</tr>
<tr>
<td>McKinsey and Company</td>
<td>5,100.00</td>
<td>Support towards research papers: Australia in 2020, Strengths and Weaknesses of Current System; and Fixing Mental Health in Australia.</td>
</tr>
</tbody>
</table>
QUESTIONS ON NOTICE

Name of Consultant         Total Cost $   Project Title

McKinsey and Company 18,375.00 Support and research in the compilation of a short, evidence-based, research paper imagining Australia in 2020 from political, economic, social, technological and environmental perspectives and, in particular, detailing demographics, social structures and expectations, health trends, advancing technologies and changing clinical practice, and Fixing Mental Health in Australia.

Booz & Company 9,188.00 Support and research in the compilation of a short paper discussing the place of e-Health in the Australian health care system, the need for IT in the reform agenda and the case for change.

Total Cost 274,716.12

(2) No departmental officers have travelled to any overseas destinations.

(3) The commission has undertaken no overseas travel to look at international developments.

Aged Care

(Question No. 1376)

Senator Cormann asked the Minister representing the Minister for Ageing, upon notice, on 5 March 2009:

In regard to the provision of ‘gastro kits’ to every aged care provider in Australia by the Minister in November 2008:

(1) How many aged care providers have designated gastro-coordinators following the provision of the ‘gastro kits’.

(2) Does the Department record the number of gastro outbreaks in aged care facilities; if so, can a breakdown be provided on incidents of gastro outbreaks in aged care facilities per month since January 2008.

Senator Ludwig—The Minister for Ageing has provided the following answer to the honourable senator’s question:

(1) The Department of Health and Ageing does not collect statistics on how many aged care providers have designated gastro-coordinators. While it is recommended good practice for providers to designate gastro-coordinators, it is not a mandatory requirement.

(2) Between January 2008 and February 2009, data collected by OzFoodNet indicates there were 996 outbreaks of gastroenteritis reported in Aged Care Facilities. Of those, 94% (935/996) of outbreaks were transmitted from person-to-person, with only 1.3% (13/996) suspected to be caused by contaminated food. The provisional number of outbreaks that occurred in Aged Care facilities by month since January 2008 is provided below. Figures may change as outbreak investigations can take some time to finalise and be reported.

<table>
<thead>
<tr>
<th>Month</th>
<th>Provisional Gastro Outbreaks No</th>
<th>Month</th>
<th>Provisional Gastro Outbreaks No</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2008</td>
<td>74</td>
<td>August 2008</td>
<td>149</td>
</tr>
<tr>
<td>February 2008</td>
<td>37</td>
<td>September 2008</td>
<td>106</td>
</tr>
<tr>
<td>March 2008</td>
<td>36</td>
<td>October 2008</td>
<td>81</td>
</tr>
<tr>
<td>April 2008</td>
<td>45</td>
<td>November 2008</td>
<td>45</td>
</tr>
<tr>
<td>May 2008</td>
<td>70</td>
<td>December 2008</td>
<td>38</td>
</tr>
</tbody>
</table>
Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 March 2009:

Has the Government or the department undertaken any opinion polling, focus groups or other market research in relation to the possible Federal takeover of public hospitals; if so: (a) who conducted the research; (b) how much did it cost; and (c) what were the results.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

No.

Aged Care
(Question No. 1378)

Senator Cormann asked the Minister representing the Minister for Ageing, upon notice, on 5 March 2008:

(1) Is the Minister satisfied with the audited financial accounts currently provided by aged care industry participants.

(2) What steps has the department taken to ensure audited financial accounts prepared by participants in the aged care industry are provided in such a manner as to allow for the development of benchmarks and standards in industry.

Senator Ludwig—The Minister for Ageing has provided the following answer to the honourable senator’s question:

(1) Aged care providers have been providing general purpose financial statements that include a segment note on residential aged care and that have been audited and certified as having been prepared in accordance with accounting standards.

(2) The Department of Health and Ageing has taken steps to ensure that the financial statements prepared by aged care providers are in accordance with the Conditional Adjustment Payment requirements. That is, that they are general purpose financial reports, include a segment note on residential care, have been audited by a registered company auditor and are finalised in a timely manner.

The adequacy of the financial reports for development of benchmarks and standards in the aged care industry is currently being reviewed in the Review of the Conditional Adjustment Payment, which is being considered by the Government in the context of the 2009-10 Budget.

Australian Federal Police
(Question No. 1379)

Senator Ludlam asked the Minister representing the Minister for Home Affairs, upon notice, on 10 March 2009:

(1) Can the Attorney-General confirm that the Australian Federal Police plan to construct two new buildings at the Australian Institute of Police Management on the Sydney Harbour foreshore at Spring Cove; if so, can details be provided regarding the functions of these new buildings.

### Table: Provisional Gastro Outbreaks

<table>
<thead>
<tr>
<th>Month</th>
<th>Provisional Gastro Outbreaks No</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2008</td>
<td>91</td>
</tr>
<tr>
<td>July 2008</td>
<td>82</td>
</tr>
<tr>
<td>January 2009</td>
<td>89</td>
</tr>
<tr>
<td>February 2009</td>
<td>53</td>
</tr>
</tbody>
</table>
(2) Can the Attorney-General confirm whether environmental impact studies were undertaken regarding this development on an environmentally sensitive site which is home to an endangered colony of little penguins and the internationally-recognised site of first contact between Europeans and Indigenous Australians.

**Senator Wong**—The Minister for Home Affairs has provided the following answer to the honourable senator’s question:

(1) I can confirm the Australian Federal Police (AFP) proposes to construct three new buildings at the Australian Institute of Police Management (AIPM) site on North Head, Manly. The detail of the functionality of these three buildings include:

- One administration building which incorporates administrative support functions to the AIPM business. This building comprises: executive offices; academic programs including academic and support staff; corporate support; information technology equipment and support staff; meeting rooms; reception area; utilities spaces; storage spaces; tea rooms; first aid room; and gymnasium.
- Two two-storey visitor accommodation buildings which comprise forty-five beds to accommodate students during the residential training programs. The northern accommodation block also accommodates the main classroom that seats up to forty-five students.

The proposal also includes the demolition of the existing dormitory style visitor accommodation. These old buildings are closer to the foreshore than the new buildings, so their demolition provides additional setback of buildings from the Little Penguin habitat and increases preferred foraging area for the Long-nosed bandicoot.

(2) I can confirm that environmental impact studies were undertaken regarding the development. The Preferred Project Report (PPR) was lodged with the NSW Department of Planning on 19 December 2008. The PPR has been available for viewing on the AIPM and AFP websites since this time and the AFP has engaged in extensive consultation with interested stakeholders and the community with regard to the redevelopment proposal.

---

**Open Pool Australian Lightwater**

**(Question No. 1380)**

**Senator Ludlam** asked the Minister for Innovation, Industry, Science and Research, upon notice, on 11 March 2009:

(1) Given that the department’s 2008-09 Portfolio Budget Statement indicates that ‘Subject to regulatory approvals, ANSTO [Australian Nuclear Science and Technology Organisation] expects to complete commissioning of the OPAL [Open Pool Australian Lightwater] research reactor during the 2008-09 financial year’, is this commissioning still part of the contract for the Argentinean company, INVAP.

(2) In 2002, when INVAP was contracted to design, construct and commission the OPAL reactor it was deemed financially viable, however, given the global economic crisis, has INVAP’s financial viability been recently investigated to ascertain INVAP’s capacity to pay any major claims; if so, is the Minister satisfied that INVAP is financially viable and able to pay the damages sought by the Government.

(3) What is the extent of the current claims being made on INVAP.

(4) (a) What court proceedings have occurred since 2002 in regard to the ANSTO/INVAP contract; and (b) what impacts have these court proceedings had on current negotiations with INVAP on completion of commissioning and performance demonstrations.

(5) (a) Which department currently approves claims from ANSTO/INVAP for the OPAL project; and (b) who in the department signs off on those payments.
QUESTIONS ON NOTICE

(6) Can details be provided of the claims in regard to extras or variations claimed over and above the original lump sum for the contract.

(7) Given that the original tender would have a schedule of costs associated with each major phase and component of the project, and that negotiations are currently in progress regarding extra items: (a) what were the original cost estimates for the OPAL project; and (b) who prepared these estimates.

(8) Were the costs of supply of spare parts from INVAP (CN129849 valued at $1 140 357 for the period 2008-11) included in any estimates for completion of the OPAL project.

(9) What are the costs of managing this supply contract, including any overseas inspection requirements.

(10) What quality assurance provisions have been included in the contract for the spare parts to ensure that components provided by INVAP are safe and conform to all technical requirements.

(11) What contingency provisions have ANSTO made for the inability of INVAP to provide conforming components.

(12) Is ANSTO still considering building a treatment plant for the heavy water to mitigate the problems caused by the seepage.

(13) Was this covered in the original estimate for the reactor facility or is it to be covered in defects claims from INVAP.

(14) Were the Australian Radiation Protection and Nuclear Safety Agency’s (ARPANSA’s) costs for consulting and visits to Egypt, Argentina and France taken into account in the estimates for the reactor facility construction.

(15) Has a cost benefit analysis been carried out based on the current cost of the reactor facility; if so, what were the results.

(16) How much is the OPAL project contributing to ANSTO’s annual loss.

(17) In the construction of the reactor pool liner, were the welds connecting the wall of the reactor pool liner to the reactor base radiographed or were they tested using ultrasound.

(18) Why was porosity of the welds, that are now leaking, not picked up by testing and the quality assurance system.

(19) What risk is there of further leaking in other vessels.

(20) Why was it not until commissioning that the porosity in the welds was discovered.

(21) (a) Has ANSTO examined the documents and test certificates for the leaking welds; and (b) do these documents indicate non-conformance.

(22) Are the current negotiations for compensation and defects liability being held with the John Holland Evans Deakin Joint Venture (JHEDI) alliance or just with INVAP.

(23) What are the contractual relationships between ANSTO and JHEDI.

(24) Was the fabrication company DME Engineering Services Pty Ltd that made the non-conformances nominated in the tender, or were they chosen internally by JHEDI after the award of the main contract.

(25) (a) How long is the defects liability period for INVAP; and (b) what occurs at the end of the defects liability period if there are further leaks.

(26) Are there liquidated damages opportunities in the INVAP/ANSTO contract for compensation resulting from errors and delays.

(27) How confident is ANSTO that vessels and other components which were fabricated in Argentina away from Australian inspectors, comply with the required Australian standards and are not a safety risk.
(28) Are the staff supervising the ongoing repair work of INVAP qualified in fabrication inspection; if so, can details be provided of the number and qualifications of these staff.

(29) Given that some of the assumptions in the original safety reviews have shown to be incorrect, and the vessel may not have the engineering integrity assumed in the original assessment, has a further safety assessment or risk analysis been undertaken.

(30) What magnitude of earthquake events was the reactor designed to tolerate.

(31) Has the patched and leaking vessel been reassessed for integrity under earthquakes of these magnitudes.

(32) Has ANSTO re-evaluated the reactor’s ability to tolerate earthquake events given the issues arising from the patched and leaking reactor vessel.

(33) Given that the risk analysis informing the reference accident assumed a ‘high quality design’ can no longer be guaranteed as several basic errors have occurred, is the reference accident based on a certain level of engineering integrity of the facility still considered valid.

(34) Was the independent peer review of the Preliminary Safety Analysis Report recommended by Environment Australia undertaken; if so: (a) which organisation conducted the review; (b) did the review pick up the design errors; (c) what were the recommendations of the review; and (d) will the Minister table a copy of this review.

(35) Given that the construction license process and negotiations with ARPANSA were not complete until after the award of the contract, were the license requirements imposed on ANSTO by ARPANSA fully reflected in the contract documents for the vendors, fabricators, construction contractors and subcontractors.

(36) How long has the occupational health and safety unit at ANSTO been in operation and what are the current competencies of staff in relation to safety standards.

(37) Given that the Welding Technology Institute of Australia’s (WTIA’s) review of the ANSTO strategy for the repairs commented that ‘in qualifying the weld procedure used for welding the 6mm wall to 12mm base plate, test coupons had not used plate of sufficient thickness’, did the recommended re-qualification of the weld procedure occur.

(38) Has WTIA been asked to further review the welds.

(39) Given that the non-standard engineering drawings provided by INVAP to the liner fabricators was a non-conformance: (a) was the drawing that did not comply with Australian practice recorded as a non-conformance; and (b) were subsequent drawings and documents checked for compliance with Australian practice.

(40) As a result of the non-conformances it would appear that ARPANSA has taken on a far more detailed supervisory role than would be expected of a high level licence approval authority, what are the costs for ARPANSA’s work on this project.

(41) Given that repeated reference is made to a final safety analysis report (FSAR), what is the status of the FSAR.

(42) Given that a Deed of Indemnity exists between the Commonwealth Government and ANSTO under which the Government has formally agreed to indemnify ANSTO and ANSTO officers from any loss or liability arising from claims caused by ionising radiation, who is ultimately responsible in the event of accidental radiation exposure to the public.

Senator Carr—The answer to the honourable senator’s question is as follows:

(1) Yes. With respect to commissioning of the OPAL reactor, the Argentine company, INVAP (the Contractor) is required under the Contract to develop and implement a Commissioning Plan that includes all inspections and tests to be undertaken during commissioning, including contract per-
formance demonstration tests to be undertaken by the Contractor. The Commissioning Plan has been executed and the contract performance demonstration tests have been completed. ANSTO expects to soon receive formal recognition for the full conclusion of commissioning from ARPANSA.

(2) INVAP’s financial viability has not been recently investigated, but ANSTO holds securities as part of the contract.

(3) There are no “claims” on INVAP. Rectifications are currently underway in accordance with the provisions of the Contract. INVAP however are currently late in completing some parts of the Contract and are therefore exposed to Liquidated Damages. ANSTO will recover money paid to INVAP for fuel supplied under the contract with INVAP that did not meet contractual specifications. These matters are consistent with normal construction industry practice.

(4) (a) None. (b) N/A.

(5) (a) ANSTO is a statutory authority with full authority to manage the INVAP contract. No departmental sign-off is necessary. (b) Not applicable.

(6) As would be anticipated in a project of this complexity, there have been many contract variations of a minor nature covering necessary technical changes to requirements. The total value of contract variations paid to date is in the order of $40 million. As noted in the response to Question No. BI-100, asked in the Senate Standing Committee on Economics in the June 2008 Budget Estimates Hearing, the major variations related to the need to meet additional requirements specified by the project regulators, the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) and the Australian Safeguards and Non-Proliferation Office (ASNO), and to meet additional project costs arising from the discovery of a geological anomaly at the site at the commencement of construction in 2002.

Claims for an additional value of approximately $10 million have yet to be resolved, and will be resolved together with the resolution of the liquidated damages issue referred to in the response to (3) above.

(7) (a) The original cost estimate for the OPAL reactor project was $286.4 million (1997 dollars); (b) ANSTO, in consultation with the Department of Finance.

(8) They were not included in the original cost estimate.

(9) ANSTO’s project management costs for the OPAL contract, including the cost of overseas inspections, have been $11.1 million.

(10) INVAP performs its activities under the control of a quality management system which complies with the ISO 9001 standard and appropriate nuclear standards.

(11) There are several contractual provisions allowed under the contract for non-conforming components, including:

- Having the component removed, demolished, replaced or corrected;
- ANSTO directing a variation to INVAP (with appropriate costs directed to the Contractor); or
- ANSTO accepting the non-conforming component (with appropriate deductions from payments to the Contractor).

(12) Yes. The Contractor, INVAP, has proposed the construction of a heavy water treatment plant as a component of the disposition of the reflector vessel defect.

(13) The cost of the construction of a heavy water treatment plant was not covered in the original estimate for the reactor facility. It is the responsibility of INVAP to rectify defects at their cost.

(14) ANSTO paid ARPANSA a construction licence application fee of $420,000, which came out of the overall moneys allocated by government. That licence fee was intended to meet ARPANSA’s costs of assessing the application, including any travel costs.

QUESTIONS ON NOTICE
(15) No. It is not normal practice to carry out cost benefit analyses following the completion of a project.

(16) Nothing.

(17) The welds connecting the wall of the reactor pool liner to the base of the pool were tested using ultrasonics.

(18) The cause of the weld defects is being investigated by ANSTO and INVAP.

The defects may have only occurred as a result of the installation of other components after the reflector vessel was installed and tested in the reactor pool. In those circumstances, there would have been no defects to detect at the time of testing.

Should the defects have been pre-existing, one reason for the defects being missed in the dye penetrant testing might be due to the difficulty of the inspection task, being undertaken with flange studs in place thus limiting visibility of the seal weld, and the use of standard dye penetrant contrast media. Under that scenario, the failure to detect the defects during helium leak testing may have been due to the presence of entrapped water between the flange faces, which would result in a delayed onset of leak detection. It is standard engineering practice, for industrial safety reasons, to undertake a hydrostatic test (a pressure test) on pressure vessels prior to undertaking a gaseous leak test. This practice was followed for the reflector vessel. Unfortunately, because of the unique design of the vessel, it is possible that a small quantity of water remained within the vessel following the hydrostatic test. This water may have masked the presence of any pre-existing defects during the subsequent gaseous leak test.

(19) The design of the OPAL reactor takes into consideration the risk of leakage from other pressure vessels in the same way as other plant (e.g. access for in-service inspections, leakage detection provision, and conservative design for the applicable operating conditions). There is currently no evidence of leaks in other pressure vessels at OPAL. The risk of leaks in pressure vessels is low, and maintenance practices provide a process for adequate monitoring and corrective actions. In the unlikely event of further defects, there are safety systems in place, which would ensure that they would have no effect upon the overall safety of the reactor.

(20) See response to (18).

(21) (a) Yes. (b) No.

(22) Contractual negotiations can only be held with INVAP, as ANSTO have no direct contractual relationship with JHEDI.

(23) There is no direct contractual relationship between ANSTO and JHEDI. JHEDI is a subcontractor to INVAP.

(24) The 2003 misplacement of penetrations in the OPAL pool tank, for which DME was responsible, was remedied at the time and is unrelated to the current issues in relation to seepage in the reflector vessel (which do not involve DME). DME were not nominated in the tender.

(25) (a) Warranty periods vary dependent upon what part of the works is involved, but in general are for around 24 months. (b) The Contract has a latent defects period of 15 years to cover such matters.

(26) There are liquidated damages applicable to the late completion of the separable parts of the works.

(27) ANSTO is confident that vessels and other components which were fabricated in Argentina comply with the required Australian standards and are not a safety risk because:

Detail engineering documentation for design was subject to review, verification and acceptance by ANSTO and ARPANSA prior to manufacture.

Inspection and test plans for manufacture were subject to review, verification and acceptance by ANSTO prior to manufacture.
Witness and hold points for key inspections and tests were implemented by ANSTO and ARPANSA inspectors in Argentina.

Manufacturing records (History Dockets) were reviewed by ANSTO and ARPANSA inspectors both in Argentina and Australia.

(28) ANSTO staff supervising the ongoing repair work of INVAP are qualified and experienced mechanical engineers and technicians from both the OPAL Engineering group and the ANSTO Engineering and Technical Services group.

(29) The only assumption made in the Safety Analysis Report in relation to the integrity of the reflector vessel is that any leakage would be inwards (i.e. light water from the reactor pool leaking into the reflector vessel) due to the engineered pressure differential. The actual presence of leaks does not invalidate this assumption and as such, no additional safety assessment or risk analysis is required with respect to the leaks themselves. Additional safety assessments and risk analyses have been performed in relation to activities intended to control and/or mitigate the effects of the reflector vessel leaks in accordance with standard engineering practice.

(30) The OPAL reactor is designed to be able to be shutdown and maintained in a safe shutdown state following a 1 in 10000 year earthquake consistent with international best practice. For the Lucas Heights site, this equates to an earthquake with a mean peak horizontal ground acceleration of 0.37 g with the response spectrum based on the Loma Prieta earthquake.

(31) This question appears to confuse the 2003 misplacement of penetrations in the OPAL pool tank with the current issues in relation to seepage in the reflector vessel. It is therefore unclear which “vessel” is being referred to. With respect to the reactor pool liner, the repairs were completed to the same standard as the liner itself and as such, no leakage is occurring and no re-assessment of the liner’s integrity is required. With respect to the reflector vessel, the seepage is occurring through non-structural welds and as such, no re-assessment of the structural integrity is required.

(32) See the response to (31).

(33) The purpose of the Reference Accident was to assess the suitability of the proposed site. As such, it assumed an accident and assessed what the likely consequences of that accident would be. As such, minor engineering issues which have arisen during construction and commissioning do not affect the relevance of that accident.

In addition, the assumption that “a ‘high quality design’ can no longer be guaranteed as several basic errors have occurred” misrepresents the situation in that neither the repairs to the reactor pool liner nor the reflector vessel leaks arose because of errors of design.

(34) Yes. (a) The CEO of ARPANSA commissioned an international team of experts, led by an expert from the International Atomic Energy Agency to conduct an independent peer review of the PSAR in 2001. (b) There were no design errors. (c) and (d) The peer review was published on the ARPANSA web site in July 2001, and can be found at:

(35) The contract requires INVAP to meet ARPANSA requirements.

(36) There has been a safety division (under various titles) at the Australian Atomic Energy Commission and then ANSTO since 1957. Currently the Safety and Radiation Protection Division employees approximately 50 staff across four main areas, Radiation Protection, Occupational Hygiene and Safety Services and Environmental Monitoring. Those staff have qualifications and significant experience in radiological protection, occupational health and safety, environmental science, engineering and other disciplines.

(37) Yes.

(38) No.
(39) The engineering drawings provided by INVAP to the liner fabricators were not a non-conformance. 
(40) As would be evident from a survey of IAEA standards, a nuclear regulator is not “a high level licence approval authority”; rather the regulator plays a continual role in monitoring safety issues. ARPANSA’s role in relation to this project is consistent with that international practice. ANSTO is not aware of ARPANSA’s costs, although it does note that it pays annual licence fees to ARPANSA, in addition to the licence application fees referred to in the response to (14). 
(41) The Safety Analysis Report is a living document, and was completely revised as part of the Application for an Operating Licence (available on the ARPANSA web site). As required by Licence Condition 1.2, the Safety Analysis Report is currently undergoing further revision to incorporate results of the commissioning program and various changes and modifications that have been implemented since the granting of the licence. Further updates will occur during the life of the facility as part of a periodic safety review in accordance with Licence Conditions 1.1 and 1.3. 
(42) ANSTO, as operator of the facility, is responsible for its safe operation. However, in terms of compensating for any harm as a result of an incident at the facility, ANSTO holds commercial insurance to cover a range of possible losses, including damage caused to third persons by ANSTO activities. In the very unlikely event of accidental radiation exposure to the public, that insurance policy would be invoked. Should that insurance not apply or be insufficient, the Deed of Indemnity would be invoked. 

Export Finance and Insurance Corporation 
(Question No. 1381) 

Senator Bob Brown asked the Minister representing the Minister for Trade, upon notice, on 11 March 2009:

1) Has the Minister or the department been contacted by the Export Finance and Insurance Corporation (EFIC) concerning the Gold Ridge mine in the Solomon Islands and the Australian Solomons Gold Limited (ASG) syndicate; if so, has EFIC asked for assistance in determining whether it should provide political risk insurance to ASG. 
2) Has the Minister provided directions or advice to EFIC about the Gold Ridge mine in the Solomon Islands; if so, what is the nature of the advice. 
3) Is the Minister concerned that ASG’s 2005 bankable feasibility study for the Gold Ridge mine, and supported by political risk insurance from EFIC, was significantly deficient when the Commonwealth’s secretariat benchmarked it against the performance standards and equator principles of the International Finance Corporation (IFC). 
4) Why did EFIC not make the production and publication of action plans relating to the eight IFC performance standards a condition or covenant of the political risk insurance for the bankable feasibility study for the Gold Ridge mine. 

Senator Faulkner—The following answer has been provided by the Minister for Trade to the honourable senator’s question: 

1) Yes. EFIC has sought information relevant to political risk assessments from the department. 
2) No. Not applicable. 
3) EFIC applies environmental and social standards consistent with international arrangements/standards (including the OECD and IFC) which are in place at any given time. 

QUESTIONS ON NOTICE
The IFC Performance Standards were adopted by the Board of the World Bank in February 2006 and therefore did not exist when the political risk insurance was provided for the bankable feasibility study. The insurance cover for the bankable feasibility study has since lapsed.

(4) As noted in response to Question 3, the IFC Performance Standards were not in effect when the political risk insurance was provided for the bankable feasibility study. The relevant IFC benchmarks at that time were the IFC Safeguard Policies (SP) and requirements for the publication of action plans were less detailed than under the Performance Standards.

Export Finance and Insurance Corporation
(Question No. 1382)

Senator Bob Brown asked the Minister representing the Minister for Trade, upon notice, on 11 March 2009:

(1) Is the Export Finance and Insurance Corporation (EFIC) required under section 516A(6) of the Environment Protection and Biodiversity Conservation Act 1999 to report on how activities accord with the principles of ecologically sustainable development; if so, has EFIC’s 2007-08 annual report complied with that section.

(2) Has EFIC adopted the ‘Ecologically Sustainable Development reporting guidelines’ produced by Environment Australia in 2003; if not: (a) why not; and (b) what measures will the Minister take to ensure the adoption of the reporting guidelines, for example, will the Minister consider requesting that the Auditor-General conduct a performance audit of EFIC’s reporting from 2001 to 2008.

Senator Faulkner — The Minister for Trade has provided the following answer to the honourable senator’s question:

(1) Yes. Yes.

(2) No. The Ecologically Sustainable Development Guidelines are intended to assist Commonwealth organisations in meeting their obligations under s516A of the Environment Protection and Biodiversity Conservation Act 1999, with which EFIC has complied. It is not prescriptive but rather a set of suggestions and tools to help agencies with the compiling and presentation of their reports. I do not propose to request the Auditor General to conduct a performance audit of EFIC’s reporting from 2001 to 2008.

Export Finance and Insurance Corporation
(Question No. 1383)

Senator Bob Brown asked the Minister representing the Minister for Trade, upon notice, on 11 March 2009:

(1) Can a category A or B project supported by the Export Finance and Insurance Corporation (EFIC) impact upon a matter of national environmental significance in Australia; if so, on what basis are decisions made by EFIC not considered actions under section 524 of the Environment Protection and Biodiversity Act 1999.

(2) For each financial year since 2002, how many tonnes of carbon dioxide (CO2) or CO2 equivalent are attributable to category A and B projects supported by EFIC.

(3) For each financial year since 2002, how many hectares of medium to high conservation value vegetation and ecological communities have been cleared by category A and B projects supported by EFIC.

(4) For each financial year since 2002, how many tonnes of PM2.5, PM10, SOx and NO have been emitted by category A and B projects supported by EFIC.
Senator Faulkner—The Minister for Trade has provided the following answer to the honourable senator’s question:

(1) EFIC support for a Category A or B project is likely to involve support for an overseas investment. It is difficult to envisage a situation where an overseas project could impact upon a matter of national environmental significance in Australia. (Not applicable.)

(2) In the case of Category A projects supported by EFIC, emissions information, if relevant to a project, is made public through the disclosure of environmental assessment documents on EFIC’s website.

Since 2002, EFIC has supported two projects which potentially emit significant amounts of CO2 or CO2 equivalent and both of these are aluminium smelters. The two aluminium smelters identified as potentially having significant CO2 emissions are still under construction. In each case the smelters incorporated industry best standards to minimise emissions.

The environmental impact assessments for the two aluminium smelters included estimates of CO2 emissions once the smelters attained peak production. These estimates were:
- Emirates Aluminium Project Abu Dhabi: 10 mtCO2eq/yr (million tonnes of CO2 equivalent each year) for an aluminium production of 1.4 mtpa (million tonnes each year)
- Qatalum Project Qatar, 4.7 mtCO2eq/yr for an aluminium production of 0.6 mtpa

The figures provided above were contained in the environmental assessment documents made available to the public during EFIC’s disclosure of its potential involvement in the projects. EFIC’s due diligence found that emissions from the two proposed smelters were significantly below the Australian average (based on tonnes CO2 equivalent per tonne of aluminium produced).

(3) Where relevant for a project, anticipated clearing of medium to high conservation value vegetation and ecological communities is considered in the due diligence work undertaken by EFIC prior to providing support. In the case of Category A projects supported by EFIC that information, if relevant to a project, would have been made public through the disclosure of environmental assessment documents on EFIC’s website.

Since 2002, none of the Category A and B projects supported by EFIC involved clearing of vegetation or ecological communities recognised under either international agreements (e.g. the Ramsar Convention on Wetlands of International Importance) or regarded as nationally important in the projects’ host countries (e.g. protected under a reserve system).

(4) Since 2002, any category A and B projects supported by EFIC that involved emissions of PM2.5, PM10, SOX and NO complied with relevant benchmarks. These benchmarks usually specify ground level concentrations of the particulates or gases derived from potential human health impacts rather than gross tonnages.

Export Finance and Insurance Corporation
(Question No. 1384)

Senator Bob Brown asked the Minister representing the Minister for Trade, upon notice, on 11 March 2009:

(1) How many product/contract covenants has the Export Finance and Insurance Corporation (EFIC) entered into for category A and B projects since 2001.

(2) How is compliance with contract covenants monitored by EFIC.

(3) How many instances of covenant breaches or non-compliance has EFIC dealt with since the introduction of its environment policy in 2000.
Senator Faulkner—The Minister for Trade has provided the following answer to the honourable senator’s question:

(1) EFIC has provided support to eight Category A projects and 19 Category B projects over the period July 2000 to June 2008.
EFIC applies covenants or conditions to projects it supports for a variety of purposes, for example, to receive financial reports, limit the use of financing and specify environmental or social standards.

For all projects EFIC negotiates an agreement specifically tailored to the particular circumstances and each legal agreement may run into hundreds of pages. Each page may contain several conditions each of which could have a multiple purpose. Agreements relating to Category A and Category B projects typically contain clauses such as:
- a specific event of default relating to non-compliance with environmental obligations;
- undertakings that the exporter will undertake their works in accordance with specific environmental standards that have been assessed and found acceptable; and
- limitations on the scope of works in order to minimise the environmental impact.

(2) EFIC monitors the facilities it provides through internal compliance systems managed by EFIC staff. These systems include software to track covenant reporting and actions as well as site visits to projects.

(3) Since the introduction of EFIC’s Environment Policy in 2000, EFIC has not recorded any serious breach of environmental obligations specified in that policy, although some minor breaches, for example being one day late in the delivery of information on environmental performance, have occurred.

Medicare Australia
(No. 1388)

Senator Cormann asked the Minister for Human Services, upon notice, on 11 March 2009:

With reference to the Government’s election commitment to deliver a Medicare office in Belmont, Western Australia: (a) when will the election commitment be met; and (b) what steps have been taken to meet this commitment.

Senator Ludwig—The answer to the honourable senator’s question is as follows:
A new Medicare office in Belmont, Western Australia is under active consideration by the Government. A decision on timing has not been made.

Tasmania: Richmond Bridge
(No. 1389)

Senator Milne asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 11 March 2009:

(1) With reference to Richmond Bridge in Tasmania and given that the draft conservation management plan for this bridge was written in 1997 and has remained in draft form since that time, will the Commonwealth Government ensure that an up-to-date structural analysis of the bridge is undertaken prior to development and approval of a final conservation management plan.

(2) Taking into consideration that the bridge has been listed on the National Heritage List since November 2005, will the Minister insist that both the state and Commonwealth governments agree to complete a final conservation management plan for the bridge within a specified time frame, prior to November 2009, which marks the 4 year anniversary of national listing; if not, why not.
(3) If the Tasmanian Government continues to delay the undertaking of a structural analysis of the bridge and/or refuses to contribute or obfuscate in the development of a final as opposed to a draft conservation management plan, will the Commonwealth Government consider taking over the responsibility for the management of the bridge; if not why not; if so, what would be the process.

(4) (a) Is the Minister aware that in respect to the current draft conservation management plan, the Australian Heritage Commission determined that the 25 tonne limit be retained on the bridge with the commission expressing concern that this limit may actually be stressing the bridge unnecessarily and therefore constituting an activity that is already having a significant impact on the bridge; and (b) what immediate action, if any, is the Commonwealth Government prepared to take to address such current usage management issues.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) In 2007, my Department provided funding to the Tasmanian Department of Infrastructure, Energy and Resources to assist with a laser scan of Richmond Bridge. This has produced a three-dimensional model of the bridge’s structure to assist the Tasmanian Government in the ongoing management of the bridge. An updated conservation management plan has been drafted and reviewed by my Department, and is now being finalised.

(2) The Environment Protection and Biodiversity Conservation Act 1999 stipulates that the Australian Government must use its ‘best endeavours’ to ensure the preparation of conservation management plans for National Heritage-listed places that are not under Commonwealth control. In 2007-08, my Department provided funding to the Tasmanian Government to assist with the preparation of an updated conservation management plan for Richmond Bridge. A draft of the updated plan has been reviewed by officers of my Department and a final plan is expected before the end of the year.

(3) The Australian Government does not have the constitutional head of power to assume responsibility for the management of a State-owned property. The responsibility for management of Richmond Bridge rests with the Tasmanian Government.

(4) (a) My Department is aware of concerns that heavy traffic using the bridge may be adversely affecting the bridge’s fabric, and has conveyed these concerns to the Tasmanian Department of Infrastructure, Energy and Resources; (b) The Tasmanian Government has jurisdiction over setting and enforcing appropriate load limits for Richmond Bridge.

Chiang Mai Night Safari Zoo
(Question No. 1390)

Senator Ludlam asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 11 March 2009:

(1) Is the Minister aware that in December 2008 the Bangkok Post reported that 300 animals at the Chiang Mai Night Safari zoo have died in the past 2 years.

(2) Can the Minister confirm whether this is the same zoo that was involved in the Federal government agreement to export native animals to Thailand in exchange for the import of Asian elephants to Taronga zoo.

(3) Has the Minister investigated if any of the animals that died included Australian native animals recently sent to the Chiang Mai Night Safari zoo.

(4) (a) How many Australian native animals were sent to Chiang Mai Night Safari zoo; and (b) is the Minister aware of: (i) the conditions under which these animals are kept, and (ii) their current state of health; if so, will the Minister publicly release details on the state of these native animals.
Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

(1) My Department has advised me that there was an article that appeared in the Thai press in December 2008 reporting that 300 animals at the Chiang Mai Night Safari zoo have died in the past 2 years.

(2) The Australian Government has not agreed, nor been party to any agreement, to export native animals to Thailand in exchange for the import of Asian elephants to Taronga zoo.

(3) and (4) My Department has advised me that no Australian native animals have been exported from Australia to Chiang Mai Night Safari zoo, and that any Australian animals at that zoo are likely to have been sourced from outside Australia. The Australian Government therefore has no jurisdiction nor any legislative basis to investigate the allegations raised in the Thai press last year regarding the Chiang Mai Night Safari zoo and accordingly no investigation has been undertaken.

Prime Minister and Cabinet: Consultancies
(Question No. 1391)

Senator Ronaldson asked the Minister representing the Prime Minister, upon notice, on 12 March 2009:

For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:

The Department of the Prime Minister and Cabinet engaged an external speechwriter on two occasions in November and December in the 2008 calendar year. The external speechwriter was engaged as part of our support role for former Governor-Generals through a direct source process as the cost of the services was less than $2,000 and did not require an open approach to the market.

Treasury: Consultancies
(Question Nos 1395, 1415, 1416 and 1423)

Senator Ronaldson asked the Minister representing the Treasurer, upon notice, on 12 March 2009:

For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Conroy—The Treasurer has provided the following answer to the honourable senator’s question:

Nil.

Immigration and Citizenship: Consultancies
(Question No. 1396)

Senator Ronaldson asked the Minister for Immigration and Citizenship, upon notice, on 12 March 2009:

For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source and open source) of tender for each contract for external speechwriting services entered into by the department.
Senator Chris Evans—The answer to the honourable senator’s question is as follows:
The department did not tender (direct source or open source) for any external speechwriting services during the 2008 calendar year.

Finance and Deregulation: Consultancies
(Question No. 1397)

Senator Ronaldson asked the Special Minister of State, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Faulkner—The answer to the honourable senator’s question is as follows:
Please refer to the answer provided by the Minister representing the Minister for Finance and Deregulation.

Foreign Affairs and Trade: Consultancies
(Question Nos 1398 and 1399)

Senator Ronaldson asked the Minister representing the Minister for Foreign Affairs and the Minister representing the Minister for Trade, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Faulkner—The Minister for Foreign Affairs and the Minister for Trade have provided the following answer to the honourable senator’s question:
No contracts for external speechwriting services were entered into by the Department of Foreign Affairs and Trade.

Defence: Consultancies
(Question Nos 1400 and 1421)

Senator Ronaldson asked the Minister representing the Minister for Defence, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:
Defence did not enter into any contracts for external speechwriting during the 2008 calendar year.

Health and Ageing: Consultancies
(Question Nos 1401, 1424 and 1426)

Senator Ronaldson asked the Minister representing the Minister for Health and Ageing, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the Department.
Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:
The Department of Health and Ageing did not enter into any external speechwriting contracts for the 2008 calendar year.

Families, Housing, Community Services and Indigenous Affairs: Consultancies
(Question No. 1402)

Senator Ronaldson asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Chris Evans—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:
For the 2008 calendar year, no contracts for external speechwriting services were entered into by the Department.

Finance and Deregulation: Consultancies
(Question No. 1403)

Senator Ronaldson asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Sherry—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:
Nil.

Infrastructure, Transport, Regional Development and Local Government: Consultancies
(Question No. 1404)

Senator Ronaldson asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Conroy—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator’s question:
External speechwriting services provided to the Department in the 2008 calendar year were provided under contract through the Department’s Communication Services Panel. The contract commenced on 10 January 2007 and continues until 10 January 2010. This Panel was established via an open source tender process.
Broadband, Communications and the Digital Economy: Consultancies
(Question No. 1405)

Senator Ronaldson asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the Department.

Senator Conroy—The answer to the honourable senator’s question is as follows:
I am happy to advise that the Department entered into no contracts for external speechwriting services for the calendar year 2008.

Innovation, Industry, Science and Research: Consultancies
(Question No. 1406)

Senator Ronaldson asked the Minister for Innovation, Industry, Science and Research, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Carr—The answer to the honourable senator’s question is as follows:
The Department of Innovation, Industry, Science and Research did not enter into any contracts for external speechwriting services for the 2008 calendar year.

Environment, Heritage and the Arts: Consultancies
(Question No. 1408)

Senator Ronaldson asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:
The department has not entered into any contract for external speechwriting services in the 2008 calendar year.

Attorney-General and Home Affairs: Consultancies
(Question Nos 1409 and 1414)

Senator Ronaldson asked the Minister representing the Attorney-General and the Minister representing the Minister for Home Affairs, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Wong—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:
Human Services: Consultancies
(Question No. 1410)

Senator Ronaldson asked the Minister for Human Services, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Ludwig—The answer to the honourable senator’s question is as follows:
Department of Human Services (including the Child Support Agency and CRS Australia)
The Department of Human Services did not enter into any contracts for external speechwriting services in the 2008 Calendar year.

Agriculture, Fisheries and Forestry: Consultancies
(Question No. 1411)

Senator Ronaldson asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:
The department does not use external speechwriting services.

Resources, Energy and Tourism: Consultancies
(Question Nos 1412 and 1413)

Senator Ronaldson asked the Minister representing the Minister for Resources and Energy and the Minister representing the Minister for Tourism, upon notice, on 12 March 2009:
For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the Department.

Senator Carr—The Minister for Resources and Energy and the Minister for Tourism has provided the following response to the honourable senator’s question:
The Department has not engaged any external speechwriting services for the calendar year of 2008.
Veterans’ Affairs: Consultancies
(Question No. 1417)

Senator Ronaldson asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 12 March 2009:

For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Faulkner—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

During the 2008 calendar year, the department did not enter into any contracts for external speechwriting services.

Families, Housing, Community Services and Indigenous Affairs: Consultancies
(Question Nos 1418 and 1419)

Senator Ronaldson asked the Minister for Housing and the Minister for the Status of Women, upon notice, on 12 March 2009:

For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Wong—The Minister for Housing and the Status of Women has provided the following answer to the honourable senator’s question:

For the 2008 calendar year, no contracts for external speechwriting services were entered into by the Department.

Innovation, Industry, Science and Research: Consultancies
(Question No. 1422)

Senator Ronaldson asked the Minister representing the Minister for Small Business, Independent Contractors and the Service Economy, upon notice, on 12 March 2009:

For the 2008 calendar year, can details be provided of the start date, duration and nature (direct source or open source) of tender for each contract for external speechwriting services entered into by the department.

Senator Carr—The Minister for Small Business, Independent Contractors and the Service Economy has provided the following answer to the honourable Senator’s question:

The Department of Innovation, Industry, Science and Research did not enter into any contracts for external speechwriting services for the 2008 calendar year.

Superannuation
(Question No. 1432)

Senator Cormann asked the Minister for Employment and Workplace Relations, in writing, on 12 March 2009:

With reference to the decision of the full bench of the Australian Industrial Relations Commission (AIRC) handed down on 19 December 2008, inserting default superannuation funds into a number of awards:

QUESTIONS ON NOTICE
(1) What is the justification for reducing the exercise of choice for working families in relation to their superannuation arrangements and advantaging particular superannuation funds through the introduction of default funds as part of the award ‘modernisation’ process.

(2) Given that all but one of the default funds are industry superannuation funds, on what basis were the funds selected.

(3) Did the Minister, the Minister’s office, or the department have any input into the selection of default funds.

(4) What expertise does the AIRC have in assessing superannuation funds for long-term performance and all product features, including financial advice and comprehensive insurance coverage.

(5) What is the comparative performance of the nominated default funds against industry averages.

(6) On what basis was a single for-profit superannuation fund considered suitable for nomination as a default fund.

(7) Has the Minister or the department considered the anti-competitive aspects of inserting default funds into awards.

(8) Has the advice of the Australian Competition and Consumer Commission been sought in regard to the potential anti-competitiveness of default fund nomination.

(9) Has the Minister, the Minister’s office, or the department had any discussions with any unions regarding the introduction of default funds as part of the award ‘modernisation’ process; if so, what commitments were made.

(10) Is it now government policy to entrench industry superannuation funds as default funds in awards.

(11) Is the Government aware of any financial or other benefits various unions may be able to derive from the establishment of default funds as part of the award ‘modernisation’ process; if so, what are those financial and other benefits for each relevant union.

Senator Ludwig—The answer to the honourable senator’s question is as follows:

(1) The Government does not accept the proposition that the award modernisation process will lead to a reduction in choice. Choice of Fund legislation passed in 2005 allows award employees to nominate a fund into which their Superannuation Guarantee payments are paid. Modern awards do not change this.

(2) The Australian Industrial Relations Commission (the Commission) is currently undertaking award modernisation. The Commission, following extensive stakeholder consultation, decided to nominate certain default funds for priority industries/occupations.

(3) No.

(4) The Commission’s statement of 12 September 2008 explained:

“(29)...We do not think it is appropriate that the Commission conduct an independent appraisal of the investment performance of particular funds. Performance will vary from time to time and even long term historical averages may not be a reliable indicator of future performance. We are prepared to accept a fund or funds agreed by the parties, provided of course that the fund meets the relevant legislative requirements.”

(5) Readily comparable data on the performance of nominated default funds and the performance of the industry as a whole is not available as different rating agencies cover different funds and use different methodologies.

However, the Australian Prudential Regulation Authority (APRA) is currently examining how best to publish fund level data on performance and is in the process of finalising its approach so that such information is available in the near future.
APRA intends to publish a reference publication at the individual fund level that will assist informed observers to assess a superannuation trustee’s ability to deliver on the fund level investment strategy for the benefit of all members over time. This information is intended to improve the disclosure of fund level performance data.

(6) The Commission is currently undertaking award modernisation. The Commission, with extensive stakeholder consultation, arrived at the decision to nominate certain default funds for priority industries/occupations.

(7) A large percentage of employees on awards fail to make a choice of super fund when they start a new job. A default option must exist to ensure employees can receive their superannuation guarantee payments.

(8) I am not aware of advice on default superannuation funds in modern awards being sought from the Australian Competition and Consumer Commission.

(9) No.

(10) No. The Fair Work Bill provides for modern awards to be reviewed by Fair Work Australia every four years. Stakeholders will be able to seek review of default fund arrangements at that time.

(11) I am not aware of any direct financial benefits derived by unions in the listing of default funds in modern awards.

**Australian Industrial Relations Commission**

*(Question No. 1433)*

**Senator Cormann** asked the Minister for Superannuation and Corporate Law, upon notice, on 12 March 2009:

With reference to the decision of the full bench of the Australian Industrial Relations Commission (AIRC) handed down on 19 December 2008, inserting default superannuation funds into a number of awards:

(1) What is the justification for reducing the exercise of choice for working families in relation to their superannuation arrangements and advantaging particular superannuation funds through the introduction of default funds as part of the award ‘modernisation’ process.

(2) Given that all but one of the default funds are industry superannuation funds, on what basis were the funds selected.

(3) Did the Minister, the Minister’s office, or the department have any input into the selection of default funds.

(4) What expertise does the AIRC have in assessing superannuation funds for long-term performance and all product features, including financial advice and comprehensive insurance coverage.

(5) What is the comparative performance of the nominated default funds against industry averages.

(6) On what basis was a single for-profit superannuation fund considered suitable for nomination as a default fund.

(7) Has the Minister or the department considered the anti-competitive aspects of inserting default funds into awards.

(8) Has the advice of the Australian Competition and Consumer Commission been sought in regard to the potential anti-competitiveness of default fund nomination.

(9) Has the Minister, the Minister’s office, or the department had any discussions with any unions regarding the introduction of default funds as part of the award ‘modernisation’ process; if so, what commitments were made.

(10) Is it now government policy to entrench industry superannuation funds as default funds in awards.

**QUESTIONS ON NOTICE**
(11) Is the Government aware of any financial or other benefits various unions may be able to derive from the establishment of default funds as part of the award ‘modernisation’ process; if so, what are those financial and other benefits for each relevant union.

**Senator Sherry**—The answer to the honourable senator’s question is as follows:

(1) The Government does not accept the proposition that the award modernisation process will lead to a reduction in choice. An employee’s right to choose the fund to which their superannuation is paid is unaffected by the AIRC’s decision and the employee can override the default fund nominated by the AIRC.

(2) Following extensive stakeholder consultation, the AIRC decided to nominate certain default funds for priority industries/occupations. In its decision on 19 December 2008, the AIRC stated that in addition to nominated default funds it:

“…decided to allow as a default fund any fund to which the employer was making contributions for the benefit of employees on 12 September 2008. This approach is likely to minimise inconvenience for employers. While funds other than those provided for will not qualify as default funds employees may still exercise their right to choose in favour of these funds.”

(3) No. However, I made a submission to the AIRC’s award modernisation process on 18 July 2008 in which I raised the issue of underperforming default superannuation funds in awards and urged the AIRC to ask the parties to awards to consider the performance of the superannuation fund specified in their award when they conducted consultations for the award modernisation process.

(4) The AIRC released a statement on 12 September 2008 which stated:

“…We do not think it is appropriate that the Commission conduct an independent appraisal of the investment performance of particular funds. Performance will vary from time to time and even long term historical averages may not be a reliable indicator of future performance. We are prepared to accept a fund or funds agreed by the parties, provided of course that the fund meets the relevant legislative requirements.”

(5) The Australian Prudential Regulation Authority (APRA) collects but does not publish data on performance at the fund level. APRA is currently examining how best to publish fund level data on performance and is in the process of finalising its approach.

(6) See Question 2.

(7) The AIRC’s decision in relation to default fund is not considered anti-competitive.

(8) No.

(9) Treasury has not had any discussions with unions concerning the introduction of default funds as part of the award modernisation process. I, and advisers from my office, had discussions with various parties to the awards in order to urge them to consider the performance of the superannuation fund specified in their award as part of the award modernisation process.

(10) No.

(11) No.

**Kimberley Broadband Solutions Project**

**(Question No. 1434)**

**Senator Ludlam** asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 17 March 2009:

(1) In addition to the project deed of the Kimberley Broadband Solutions Project, does the Federal Government retain a copy of the agreement signed between the Western Australian Government and the private partner in the project: if so, can a copy be provided.
(2) On what basis did the Federal Government reject NewSat Limited’s application to register in the second round of the Australian Broadband Guarantee program in early 2008.

(3) Is the department aware of any requirement, either in the project deed or in any other contract signed by the Western Australian Government, the Federal Government and/or private partner in the project, for not only broadband infrastructure to be built in the vicinity of the 16 communities but also for communities to be made aware of the infrastructure’s presence and for support services and sales to be provided so that the communities were able to sign up for the use of the infrastructure.

Senator Conroy—The answer to the honourable senator’s question is as follows:

(1) Yes, the Federal Government does retain a copy of the agreement signed between the Western Australian Government and the private partner in the Kimberley Broadband Solutions project and a copy of the Financial Assistance Agreement is available from the Senate Table Office for your information.

(2) NewSat Limited’s application for registration was declined as NewSat was unable to fully address the assessment criteria of the Australian Broadband Guarantee program as set out in the Australian Broadband Guarantee program guidelines publicly available at www.dbcde.gov.au

(3) The contract between NewSat and the WA Government required NewSat to undertake marketing and the implementation of a Community Development Plan (as outlined in Schedule 9 and Schedule 10 of the Financial Assistance Agreement) for the Kimberley Broadband Solutions project, available from the Senate Table Office.

Tax Bonus Payment
(Question No. 1435)

Senator Scullion asked the Minister representing the Treasurer, upon notice, on 17 March 2009:

How many taxpayers from the 2007-08 financial year, who are now resident overseas, will be eligible to receive the Government’s tax bonus payment.

Senator Conroy—The Treasurer has provided the following answer to the honourable senator’s question:

Anyone who was not a resident for tax purposes in the 2007-08 financial year will not be eligible for a tax bonus payment.

Anyone whose residency status changed from “resident for tax purposes in 2007-08” to “not a resident for tax purposes” after 1 July 2008, will still be entitled to a tax bonus payment if they otherwise meet the eligibility criteria.

The Australian Taxation Office (ATO) does not usually receive notification of a change in a person’s residency status until an income tax return is filed, if required. In some cases people contact the ATO and advise they are moving overseas during the year. Therefore, the ATO will not have any analysis on the number of taxpayers who are eligible for the tax bonus and subsequently have chosen to reside overseas until after a substantial number of 2008-09 tax returns are filed.

The ATO is aware that although someone may have advised of an overseas address, it does not necessarily mean they are not a resident for tax purposes. In any given year, Australian residents and citizens may work and visit overseas for part of the year.

The ATO has undertaken some analysis on overseas addresses. Analysis of the 2007-08 tax returns processed up to 15 March 2009, indicates that of the 7.4 million people who have so far been identified as eligible to receive a tax bonus payment, less than 1 per cent may be resident overseas.
Senator Bob Brown asked the Minister for Innovation, Industry, Science and Research, upon notice, on 18 March 2009:

With reference to the answer to question on notice no. 1231 (Senate Hansard, 16 March 2009, p. 113):

why has the Australian Government taken no role or given no tangible backing to the 2009 to 2011 work of the Action Team on Near-Earth Objects.

Senator Carr—The answer to the honourable senator’s question is as follows:

Australia contributes to the global monitoring of Near-Earth Objects through the Siding Spring Survey (SSS), which uses the Uppsala Schmidt Telescope at the Siding Spring Observatory in New South Wales. The mission of the SSS is to contribute to the inventory of near-earth objects, or more specifically, the potentially hazardous asteroids and comets that may pose a threat of impact and thus harm to civilization. The SSS, in partnership with the Catalina Sky Survey of the United States, is jointly operated by the University of Arizona and the Australian National University, with funding from the National Aeronautics and Space Administration. The SSS comprises a small team of astronomers who collect data and supply it to the Minor Planet Centre at the Smithsonian Astrophysical Observatory in the United States. The Minor Planet Centre is the official organisation for collecting, analysing, and disseminating information about Near-Earth Objects.

The Action Team on Near-Earth Objects will present a final report to the United Nations following completion of a multi-year workplan in 2011. When this report is released the Australian Government will be able to better consider Australia’s role in this international initiative.

Senator Bob Brown asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 18 March 2009:

With reference to the case of Mr John Sorensen and Northern Bay Pty Ltd on Christmas Island, as detailed in the May 2006 report of the Joint Standing Committee on the National Capital and External Territories, Current and future governance arrangements for the Indian Ocean Territories:

(1) Does the Government agree with the committee’s finding that Mr Sorensen’s land should be bought by the Government at full market value.

(2) Will the Government consider overturning the previous government’s decision to deny Mr Sorensen compensation; if not, why not.

(3) If an act of grace payment under the Financial Management and Accountability Act 1997 is no longer an applicable way to compensate Mr Sorensen, has the department investigated other avenues for compensation.

(4) Why did the department take 9 months to reply to Mr Sorensen’s letter asking for reconsideration of the act of grace decision.

(5) Will the Government commit to ‘competitive neutrality’ principles in future development tenders in Australia or its territories.

(6) Does the Government accept the committee’s recommendation that Commonwealth land released on Christmas Island in future be sold at market value.

Senator Sherry—The Minister for Finance and Deregulation has provided the following answer to the honourable senator’s question:

QUESTIONS ON NOTICE
(1) The Senator is referring to Recommendation 3 of the Committee’s May 2006 report. In its response to the report in June 2007, the then Government did not support the recommendation that the Australian Government compensate Northern Bay Pty Ltd through the purchase of Location 448 Phosphate Hill Road at full market value (or by some other means). The Government agrees with that response.

(2) No. As a matter of good governance, a decision to decline an act of grace payment should not be reconsidered unless new evidence or argument has been presented.

(3) No. The current Government shares the view of the previous Government that compensation is not warranted.

(4) Mr Sorensen initially requested that the Government reconsider the response to the Committee’s May 2006 report. On 31 August 2008, Mr Sorensen asked for advice on where to lodge a “claim for compensation”, and his letter was then referred to the Department of Finance and Deregulation for investigation as a request for an act of grace payment. A decision on that claim was given on 19 December 2008.

(5) The Government’s competitive neutrality policy requires that government business activities do not enjoy a net competitive advantage over private sector competitors by virtue of their public ownership. Competitive neutrality policy does not apply to Government tendering processes.

(6) The Senator is referring to Recommendation 2 of the Committee’s May 2006 report, which recommended that the Australian Government adopt the policy that, in future, all Commonwealth land released for development on Christmas Island, is sold at full market value.

The then Government noted this recommendation in its June 2007 response to the Committee’s report, and added that it is Australian Government policy when disposing of land to sell it at market value.

The policy referred to in the then Government’s response is the Commonwealth Property Disposals Policy, which remains in force. The policy requires Commonwealth property, having no alternative efficient use, is to be sold on the open market at full market value.

**Defence: Programs**

(Question No. 1438)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 18 March 2009:

(1) Can details be provided of programs discontinued or to be discontinued in 2009 and 2010, including the total amount appropriated for each during the life of the program.

(2) Can details be provided of the $7.4 billion worth of projects that have been delayed or deferred since 1 December 2007, including: (a) when these projects are expected to be delivered; (b) the reasons for the delay in the delivery of these projects; and (c) the value of each of these delayed or deferred projects.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) On 2 March 2009, the Government announced that it had decided not to proceed to the next partnership phase of the United States Navy Broad Area Maritime Surveillance program. Accordingly, Project AIR 7000 Phase 1B - Multi-Mission Unmanned Aerial System, which received First Pass approval in July 2006 at a current approved project cost of $4.121 million has been deferred. No other approved projects have been discontinued in 2009.

(2) The Defence Materiel Organisation has conducted two cash reprogramming exercises for projects that comprise the Approved Major Capital Investment Program (AMCIP) since December 2007.
The first such exercise underpinned the 2008-09 Budget Estimates and the second underpinned the 2008-09 Additional Estimates. Project expenditure plans for 2008-09 were reduced by a total of $1,857 million and reprogrammed into later years. The total adjustment to project expenditure plans across the four years to the end of the Forward Estimates period was a net decrease of $53 million in real terms.

The total value of AMCIP projects for which a change to anticipated achievement of the Initial Operational Capability for its deliverables identified since December 2007 is $6.8 billion. The projects, reasons for the delays and project values are contained in the table below.

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Name</th>
<th>Revised Initial Operational Capability (IOC)</th>
<th>Delay Comment</th>
<th>Project Value ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR 5077</td>
<td>Airborne Early Warning and Control System</td>
<td>December 2011</td>
<td>Technical problems with radar and electronic support measures subsystems and integrated system performance.</td>
<td>3999.262</td>
</tr>
<tr>
<td>AIR 5276</td>
<td>AP-3C Electronic Support Measure Upgrade Project</td>
<td>September 2012</td>
<td>Protracted contract negotiations.</td>
<td>127.226</td>
</tr>
<tr>
<td>AIR 5402</td>
<td>Air-To-Air Refuelling</td>
<td>Mid-late 2010</td>
<td>Prime Contractor delays associated with the design, installation and testing of the new aerial refuelling and military avionics systems.</td>
<td>1997.438</td>
</tr>
<tr>
<td>JP 2077</td>
<td>Military Integrated Logistics Information System</td>
<td>October 2009</td>
<td>Contractor delays due to poor quality processes and project management.</td>
<td>128.004</td>
</tr>
<tr>
<td>JP 2077</td>
<td>ADF Deployable Logistics System</td>
<td>2012</td>
<td>As a consequence of issues with Phase 2B.1 delivery, Defence has suspended negotiations with contractor until successful delivery of core Phase 2B.1 software.</td>
<td>92.786</td>
</tr>
<tr>
<td>JP 2085</td>
<td>EO Reserve Stocks</td>
<td>2009/10 (for Excalibur)</td>
<td>Deliveries of Excalibur Precision Guided Munitions have been delayed while awaiting the finalisation of tests and trials to allow full material release. Partial deliveries in 2008-09 will allow full certification and introduction into service to be completed by 2009-10.</td>
<td>214.341</td>
</tr>
</tbody>
</table>
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Project No</th>
<th>Project Name</th>
<th>Revised Initial Operational Capability (IOC)</th>
<th>Delay Comment</th>
<th>Project Value ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JP 5408</td>
<td>GPS Enhancement For ADF Platforms</td>
<td>LAND – November 2011 AIR – January 2012 SEA – October 2010</td>
<td>The IOC dates for all platforms have slipped due to delays in the US development program.</td>
<td>62.711</td>
</tr>
<tr>
<td>SEA 1401</td>
<td>Survey Motor Launch Upgrade</td>
<td>11 August 2009</td>
<td>IOC (first upgraded Survey Motor Launch) deferred by 10 weeks due to two-week Commonwealth induced postponement (documentation review) and eight-week excusable delay arising out of unforeseen requirement for full crew safety audit / training period to be conducted. Defence examining options to minimise impact on overall schedule and Final Operational Capability.</td>
<td>63.92</td>
</tr>
<tr>
<td>JP 129</td>
<td>Airborne Surveillance for Land Operations</td>
<td>New IOC under development</td>
<td>Cancellation of the acquisition and in-service support contracts with the contractor in 2008 has delayed the introduction of this capability. Defence has since conducted an initial analysis of alternative Tactical Unmanned Air Vehicle systems, and finalising its review of the essential criteria that will be utilised to shortlist candidate systems for detailed consideration. Following this analysis, a new IOC will be set.</td>
<td>147.026</td>
</tr>
</tbody>
</table>

**Minister for Defence: Overseas Travel**

*(Question No. 1439)*

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 18 March 2009:

With reference to the answer provided to questions on notice nos 812 and 813 (Senate *Hansard*, 10 March 2009, p. 142):

1. As the report referred to by the Minister in paragraph 2 of the answer to the above questions does not provide the detail originally asked for, can the following details be provided: (a) how many ministerial staff accompanied the Minister on each of these overseas visits; and (b) for accompany-
ing ministerial staff, what was the total cost of: (i) travel, (ii) accommodation, and (iii) any other expenses.

(2) In regard to Professor Scott Holmes accompanying the Minister on the Minister’s visit to Turkey and the Middle East between 22 and 30 April 2008: (a) what was the purpose of Professor Holmes accompanying the Minister; (b) what benefit was there to be gained from a Professor of Accounting and Finance accompanying the Minister; (c) who approved Professor Holmes attendance; and (d) how were the costs for Professor Holmes attendance met.

**Senator Faulkner**—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (a) and (b) The Parliamentarians’ Travel Paid by the Department of Finance and Deregulation reports, which are tabled in the Parliament every six months, provide the summary information relevant to part (1) (a).

In relation to part (1) (b), details are contained in the supporting documentation to the Tabing reports, which is available on request to the Special Minister of State. Each Tabing report contains, in the introduction, a paragraph advising that the supporting information (which is too bulky to be tabled) is available on written request to the Office of the Special Minister of State.

(2) (a) and (b) Professor Scott Holmes was a highly regarded part-time member of my electorate staff. He approached me about travelling with me to Turkey for the Anzac Day commemorations on the basis of paying his own way. (c) I did. I approached the Secretary and the Chief of the Defence Force in relation to the question of the appropriateness of someone travelling with me to Turkey at their own expense. They agreed that this would be appropriate, and I note that there are precedents for these arrangements which were set during the time of the previous Government. (d) There was no additional cost involved.

**Sea Shepherd Conservation Society**

(Question No. 1441)

**Senator Johnston** asked the Minister representing the Minister for Foreign Affairs, upon notice, on 18 March 2009:

In regard to the Sea Shepherd Conservation Society’s vessel in Hobart in early 2009: (a) is the Minister aware of any request from the Japanese Government for the Australian Federal Police (AFP) to raid the vessel; and (b) did the Minister have prior knowledge of the decision of the AFP to raid the vessel.

**Senator Faulkner**—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

(a) The execution of the search warrant was an operational decision of the AFP. The AFP undertook preliminary inquiries in relation to incidents which were alleged to have occurred at sea between the Japanese whaling fleet and the Steve Irwin in response to a formal request from Japanese authorities on 17 February 2009 for Australia to investigate the alleged incidents. As a result of the referral and in accordance with Australia’s domestic obligations under the Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation (1993) (SUA Convention) the AFP commenced enquiries in relation to alleged violations of Australian domestic law.

(b) Mr Smith was briefed on 20 February 2009, the day the AFP executed its search warrant on the vessel, by a ministerial submission from the Department of Foreign Affairs and Trade. That submission was for the Minister’s information only and did not seek any decision by the Minster. Mr Smith noted the submission.
Influenza
(Question No. 1442)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 18 March 2009:

(1) What is the current status of Australia’s preparedness for a pandemic influenza outbreak.
(2) Has Australia’s preparedness alert level changed in the past 12 months.
(3) What products have been replenished since July 2008, in particular, avian influenza A (H5N1) vaccines, and by what quantities.
(4) Are all influenza vaccines, including the human vaccine for avian influenza A (H5N1), held within the National Medical Stockpile, manufactured in Australia; if not, what percentage of the stockpile is made up of vaccines manufactured in Australia.
(5) Is it still a priority for the Minister to ensure that Australia has local influenza vaccine manufacturing capacity sufficient to assure an adequate emergency response; if so, how is this reflected in the recent public tender issued for the supply of influenza vaccines to the National Medical Stockpile.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) Australia is internationally regarded as a leader in pandemic planning and being at an advanced state of preparedness. This reputation is a direct consequence of the substantial effort and funding committed to pandemic preparedness activities by all Australian governments. Since 2003, the Australian Government has spent over $805 million on pandemic planning: $582 million on the Australian health response and $223 million for whole-of-government pandemic planning. The Australian Government and state and territory governments have comprehensive pandemic plans in place. At the national level, these plans include:

- the Australian Health Management Plan for Pandemic Influenza (2008) (AHMPPI 2008) – which provides a strategic and national health framework for preparedness activities and for actions and interventions that may be considered in the event of an influenza pandemic. The AHMPPI 2008 was endorsed by the Australian Health Ministers’ Conference on 5 December 2008; and
- the National Action Plan for Human Influenza Pandemic 2006 (NAP) – which outlines a whole-of-government framework for responding to an influenza pandemic. The NAP has been updated in accordance with AHMPPI 2008 and is awaiting endorsement by COAG.

The AHMPPI 2008, which is the cornerstone of Australia’s pandemic preparedness, demonstrates a significant step forward in our pandemic planning. This is the third iteration of the plan, which uses the continually developing evidence base to support its objectives. It also incorporates the lessons learned from Exercise Cumpston 2006, which was a large-scale live simulation exercise by the Australian Government with all state and territory governments to assess the capacity and capability of the health system to respond to a pandemic. Additionally, this plan differs from previous ones that were primarily Australian Government documents. AHMPPI 2008 was developed in close consultation with states and territories and is therefore a national whole-of-sector strategy.

The five core elements of AHMPPI 2008 that underpin Australia’s high level of pandemic preparedness include:

- a strategic framework – with greater emphasis on an intense multi-pronged strategy allowing a new focus on sustaining the health system;
- revised phases – reflecting our increased confidence in vaccine technology, the inclusion of more antivirals and a small stockpile of H5N1 vaccine in the National Medical Stockpile (NMS);
- flexible policy – to ensure that actions taken will be appropriate to the situation and can be adapted to meet changing circumstances;

- an ethical framework – to guide the health sector response and ensure equity and appropriate decision making; and

- a legal framework – under which pandemic preparedness and response must operate.

The NMS, which is a strategic reserve, is a key element of Australia’s pandemic preparedness. It presently holds in the order of 8.7 million courses of antiviral medicines, which is one of the largest per capita stockpiles of antivirals in the world. Consistent with the priority given to achieving an advanced state of pandemic preparedness, the Australian Government is one of only a few countries to have secured binding agreements with vaccine manufacturers for the supply of enough customised vaccine in the event of a pandemic to protect the entire population.

The effectiveness and interoperability of Australia’s pandemic plans are regularly assessed through national, jurisdictional and sector specific exercises. Exercise Cumpston 2006 was a great success in validating Australia’s pandemic plans, while also pointing to areas where planning and response could be strengthened. The Department of Health and Ageing, in collaboration with states and territories through the Australian Health Protection Committee, is continuously implementing the recommendations.

More recently, Exercise Sustain 2008 assessed the broader whole-of-government responses, with a focus on maintaining social and economic functioning and supporting recovery in a widespread pandemic. While the formal evaluation is still in process, Exercise Sustain 2008 achieved its objectives.

While significant steps have been taken by all Australian governments to ensure that Australia is as pandemic prepared as possible, planning is an ongoing activity. The Australian Government and states and territories are actively progressing initiatives in collaboration with health service providers and industry to improve pandemic plans. This involves ensuring consistency with AHMPPI 2008, incorporating the lessons learned from exercises and other emergencies, and accounting for changes in the scientific evidence base.

(2) Australia’s pandemic alert phase has remained unchanged in the past 12 months. The alert phase remains at ‘Overseas 3’ (human infection overseas with new influenza subtype but no human-to-human spread, or at most, rare instances of spread to a close contact). There is still no evidence of efficient spread of bird flu from person to person, and so no evidence that a new human influenza pandemic has emerged.

(3) Stocks replenished in the NMS since July 2008 have included 414,077 Tamiflu capsules and 56,000 bottles of Tamiflu suspension.

(4) 50 per cent of H5N1 vaccines held in the NMS are manufactured in Australia.

(5) The recent Request for Tender that was issued to the open market included a requirement that Tenderers were to provide an estimated time to deliver stocks to Australia, and if the vaccine was manufactured outside of Australia, that Tenderers were to confirm that such lead times will not compromise an effective response to a pandemic.

In the event of a pandemic, the Secretary of the Department of Health and Ageing could secure influenza vaccine from local manufacturers under part 2.7 of the Commonwealth Procurement Guidelines, which allows for direct source procurement to protect human health.

QUESTIONS ON NOTICE
Superannuation
(Question No. 1443)

Senator Abetz asked the Minister for Innovation, Industry, Science and Research, upon notice, on 18 March 2009:

(1) (a) How much has the Australian Government provided to the Australian Research Council (ARC) for the development of Excellence in Research for Australia (ERA); and (b) is this money quarantined from the ARC’s general administrative budget.

(2) (a) How much has the ARC expended on the development of ERA to date; and (b) can an itemised list of this spending be provided.

(3) (a) How much money from the ARC’s general administrative budget has been spent on the development of ERA; and (b) can an itemised list of this spending be provided.

(4) Excluding all expenditures for the administration of ERA, what amount has been budgeted by the ARC for the administration of grants over each of the following financial years: (a) 2007-08; (b) 2008-09; (c) 2009-10; (d) 2010-11; and (e) 2011-12

Senator Carr — The answer to the honourable senator’s question is as follows:

(1) (a) When the Machinery of Government changes occurred in 2007-08 the ARC received funding for the ERA function, as detailed in the table below. The unspent balance of the 2007-08 funding was then carried over for ERA activities in 2008-09. The ARC has received approval for the resulting accrual operating loss in 2008-09 in the amount of $4.5 million.

<table>
<thead>
<tr>
<th>Departmental Funding</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding after s32 transfer</td>
<td>$’000</td>
</tr>
<tr>
<td>Equity injection</td>
<td>4,320</td>
</tr>
<tr>
<td>Operating</td>
<td>8,049</td>
</tr>
<tr>
<td>Total resources transferred to ARC</td>
<td>12,369</td>
</tr>
<tr>
<td>07-08 expenditure</td>
<td></td>
</tr>
<tr>
<td>Equity injection</td>
<td>-840</td>
</tr>
<tr>
<td>Operating</td>
<td>-3,281</td>
</tr>
<tr>
<td>ARC Sub-total</td>
<td>-4,121</td>
</tr>
<tr>
<td>Remaining funding for ERA in 2008-09</td>
<td></td>
</tr>
<tr>
<td>Equity injection</td>
<td>3,480</td>
</tr>
<tr>
<td>Operating</td>
<td>4,768</td>
</tr>
<tr>
<td>ARC Sub-total</td>
<td>8,248</td>
</tr>
</tbody>
</table>

(b) No, this forms part of the ARC’s overall operating budget.

(2) (a) To date the ARC has expended $6,915,000 on the development of ERA.

<table>
<thead>
<tr>
<th>Departmental Funding</th>
<th>Dec 07 to June 08</th>
<th>Jul 08 to Feb 09</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>1,484</td>
<td>1,207</td>
<td>2,691</td>
</tr>
<tr>
<td>Travel</td>
<td>114</td>
<td>267</td>
<td>381</td>
</tr>
<tr>
<td>Communication</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Office services</td>
<td>322</td>
<td>17</td>
<td>339</td>
</tr>
<tr>
<td>Staff Admin Costs</td>
<td>14</td>
<td>13</td>
<td>27</td>
</tr>
<tr>
<td>Other Goods &amp; Services</td>
<td>14</td>
<td>47</td>
<td>61</td>
</tr>
<tr>
<td>Consultants</td>
<td>47</td>
<td>79</td>
<td>126</td>
</tr>
<tr>
<td>Contractors</td>
<td>703</td>
<td>167</td>
<td>870</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
Departmental Funding

<table>
<thead>
<tr>
<th>Member costs</th>
<th>Dec 07 to June 08</th>
<th>Jul 08 to Feb 09</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>62</td>
<td>1</td>
<td>63</td>
</tr>
<tr>
<td>Venue Hire &amp; Seminar Costs</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Sub Total</td>
<td>2,765</td>
<td>1,804</td>
<td>4,569</td>
</tr>
<tr>
<td>Corporate IT Systems</td>
<td>46</td>
<td>1,535</td>
<td>1,581</td>
</tr>
<tr>
<td>Corporate Enabling Function</td>
<td>470</td>
<td>295</td>
<td>764</td>
</tr>
<tr>
<td>Total Spent to 28 Feb 09</td>
<td>3,281</td>
<td>3,634</td>
<td>6,915</td>
</tr>
</tbody>
</table>

(3) (a) As ERA funding formed part of the ARC’s overall operating budget refer to the details provided in response to Q2.

(4)

Departmental Funding

<table>
<thead>
<tr>
<th>Actual</th>
<th>Budgeted Estimate</th>
<th>Forward Estimate</th>
<th>Forward Estimate</th>
<th>Forward Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>2008-09</td>
<td>2009-10</td>
<td>2010-11</td>
<td>2011-12</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Total budgeted</td>
<td>16,388</td>
<td>15,942</td>
<td>15,829</td>
<td>16,045</td>
</tr>
</tbody>
</table>

Nuclear Power

(7) Did ANSTO commission Field Public Relations to promote the chairman’s views on nuclear power and a change in government policy at Paydirt’s Uranium Conference held in Adelaide on 16 and 17 March 2009.

Senator Carr—The answer to the honourable senator’s question is as follows:

(1) The Government’s policy is that nuclear power is not needed as part of Australia’s energy mix given our natural diversity of low cost and reliable energy sources, both fossil fuel and renewable based.

(2) Yes.

(3) The Australian Radiation Protection and Nuclear Safety Act 1998 applies only to “controlled persons”, as defined in section 13 of the Act. Section 10 of the Act prohibits the CEO of ARPANS from licensing a controlled person to construct a nuclear fuel fabrication plant, a nuclear power...
plant, an enrichment plant or a reprocessing facility. Section 146M of the Environment Protection and Biodiversity Conservation Act 1999 may also be relevant in this regard.

(4) Recent statements by the chairman of ANSTO are made in his professional capacity as an expert about nuclear matters. They are not policy prescriptions.

(5) The Rudd Government welcomes the contest of ideas and does not seek to censor scientific opinion. I have enhanced the capacity of ANSTO and other research agencies to report and promote scientific debate through the establishment of charters.

(6) As is evident from reports of Dr Switkowski’s statements, he is well aware of Government policy on nuclear power in Australia.

(7) No.

**Australian Electoral Commission**

(Question No. 1446)

Senator Ronaldson asked the Special Minister of State, upon notice, on 19 March 2009:

(1) Since 1 July 2008, has the Australian Electoral Commission commenced any habitation reviews, including ‘doorknocks’; if so, in which electorates have these been conducted.

(2) What criteria are used in determining which seats will be subject to a habitation review.

(3) Have these habitation reviews been conducted across all residences in electorates or only at selected residences which might be considered ‘high risk’.

(4) In relation to the people who are listed as living at a particular address but who, during the habitation review, have been found to be not living at that address:

(a) which electorates had the greatest and least number of incorrect enrolments identified by the habitation review process in this period, and what were the respective numbers; and

(b) what was the average number of incorrect enrolments identified by the habitation review process in this period.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) The AEC has conducted habitation reviews since 1 July 2008. The AEC’s primary method of habitation review is the Continuous Roll Update (CRU) program. The CRU program has been in operation since 1999, when it replaced the previous Electoral Roll Reviews which were largely doorknocking exercises conducted across all divisions. The CRU program consists of a range of activities aimed at encouraging electors to enrol or update their enrolment — the main activities being mail-outs and fieldwork. Most fieldwork is ‘non-response’ fieldwork, which involves door-knocking addresses from which the AEC did not receive a response to the CRU letter. The CRU program is conducted for all divisions.

The AEC also conducts fieldwork in areas that have high growth or high turnover of electors, and in rural and remote areas. These events are conducted as required. Divisional Offices also check enrolment details as required, through letters, telephone calls or fieldwork. The purpose of these activities is to maintain and update the electoral roll. In order to assess the effectiveness of the CRU program, the AEC regularly conducts Sample Audit Fieldwork (SAF). SAF is a doorknocking exercise of a randomly chosen statistically significant number of Census Collection Districts (CCDs) from each State and Territory. The following table sets out the divisions in which SAF has been undertaken since 1 July 2008.
Note that due to the Victorian bushfires SAF was not undertaken in Victoria in this period.

During this time period, the AEC has also undertaken Post-Election Roll Integrity Checks. This involved reviewing the address details of people who enrolled or updated their enrolments in selected divisions in the 3 months leading up to the close of rolls for the 2007 Federal Election. Address details were reviewed either through data matching, phone contact or fieldwork. These checks were conducted in the divisions of Bennelong, Bowman, Fremantle, Hindmarsh, Kingston, Lalor and McEwen.

(2) The AEC does not review habitations based on the electoral division in which they are located. CRU activity is targeted at addresses where external information suggests there is a need to update enrolment information for the residents. Contact is first attempted by mail. Non-response fieldwork is then targeted at those addresses from which a response is not received.

High Growth/High Turnover fieldwork, fieldwork in rural and remote areas and divisional office initiated reviews are conducted on an “as needed” basis, and are based on information which suggests there is under-enrolment or a highly mobile population.

Areas to be reviewed during SAF are selected using a random sampling methodology developed with the ABS.

Post-Election Roll Integrity Checks were conducted in the two most marginal electorates in the 2004 and 2007 elections (Hindmarsh, Kingston, Bowman and McEwen), two “control” divisions selected for statistical stability (Fremantle and Lalor), and the division of Bennelong, being the former Prime Minister’s seat in which there was also a close result.

(3) For the purposes of this question the AEC would define a “high risk” area as one that the AEC has reason to believe contains a high number of unenrolled eligible electors and/or electors whose enrolment needs to be updated.

The CRU program targets areas or addresses that would be defined as high risk.

SAF does not specifically target high risk areas as it is a random sampling of CCDs. However, because the sampling is random some of the CCDs that are reviewed may contain high risk areas.

The Post-Election Roll Integrity Checks targeted electors who had enrolled or changed their enrolment in the three months prior to the election.

(4) In answering this question the AEC has interpreted the term “incorrect enrolments” to mean enrolment that is not up to date with the correct name and/or address.

In relation to “incorrect enrolments” on the federal roll identified as a result of review of habitations:
(a) the Division of Lingiari had the least number of enrolments, changes to enrolment and deletions to the roll processed in the period at 955, and the Division of Herbert had the most at 5266.

(b) in the period, the average number of enrolments, changes to enrolment and deletions to the roll processed was 3252.

**Treasurer: Overseas Travel**

*(Question No. 1447)*

**Senator Ronaldson** asked the Minister representing the Treasurer, upon notice, on 19 March 2009:

1. Since 1 January 2009, how many times has the Treasurer visited the United Kingdom, and for each trip: (a) how many Members of Parliament (Staff) Act 1984 (MoPS) staff accompanied the Treasurer; (b) how many MoPS staff travelled first class; (c) what was the aggregate cost of first class airfares for MoPS staff; (d) how many Australian Public Service (APS) staff accompanied the Treasurer; (e) how many APS staff travelled first class; and (f) what was the aggregate cost of first class airfares for APS staff.

2. Does the Treasurer believe that international business class travel represents an unacceptably low level of comfort and status for himself, his staff and his officials; if not, can the Treasurer provide all examples of where he has travelled international business class since 1 January 2008.

**Senator Conroy**—The Treasurer has provided the following answer to the honourable senator’s question:

1. Since 1 January 2009, the Treasurer has visited the United Kingdom twice, for each trip:

   **Visit 1 – G-20 Finance Ministers Meeting, London UK, 11-17 Mar 2009**
   
   | (a) how many Members of Parliament (Staff) Act 1984 (MoPS) staff accompanied the Treasurer? | Three personal staff from the Treasurer’s Office accompanied the Treasurer; Dr Andrew Charlton, from the Prime Minister’s Office, was directed by the Prime Minister to travel also. |
   | (b) how many MoPS staff travelled first class | Four |
   | (c) what was the aggregate cost of first class airfares for MoPS staff | $58,915.70* (Please note: this figure includes domestic business class sectors which are not able to be disaggregated from the total cost of each ticket) |
   | (d) how many Australian Public Service (APS) staff accompanied the Treasurer | Four |
   | (e) how many APS staff travelled first class | Nil |
   | (f) what was the aggregate cost of first class airfares for APS staff | Nil |

   **Visit 2 – G-20 Leaders Summit, London UK, 29 Mar - 4 Apr 2009**
   
   | (a) how many Members of Parliament (Staff) Act 1984 (MoPS) staff accompanied the Treasurer? | Two |
   | (b) how many MoPS staff travelled first class | Nil |
   | (c) what was the aggregate cost of first class airfares for MoPS staff | Nil |
   | (d) how many Australian Public Service (APS) staff accompanied the Treasurer | Three |
(e) how many APS staff travelled first class
Nil
(f) what was the aggregate cost of first class air-fares for APS staff.
Nil

(2) The Commonwealth Members of Parliament Staff Collective Agreement 2006-2009 guidelines provide for overseas travel that -

"An Employee of a Minister may travel at the same class of travel as the employing Minister where travel is on the same scheduled commercial service."

However, the Treasurer has travelled international business class on the following occasions:

### International Business class sectors

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Departure date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>Los Angeles</td>
<td>10/04/2008</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Washington Dulles</td>
<td>10/04/2008</td>
</tr>
<tr>
<td>Washington Dulles</td>
<td>Los Angeles</td>
<td>13/04/2008</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Sydney</td>
<td>13/04/2008</td>
</tr>
<tr>
<td>Paris</td>
<td>Edinburgh</td>
<td>5/06/2008</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>London City Airport</td>
<td>6/06/2008</td>
</tr>
<tr>
<td>Beijing</td>
<td>Kansai Intl Osaka</td>
<td>12/06/2008</td>
</tr>
<tr>
<td>Kansai Intl Osaka</td>
<td>Singapore</td>
<td>14/06/2008</td>
</tr>
<tr>
<td>Melbourne</td>
<td>Wellington</td>
<td>16/07/2008</td>
</tr>
<tr>
<td>Wellington</td>
<td>Sydney</td>
<td>18/07/2008</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Singapore</td>
<td>6/12/2008</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Sydney</td>
<td>7/12/2008</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Brisbane</td>
<td>24/01/2009</td>
</tr>
<tr>
<td>Sydney</td>
<td>Tokyo Narita</td>
<td>29/03/2009</td>
</tr>
</tbody>
</table>

### Defence Materiel Organisation

(Question No. 1448)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 20 March 2009:

Can details be provided for each of the 30 most expensive projects that are currently being managed by the Defence Materiel Organisation, including:

(a) the total amount approved for the project;
(b) the cumulative expenditure for the project to 30 November 2007;
(c) the cumulative spend on the project to 30 November 2008;
(d) the actual spend on the project to 28 February 2009; and
(e) the total amount approved for the through-life support system into the forward estimates of the project.

Senator Faulkner—The Minister for Defence has provided the following answer to the honourable senator’s question:

(a) to (d) Please refer to the table below.

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Name</th>
<th>Approved Project Expenditure ($m) (1)</th>
<th>Cumulative Expenditure to 30 November 2007 ($m)</th>
<th>Cumulative Expenditure to 30 November 2008 ($m)</th>
<th>Cumulative Expenditure to 28 February 2009 ($m)</th>
</tr>
</thead>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Name</th>
<th>Approved Project Expenditure ($m)</th>
<th>Cumulative Expenditure to 30 November 2007 ($m)</th>
<th>Cumulative Expenditure to 30 November 2008 ($m)</th>
<th>Cumulative Expenditure to 28 February 2009 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEA 4000</td>
<td>Air Warfare Destroyer – Build</td>
<td>7872</td>
<td>124</td>
<td>623</td>
<td>894</td>
</tr>
<tr>
<td>AIR 5077</td>
<td>Airborne Early Warning and Control Aircraft</td>
<td>3999</td>
<td>2494</td>
<td>2516</td>
<td>2520</td>
</tr>
<tr>
<td>AIR 9000 Phase 2</td>
<td>Multi Role Helicopter Bridging Air Combat Capability Super Hornet</td>
<td>3997</td>
<td>642</td>
<td>931</td>
<td>1036</td>
</tr>
<tr>
<td>AIR 5349</td>
<td>Bridging Air Combat Capability Super Hornet</td>
<td>3915</td>
<td>162</td>
<td>425</td>
<td>680</td>
</tr>
<tr>
<td>JP 2048 Phase 4A/4B</td>
<td>Amphibious Deployment and Sustainment</td>
<td>3361</td>
<td>145</td>
<td>275</td>
<td>332</td>
</tr>
<tr>
<td>AIR 87 Phase 2</td>
<td>Armed Reconnaissance Helicopter</td>
<td>2078</td>
<td>1228</td>
<td>1339</td>
<td>1379</td>
</tr>
<tr>
<td>AIR 5402</td>
<td>ADF Air to Air Refueling Capability</td>
<td>1997</td>
<td>524</td>
<td>740</td>
<td>830</td>
</tr>
<tr>
<td>AIR 5376 Phase 2</td>
<td>F/A-18 Hornet Upgrade</td>
<td>1983</td>
<td>1151</td>
<td>1285</td>
<td>1305</td>
</tr>
<tr>
<td>AIR 8000 Phase 3</td>
<td>C-17 Globemaster III</td>
<td>1974</td>
<td>1135</td>
<td>1300</td>
<td>1305</td>
</tr>
<tr>
<td>SEA 1390 Phase 2</td>
<td>Guided Missile Frigate Upgrade Implementation</td>
<td>1526</td>
<td>1126</td>
<td>1234</td>
<td>1264</td>
</tr>
<tr>
<td>JP 2008 Phase 4</td>
<td>Next Generation Satellite Program</td>
<td>1000</td>
<td>0</td>
<td>35</td>
<td>63</td>
</tr>
<tr>
<td>AIR 5376 Phase 3.2</td>
<td>F/A-18 Hornet Upgrade – Structural Refurbishment</td>
<td>919</td>
<td>112</td>
<td>193</td>
<td>218</td>
</tr>
<tr>
<td>LAND 116 Phase 3</td>
<td>Bushmaster Infantry Mobility Vehicle Project Bushranger</td>
<td>916</td>
<td>319</td>
<td>417</td>
<td>433</td>
</tr>
<tr>
<td>Project Number</td>
<td>Project Name</td>
<td>Approved Project Expenditure ($m) (1)</td>
<td>Cumulative Expenditure to 30 November 2007 ($m)</td>
<td>Cumulative Expenditure to 30 November 2008 ($m)</td>
<td>Cumulative Expenditure to 28 February 2009 ($m)</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>LAND 106</td>
<td>Upgrade of M-113 Armoured Vehicles</td>
<td>890</td>
<td>255</td>
<td>361</td>
<td>398</td>
</tr>
<tr>
<td>JP 2043 Phase 3A</td>
<td>High Frequency Modernisation</td>
<td>652</td>
<td>357</td>
<td>363</td>
<td>365</td>
</tr>
<tr>
<td>SEA 1390 Phase 4B</td>
<td>Standard Missile Replacement (SM-1)</td>
<td>625</td>
<td>110</td>
<td>202</td>
<td>214</td>
</tr>
<tr>
<td>SEA 1429 Phase 2</td>
<td>New Heavyweight Torpedo</td>
<td>457</td>
<td>197</td>
<td>233</td>
<td>239</td>
</tr>
<tr>
<td>AIR 5418 Phase 1</td>
<td>Follow-on Stand-Off Weapon</td>
<td>413</td>
<td>78</td>
<td>116</td>
<td>141</td>
</tr>
<tr>
<td>SEA 1439 Phase 3</td>
<td>Collins Class Submarine Reliability and Sustainability</td>
<td>402</td>
<td>228</td>
<td>253</td>
<td>265</td>
</tr>
<tr>
<td>JP 2086 Phase 1</td>
<td>Mulwala Redevelopment Project</td>
<td>367</td>
<td>13</td>
<td>76</td>
<td>95</td>
</tr>
<tr>
<td>JP 2070 Phase 3</td>
<td>Lightweight Torpedo Replacement</td>
<td>317</td>
<td>65</td>
<td>123</td>
<td>134</td>
</tr>
<tr>
<td>AIR 5416 Phase 2</td>
<td>Electronic Warfare Self Protection for Selected ADF Aircraft – Echidna</td>
<td>314</td>
<td>146</td>
<td>196</td>
<td>205</td>
</tr>
<tr>
<td>AIR 5333</td>
<td>New Air Defence Command and Control Systems for Control and Reporting Units 2 and 3</td>
<td>272</td>
<td>107</td>
<td>145</td>
<td>165</td>
</tr>
<tr>
<td>JP 2085 Phase 1B</td>
<td>Explosive Ordnance Reserve Stocks</td>
<td>214</td>
<td>134</td>
<td>147</td>
<td>166</td>
</tr>
<tr>
<td>AIR 7000 Phase 2</td>
<td>Maritime Patrol and Response Aircraft System</td>
<td>155</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Project Number</td>
<td>Project Name</td>
<td>Approved Project Expenditure ($m)</td>
<td>Cumulative Expenditure to 30 November 2007 ($m)</td>
<td>Cumulative Expenditure to 30 November 2008 ($m)</td>
<td>Cumulative Expenditure to 28 February 2009 ($m)</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>JP 129 Phase 2</td>
<td>Airborne Surveillance for Land Operations (2)</td>
<td>147</td>
<td>7</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>JP 2077 Phase 2B.1</td>
<td>Improvements to the Logistics Information Systems</td>
<td>128</td>
<td>53</td>
<td>77</td>
<td>79</td>
</tr>
<tr>
<td>AIR 5276 Phase 8B</td>
<td>AP-3C Electronic Support Measure Upgrade</td>
<td>127</td>
<td>10</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>AIR 6000 Phase 1B</td>
<td>Detailed Analysis and Acquisition Planning</td>
<td>107</td>
<td>14</td>
<td>44</td>
<td>66</td>
</tr>
<tr>
<td>JP 2077 Phase 2B.2</td>
<td>ADF Deployable Logistics Systems</td>
<td>93</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

NOTES:

(1) The approved project expenditure for the Top 30 projects by 2008-09 forecast expenditure is as per the 2008-09 Portfolio Additional Estimates, page 150 refers.

(2) Cashflow recoveries made from contractor.

(e) Through-life support (sustainment) provided by the Defence Materiel Organisation for projects which have delivered a capability and have entered into service are funded on an annual basis under planning provisions made in the Defence Management and Financial Plan. Of the current Top 30 projects, many are upgrades or capabilities yet to enter into service. Of those already in service, the sustainment baseline cost over the forward estimates is as follow:

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost over Forward Estimates ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR 9000 Phase 2 Multi Role Helicopter</td>
<td>526</td>
</tr>
<tr>
<td>AIR 8000 Phase 3 C-17 Globemaster</td>
<td>456</td>
</tr>
<tr>
<td>AIR 87 Phase 2 Armed Reconnaissance Helicopter</td>
<td>392</td>
</tr>
<tr>
<td>JP 2043 Phase 3A High Frequency Modernisation</td>
<td>127</td>
</tr>
<tr>
<td>JP 2008 Phase 4 Satellite Program</td>
<td>63</td>
</tr>
<tr>
<td>AIR 5333 New Air Defence Command and Control Systems</td>
<td>35</td>
</tr>
</tbody>
</table>

**Australian Quarantine and Inspection Service: Pet Food Products**  
(Question No. 1449)

**Senator Colbeck** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 20 March 2009:
With reference to the importation of pet food products and the requirement by AQIS under the Quarantine Act 1908 to ensure heat treatment or gamma radiation of any suspect product to manage any potential importation of animal diseases such as foot and mouth disease:

(1) Has AQIS contacted import permit holders of pet foods to advise them of the potential health impact of feeding irradiated dry pet food to cats; if so when.

(2) What is the current status of the department’s interactions with the Pet Food Industry Association of Australia Inc. regarding the development of a voluntary industry code of practice for the manufacturing and marketing of pet food.

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) Prior to issuing an import permit AQIS advises import permit applicants to contact the relevant irradiation service provider to ascertain if there are potential impacts of irradiation treatment to their particular product. Prospective importers are required to advise AQIS in writing that they wish to import the product with irradiation before AQIS will issue an import permit with irradiation as a treatment option.

As a consequence of information recently becoming available about the potential health impact of feeding irradiated dry pet foods to cats, AQIS wrote on 11 March to all current holders of import permits for pet food that include irradiation as a condition of import concerning these potential effects. This letter also was also sent to the Pet Food Industry Association of Australia Inc. on 11 March 2009. An Industry Notice was also posted on the AQIS website 6 March 2009 highlighting this information.

(2) The department recently met with the Pet Food Industry Association of Australia Inc. One of the topics discussed was the Code of Practice for the Manufacturing and Marketing of Pet Food and the benefits of turning the code of practice into an Australian standard.

Cane Toads on Defence Bases in East Timor

(Question No. 1452)

Senator Bob Brown asked the Minister representing the Prime Minister in the Senate, upon notice, on 24 March 2009:

With reference to the answer to question on notice no. 1170 (Senate Hansard, 16 March 2009, p. 111): Has the presence of cane toads in East Timor been ruled out; if not, why not.

Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:

As noted in the answer to question number 1170, to date, there is no evidence to suggest toads originating from Australia are present in East Timor. Photographs of a poisonous toad sighted in East Timor have been identified by a cane toad specialist as *Bufo melanostictus*, the black-spined toad. The black-spined toad is found in Indonesia and has reportedly been expanding its range over the past few years. It is not found in Australia.

The East Timor government has accepted the Australian Government’s offer of assistance to help East Timor assess the presence of toads in East Timor. Australian Government agencies are working closely with East Timor authorities to set up a field study of toads present in East Timor and to conduct an initial assessment of environmental or other threats posed by the toads.
Superannuation
(Question No. 1453)

Senator Cormann asked the Minister representing the Minister for Employment and Workplace Relations, upon notice, on 24 March 2009:

Is the Minister aware of the practice of superannuation funds charging increased fees to retrenched workers compared to when they were employed; if so: (a) which funds are involved in this practice; and (b) are any of these funds industry superannuation funds. (2) Have any of the funds carrying out this practice been nominated as ‘default’ funds by the Australian Industrial Relations Commission, as allowed under the Australian Labor Party’s workplace relations legislation; if so, which funds have been nominated. (3) Does the Minister support the appointment of an industry superannuation fund carrying on this practice as a default fund. (4) If it is shown that a default fund has charged these fees, will the Government act to remove the default fund provision from all ‘modernised’ awards to ensure that individuals and working families do not have such a fund chosen for them by default. 1453 Minister representing the Minister for Employment and Workplace Relations.

Senator Wong—The Minister for Employment and Workplace Relations has provided the following answer to the honourable senator’s question:

(1) I have become aware of the practice of workers facing increased fees on their superannuation accounts when they are retrenched or change employers. I am not aware which individual funds are involved in this practice.

The responsible Minister, Senator The Hon Nick Sherry, Minister for Superannuation and Corporate Law has asked the Australian Prudential Regulation Authority (APRA) to examine and report on the fee structures in superannuation funds in situations such as this.

(2) APRA’s investigation will reveal the extent of the practice.

(3) Following extensive stakeholder consultation, the Australian Industrial Relations Commission (AIRC) decided to nominate certain default funds in awards for priority industries/occupations. The Minister for Superannuation and Corporate Law made a submission on behalf of the Government to the AIRC’s award modernisation process on 18 July 2008. In the submission, the issue of under-performing default funds in awards was raised, along with the importance for parties to awards to consider their cost and performance.

(4) Employees are able to nominate any superannuation fund they choose. Default superannuation funds exist to ensure that where employees do not exercise this choice, they can still receive their compulsory superannuation guarantee contributions. Superannuation is included as an allowable award matter to help to safeguard legally enforceable superannuation requirements, such as frequency of payments, minimum thresholds and a default fund system.

Superannuation
(Question No. 1454)

Senator Cormann asked the Minister for Superannuation and Corporate Law, upon notice, on 24 March 2009:

(1) Is the Minister aware of the practice of superannuation funds charging increased fees to retrenched workers compared to when they were employed; if so:

(a) which funds are involved in this practice; and

(b) are any of these funds industry superannuation funds.
(2) Have any of the funds carrying out this practice been nominated as ‘default’ funds by the Australian Industrial Relations Commission, as allowed under the Australian Labor Party’s workplace relations legislation; if so, which funds have been nominated.

(3) Does the Minister support the appointment of an industry superannuation fund carrying on this practice as a default fund.

(4) If it is shown that a default fund has charged these fees, will the Government act to remove the default fund provision from all ‘modernised’ awards to ensure that individuals and working families do not have such a fund chosen for them by default.

Senator Sherry—The answer to the honourable senator’s question is as follows:

(1) I am concerned that some superannuation funds are charging increased fees on employee’s superannuation when they are retrenched or change employers. I have already asked the Australian Prudential Regulation Authority (APRA) to investigate and report back to me on the extent of this practice.

(2) APRA’s investigation will reveal the extent of the practice. I look forward to receiving APRA’s report.

(3) Following extensive stakeholder consultation, the AIRC decided to nominate certain default funds in awards for priority industries/occupations. I have previously said that I would like to see Australia move towards a superannuation system with a more sustainable remuneration model, in which fees are more competitive by world standards. I made a submission to the AIRC’s award modernisation process on 18 July 2008 in which I raised the issue of underperforming default funds in awards and have repeatedly urged the parties to awards to consider the cost and performance of the fund specified in their award as part of the award modernisation process.

(4) Default superannuation funds are a key aspect of the superannuation system which ensures employees can receive their compulsory superannuation guarantee contributions where they do not exercise their right to choose a fund. Superannuation as an allowable award matter helps to safeguard legally enforceable superannuation requirements, such as frequency of payments, minimum thresholds and a default fund system.