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<th>Month</th>
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<td>February</td>
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<td>November</td>
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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

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>
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<th>State or Territory</th>
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(1) Chosen by the Parliament of South Australia to fill a casual vacancy vice Amanda Eloise Vanstone, resigned.
(2) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Ian Campbell, resigned.
(3) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Christopher Martin Ellison, resigned.
(4) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

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

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

<table>
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<tr>
<td>Prime Minister</td>
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<tr>
<td>Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion</td>
<td>Hon. Julia Gillard, MP</td>
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<tr>
<td>Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Immigration and Citizenship and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<tr>
<td>Minister for Defence and Vice President of the Executive Council</td>
<td>Senator Hon. John Faulkner</td>
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<tr>
<td>Minister for Trade</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Foreign Affairs and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<tr>
<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Minister for Finance and Deregulation</td>
<td>Hon. Lindsay Tanner MP</td>
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<td>Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
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<tr>
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<td>Senator Hon. Penny Wong</td>
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<tr>
<td>Minister for the Environment, Heritage and the Arts</td>
<td>Hon. Peter Garrett AM, MP</td>
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<tr>
<td>Attorney-General</td>
<td>Hon. Robert McClelland MP</td>
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<td>Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate</td>
<td>Senator Hon. Joe Ludwig</td>
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<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>Hon. Tony Burke MP</td>
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<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<td>Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services</td>
<td>Hon. Chris Bowen, MP</td>
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[The above ministers constitute the cabinet]
RUDD MINISTRY—continued

Minister for Veterans’ Affairs Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women Hon. Tanya Plibersek MP
Minister for Home Affairs Hon. Brendan O’Connor MP
Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery Hon. Warren Snowdon MP
Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs Hon. Dr Craig Emerson MP
Assistant Treasurer Senator Hon. Nick Sherry
Minister for Ageing Hon. Justine Elliot MP
Minister for Early Childhood Education, Childcare and Youth and Minister for Sport Hon. Kate Ellis MP
Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change Hon. Greg Combet AM, MP
Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery Senator Hon. Mark Arbib
Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government Hon. Maxine McKew MP
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Western and Northern Australia Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance Hon. Bob McMullan MP
Parliamentary Secretary for Pacific Island Affairs Hon. Duncan Kerr SC, MP
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion Senator Hon. Ursula Stephens
Parliamentary Secretary for Multicultural Affairs and Settlement Services Hon. Laurie Ferguson MP
Parliamentary Secretary for Employment Hon. Jason Clare MP
Parliamentary Secretary for Health Hon. Mark Butler MP
Parliamentary Secretary for Industry and Innovation Hon. Richard Marles MP
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<th>Position</th>
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<tr>
<td>Leader of the Opposition</td>
<td>The Hon. Malcolm Turnbull MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition</td>
<td>The Hon. Julie Bishop MP</td>
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<td>Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals</td>
<td>The Hon. Warren Truss MP</td>
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<td>Senator the Hon. Nick Minchin</td>
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<td>Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate</td>
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<td>The Hon. Joe Hockey MP</td>
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<td>Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House</td>
<td>The Hon. Christopher Pyne MP</td>
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<td>The Hon. Andrew Robb AO, MP</td>
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<td>Shadow Minister for Finance, Competition Policy and Deregulation</td>
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<td>Shadow Special Minister of State and Shadow Cabinet Secretary</td>
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<td>Shadow Minister for Climate Change, Environment and Water</td>
<td>The Hon. Greg Hunt MP</td>
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<td>Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts</td>
<td>Mr Steven Ciobo</td>
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[The above constitute the shadow cabinet]
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<tr>
<td>Shadow Minister for Financial Services, Superannuation and Corporate Law</td>
<td>The Hon. Chris Pearce MP</td>
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<td>The Hon. Tony Smith MP</td>
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<td>Mr Luke Hartsuyker MP</td>
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<td>Shadow Parliamentary Secretary for Defence</td>
<td>The Hon. Peter Lindsay MP</td>
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<td>Senator the Hon. Brett Mason</td>
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<td>Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate</td>
<td>Senator Concetta Fierravanti-Wells</td>
</tr>
</tbody>
</table>
CONTENTS

MONDAY, 15 JUNE

Chamber
Temporary Chairmen Of Committees ................................................................. 3013
Committees—
Selection of Bills Committee—Reports .............................................................. 3013
Business—
Rearrangement ........................................................................................................ 3018
Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009—
First Reading ............................................................................................................ 3018
Second Reading ....................................................................................................... 3018
Third Reading .......................................................................................................... 3021
Nation-building Funds Amendment Bill 2009—
Second Reading ....................................................................................................... 3021
Third Reading .......................................................................................................... 3032
Higher Education Support Amendment (Vet Fee-Help and Providers) Bill 2009—
First Reading ............................................................................................................ 3032
Second Reading ....................................................................................................... 3032
Third Reading .......................................................................................................... 3034
National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery)
Bill 2008 [No. 2]—
Second Reading ....................................................................................................... 3034
Ministerial Arrangements .......................................................................................... 3035
Questions Without Notice—
Interest Rates ......................................................................................................... 3039
Economy ................................................................................................................... 3040
Solar Energy ............................................................................................................ 3041
Solar Energy ............................................................................................................ 3042
Building the Education Revolution Program ....................................................... 3044
Securency Pty Ltd and Note Printing Australia .. .................................................. 3045
Workplace Relations .............................................................................................. 3047
Afghanistan ............................................................................................................. 3048
Emissions Trading Scheme ..................................................................................... 3049
Building the Education Revolution Program ....................................................... 3050
Questions Without Notice: Take Note of Answers—
Answers to Questions ............................................................................................ 3052
Petitions—
Commonwealth Seniors Health Card ................................................................. 3057
Notices—
Presentation .......................................................................................................... 3058
Committees—
Community Affairs Legislation Committee—Extension of Time ....................... 3064
Leave of Absence .................................................................................................... 3064
Commissions—
Regional and Remote Indigenous Communities Committee—Extension of Time ...
Notices—
Postponement ....................................................................................................... 3065
Infrastructure Australia Amendment (National Broadband Network and Other
Projects) Bill 2009—
First Reading ......................................................................................................... 3065
Second Reading ....................................................................................................... 3065
Ministerial Statements—
International Education ................................................................. 3067
Australian Financial Centre Forum ..................................................... 3067
North Korea ......................................................................................... 3067
India ...................................................................................................... 3067
Piracy and Armed Robbery at Sea ......................................................... 3067
Documents—
Tabling ............................................................................................... 3067
Committees—
Rural and Regional Affairs and Transport References Committee—Report 3070
Foreign Affairs, Defence and Trade References Committee—Report 3070
Community Affairs Legislation Committee—Report 3070
Public Works Committee—Report ....................................................... 3070
Scrutiny of Bills Committee—Report .................................................. 3071
Men’s Health Committee—Report ...................................................... 3072
Ministerial Statements—
International Education ................................................................. 3074
Committees—
National Capital and External Territories Committee—Report 3076
Auditor-General’s Reports—
Report No. 34 of 2008-09 ................................................................. 3079
Documents—
Consideration ..................................................................................... 3080
Auditor-General’s Reports—
Report Nos 37 to 40 of 2008-09 .......................................................... 3081
Budget—
Portfolio Budget Statements ............................................................... 3081
Committees—
Reports: Government Responses ...................................................... 3081
Intelligence and Security Committee—Report .................................... 3084
Migration Committee—Report ......................................................... 3086
Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 3090
Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009—
First Reading .................................................................................... 3090
Second Reading ................................................................................. 3090
Car Dealership Financing Guarantee Appropriation Bill 2009 ..................... 3094
Evidence Amendment (Journalists’ Privilege) Bill 2009 ........................... 3094
Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009 ................................................................. 3094
Family Assistance Legislation Amendment (Child Care) Bill 2009 ................ 3094
Financial Sector Legislation Amendment (Enhancing Supervision and Enforcement) Bill 2009 ................................................................. 3094
Fuel Quality Standards Amendment Bill 2009 ........................................ 3094
Health Workforce Australia Bill 2009 ................................................... 3094
Law and Justice (Cross Border and Other Amendments) Bill 2009 ............. 3094
Nation Building Program (National Land Transport) Amendment Bill 2009 3094
Native Title Amendment Bill 2009 ...................................................... 3094
CONTENTS—continued

Social Security Legislation Amendment (Digital Television Switch-over) Bill 2009 ........ 3094
Social Security Legislation Amendment (Improved Support for Carers) Bill 2009 .......... 3095
Tax Laws Amendment (2009 Budget Measures No. 1) Bill 2009............................... 3095
Tax Laws Amendment (2009 Measures No. 2) Bill 2009........................................ 3095
Tax Laws Amendment (2009 Measures No. 3) Bill 2009........................................ 3095
Therapeutic Goods Amendment (2009 Measures No. 1) Bill 2009.............................. 3095
Carbon Pollution Reduction Scheme Bill 2009............................................................ 3095
Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009............. 3095
Australian Climate Change Regulatory Authority Bill 2009........................................ 3095
Carbon Pollution Reduction Scheme (Charges-Customs) Bill 2009.............................. 3095
Carbon Pollution Reduction Scheme (Charges-Excise) Bill 2009................................. 3095
Carbon Pollution Reduction Scheme (Charges-General) Bill 2009............................... 3095
Carbon Pollution Reduction Scheme (Cprs Fuel Credits) Bill 2009............................. 3095
Carbon Pollution Reduction Scheme (Cprs Fuel Credits) (Consequential Amendments) Bill 2009................................................................. 3095
Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009................. 3095
Customs Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009.............. 3095
Carbon Pollution Reduction Scheme Amendment (Household Assistance) Bill 2009.... 3095
Fairer Private Health Insurance Incentives Bill 2009 .................................................... 3095
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009...... 3095
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009—
  First Reading............................................................................................................. 3095
  Second Reading..................................................................................................... 3095
Employment and Workplace Relations Amendment Bill 2009—
  Returned from the House of Representatives.......................................................... 3138
Therapeutic Goods Amendment (Medical Devices and Other Measures) Bill 2008 [2009]—
  Returned from the House of Representatives.......................................................... 3138
Tax Laws Amendment (Small Business and General Business Tax Break) Bill 2009.... 3138
Telecommunications Interception Legislation Amendment Bill (No. 1) 2009.............. 3138
Customs Legislation Amendment (Name Change) Bill 2009...................................... 3138
Customs Amendment (Enhanced Border Controls and Other Measures) Bill 2009...... 3138
Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Bill 2009................................................................. 3138
Employment and Workplace Relations Amendment Bill 2009—
  Assent .................................................................................................................... 3138
Plebiscite for an Australian Republic Bill 2008—
  Report of Finance and Public Administration Legislation Committee.................. 3138
Business—
  Rearrangement.................................................................................................... 3139
National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 [No. 2]—
  Second Reading................................................................................................... 3139
  In Committee...................................................................................................... 3144
  Third Reading.................................................................................................... 3147
Fair Work (State Referral and Consequential and Other Amendments) Bill 2009........... 3147
Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009—
  Second Reading.................................................................................................. 3147
CONTENTS—continued

Committees—
   Economics Legislation Committee—Report................................................................. 3164
   Climate Policy Committee—Report............................................................................. 3164
   Rural and Regional Affairs and Transport Legislation Committee—Report............ 3178
Business—
   Rearrangement ........................................................................................................ 3178
Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 .............. 3178
Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009—
   Second Reading ........................................................................................................ 3178
Business—
   Rearrangement........................................................................................................ 3187
Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008—
   Second Reading ........................................................................................................ 3188
   In Committee ........................................................................................................... 3194
   Third Reading .......................................................................................................... 3200
Adjournment—
   Malou and Irwin Families .......................................................................................... 3200
   Cane Toads ............................................................................................................... 3203
   Government 2.0 ....................................................................................................... 3205
   Anzac Day ................................................................................................................. 3207
Documents—
   Tabling ..................................................................................................................... 3210
Questions on Notice
   Broadband, Communications and the Digital Economy: Staffing—
      (Question No. 629) ............................................................................................... 3225
   Beijing Olympic Games—(Question Nos 669 and 674) ............................................. 3225
   Minister for Resources and Energy and Minister for Tourism: Overseas Travel—
      (Question Nos 708 and 709) ................................................................................ 3226
   Liquified Petroleum Gas Vehicle Conversion Scheme—(Question No. 784) .......... 3227
   Education: Media Contracts—(Question Nos 898, 899 and 919) ............................ 3227
   Broadband, Communications and the Digital Economy: Media Monitoring—
      (Question No. 909) .............................................................................................. 3227
   Education, Employment and Workplace Relations, and Youth: Media Contracts—
      (Question Nos 921, 922 and 942) .......................................................................... 3228
   Attorney-General: Media Contracts—(Question No. 936) ........................................ 3230
   Agriculture, Fisheries and Forestry: Media Contracts—(Question No. 938) .......... 3231
   Immigration and Citizenship: Staffing—(Question No. 947) .................................. 3232
   Special Minister of State: Staffing—(Question No. 948 amended) ....................... 3234
   Health and Ageing: Staffing—(Question Nos 951 and 966) ..................................... 3236
   Finance and Deregulation: Staffing—(Question No. 953 amended) ...................... 3240
   Broadband, Communications and the Digital Economy: Staffing—(Question No. 955)................................................................. 3246
   Minister for Human Services: Media Monitoring—(Question No. 960) .............. 3249
   Minister for Immigration and Citizenship and Parliamentary Secretary: Overseas
      Travel—(Question No. 1009) ................................................................................. 3253
   Minister for Foreign Affairs and Parliamentary Secretary: Overseas Travel—
      (Question Nos 1011 and 1012) .......................................................................... 3255
   Minister for Health and Ageing and Parliamentary Secretary: Overseas Travel—
      (Question Nos 1014, 1035 and 1037)... ................................................................ 3261
Minister for Resources and Energy and the Minister for Tourism: Overseas
Travel—(Question Nos 1023 and 1024) ......................................................... 3264
Finance and Deregulation: Program Funding—(Question No. 1050) ........ 3265
Finance and Deregulation: Program Funding—(Question No. 1051) .... 3266
Immigration and Citizenship: Program Funding—(Question No. 1057) .. 3269
Special Minister of State: Program Funding—(Question No. 1058) ....... 3271
Finance and Deregulation: Program Funding—(Question No. 1064) .... 3272
Veterans’ Affairs: Program Funding—(Question No. 1078) .................. 3273
Human Services: Program Funding—(Question No. 1107) ................. 3275
Climate Change—(Question No. 1164) ...................................................... 3276
Australian Broadcasting Corporation—(Question No. 1228) .............. 3277
Moncrieff Electorate: Funding—(Question No. 1279) ......................... 3280
Government Advertising—(Question Nos 1335 to 1357) ................. 3283
Private Health Insurance—(Question No. 1367) ........................................ 3287
Monday, 15 June 2009

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12.30 pm and read prayers.

TEMPORARY CHAIRMEN OF COMMITTEES

The PRESIDENT—Pursuant to standing order 12, I lay on the table warrants revoking the warrant nominating Senator Parry as a Temporary Chairman of Committees and a warrant nominating Senator Ryan as an additional Temporary Chairman of Committees when the Deputy President and Chairman of Committees is absent.

COMMITTEES

Selection of Bills Committee

Reports

The PRESIDENT (12.31 pm)—Pursuant to standing order 38, I present reports Nos 6 and 7 of the Selection of Bills Committee, which were presented to the President since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised.

Senator O'BRIEN (Tasmania) (12.31 pm)—I move:

That the reports be adopted.

Senator PARRY (Tasmania) (12.31 pm)—I move:

At the end of the motion add:

“but, in respect of the Fairer Private Health Insurance Incentives Bill 2009 and two related bills:

(a) the reference of the bills to the Economics Legislation Committee be transferred to the Community Affairs Legislation Committee for inquiry and report by 5 August 2009; and

(b) in considering this matter, the Community Affairs Legislation Committee may consider the relevant evidence and records of the Economics Legislation Committee.”

Just to clarify the points, the amendment indicates that we wish the bills to be considered by the Senate Community Affairs Legislation Committee with a reporting date of 5 August this year. That also incorporates the brief inquiry by the Senate Economics Legislation Committee and provides that those findings be examined by the committee also and that the economics committee does not report their findings as they are transferred to the community affairs committee.

The technical wording of the amendment has been circulated. The main reason we are suggesting this is that this is a very complex suite of bills. It has raised a lot of community concern and it was the coalition’s wish for these bills to be referred to the community affairs committee with the later reporting date. The bills were caught up in the catch-all notice of motion that brought all budget measure bills an opportunity to be referred to the economics committee and reported upon. The spirit of this particular motion was caught up in that and we did not intend for that to take place. I think the manager of government business acknowledged that was the case. We wish this to be dealt with at a more opportune time and over a longer period of time. Then it can be dealt with quite effectively.

There was media speculation last week about the bills being examined briefly, on one day, during the one week that the Senate was not sitting either through estimates or through the regular sitting schedule. Our senators did not believe this was an appropriate way to deal with these bills. We made that known at the Selection of Bills Committee meeting on Thursday the week before the bills were considered by the economics committee.

There are a variety of reasons as to why these bills need to be considered by the community affairs committee, none less than
by the responsible minister who has the port-
folio assignment for these bills. We feel as
though the matters have not been properly
canvassed. Through the estimates process,
questions were asked by senators in relation
to these bills and, as of yet, answers have not
been forthcoming in relation to these bills.
Certainly, of last week those answers were
not available. We feel it is only fit and proper
that answers to estimates questions do form
part of this inquiry, because they can assist
the committee in its deliberations.

Also, figures keep changing. We were in-
formed that 25,000 Australians would drop
private cover as a result of this measure. It
appears that during estimates it became clear
that some 40,000 may drop their cover. It is
important to get all the information on the
table prior to any committee considering
these important matters. We are also con-
cerned that public hospital admissions will
increase and, again, it is important to have
full examination of all these issues by the
appropriate committee to determine that the
public hospital system will not come under a
lot of undue stress and pressure.

We just feel that the government is rush-
ing this through unnecessarily. The start-up
date for these measures does not come into
effect until 2010. The idea of referring all
matters in relation to the budget and appro-
priations to the economics committee was
for those measures that started on 1 July
2009. These bills do not fall into that cate-
gory; hence there is no urgency. So it is our
strong argument, and our strong position,
that these bills be referred to the Community
Affairs Legislation Committee for report by
5 August.

Senator LUDWIG (Queensland—Special
Minister of State and Cabinet Secretary)
(12.36 pm)—Looking at the numbers around
this place, the government recognises it does
not have them in respect of this motion; we
submit it to the will of the Senate. The gov-
ernment is keen to get its budget bills
through during this fortnight. That was the
premise for us to agree to the original mo-
tion—they would be available for debate.
Unfortunately, that is not going to be the case
in this instance. Be that as it may, we are still
keen to get our budget bills, and the bill that
we are dealing with now, through as soon as
possible. I think 5 August has been suggested
as a committee date. If that bill can then be
available as early as possible after that date
for parliament to deal with, the government
would be appreciative of that.

The PRESIDENT—The question is that
the amendment moved by Senator Parry be
agreed to.

Question agreed to.

The PRESIDENT—The question now is
that the original motion, as amended, be
agreed to.

Question agreed to.

Senator O’BRIEN (Tasmania) (12.37
pm)—I seek leave to have the reports incor-
porated in Hansard.

Leave granted.

The reports read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 6 OF 2009

(1) The committee met in private session on
Monday, 1 June 2009 at 8.01 am to consider
proposals relating to the order of 14 May
2009 pertaining to the referral of certain
budget-related bills to committees (“the or-
der of 14 May 2009”).

(2) The committee resolved to recommend—
That, instead, the provisions of the Tax Laws
Amendment (2009 Budget Measures No. 1)
Bill 2009 be referred to the Economics Leg-
islature Committee for inquiry and report by
no later than the commencement of business
on 22 June 2009 (see appendix 1 for state-
ments of reasons that the bill be referred on
different terms).
The committee resolved to recommend—
That the following bills not be referred to committees:

- Higher Education Support Amendment (2009 Budget Measures) Bill 2009
- Social Security Amendment (Training Incentives) Bill 2009
- Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009
- Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009
- Veterans’ Affairs Legislation Amendment (Budget Measures) Bill 2009.

(see appendix 2 for statements of reasons that the bills not be referred)

The committee recommends accordingly and reports to the President.

The committee also considered two proposals relating to the Fairer Private Health Insurance Incentives Bill 2009 and two related bills. The committee could not reach agreement and the bills continue to stand referred to the Economics Legislation Committee for inquiry and report by 16 June 2009 (see appendices 3 and 4 for statements of reasons that the bills be referred on different terms).

The committee notes that the following bills stand referred to committees to report by 16 June 2009, in accordance with the order of 14 May 2009:

- Guarantee of State and Territory Borrowing Appropriation Bill 2009, to the Economics Legislation Committee; and
- Private Health Insurance (National Joint Replacement Register Levy) Bill 2009, to the Community Affairs Legislation Committee.

APPENDIX 1

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Tax Laws Amendment (2009 Budget Measures No. 1) Bill 2009

Reasons for referral/principal issues for consideration:
To assess for any unintended consequences and impact on Australian resident taxpayers; determine the impact of changes to indexation; impact on retirement incomes and salary sacrificing arrangements and impact on the savings of Australians into the future.

Possible submissions or evidence from:
Committee to which bill is to be referred: Senate Economics Committee
Possible hearing date(s):
Possible reporting date:
22 June 2009.

(signed)
Stephen Parry
Whip/Selection of Bills Committee member

APPENDIX 2

SELECTION OF BILLS COMMITTEE
Proposal - Bill to not be referred or referred on different terms
Name of bill:
Bill to be referred: Yes /No (circle one)
Higher Education Support Amendment (2009 Budget Measures) Bill 2009 Social Security Amendment (Training Incentives) Bill 2009 Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009 Tax Laws Amendment (Medicare and Medicare Levy Surcharge) Bill 2009 Veterans’ Affairs Legislation Amendment (Budget Measures) Bill 2009 Committee to which bill is to be referred:
Proposed reporting date: 5 August 2009
Reasons for differing terms: According to the Government’s announcement, this package does not commence until 1 July 2010 therefore it is not essential for consideration before 1 July 2009.

(signed)
Stephen Parry
Whip/Selection of Bills Committee member

APPENDIX 3
SELECTION OF BILLS COMMITTEE
Proposal - Bill to not be referred or referred on different terms
Name of bills:
Fairer Private Health Insurance Incentives Bill 2009
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge Fringe Benefits) Bill 2009
Committee to which bill is to be referred: Community Affairs
Proposed reporting date: 5 August 2009
Reasons for differing terms:
According to the Government’s announcement, this package does not commence until 1 July 2010 therefore it is not essential for consideration before 1 July 2009.

(signed)
Stephen Parry
Whip/Selection of Bills Committee member

APPENDIX 4
SELECTION OF BILLS COMMITTEE
Proposal - Bill to not be referred or referred on different terms
Name of bills:
Fairer Private Health Insurance Incentives Bill 2009
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009
Bill to be referred: Concerned about the proposed reporting date of 5 August Committee to which bill is to be referred: Community Affairs
Proposed reporting date: 16 June 2009
Reasons for differing terms:
This legislation is an important part of the overall budget and should be considered in a timeframe that is consistent with the other budget measures.

(signed)
Joe Ludwig
Selection of Bills Committee member

Variation of Selection of Bills recommendation
(amendment to motion to adopt report)
Senator Parry
I move the following amendment—at the end of the motion, add:
but, in respect of the Fairer Private Health Insurance Incentives Bill 2009 and two related bills:
(a) the reference of the bills to the Economics Legislation Committee be transferred to the Community Affairs Legislation Committee for inquiry and report by 5 August 2009; and
(b) in considering this matter, the Community Affairs Legislation Committee may consider the relevant evidence and records of the Economics Legislation Committee.

SELECTION OF BILLS COMMITTEE
REPORT NO. 7 OF 2009
(1) The committee met in private session on Thursday, 4 June 2009 at 7 pm to consider proposals relating to the order of 14 May 2009 pertaining to the referral of certain budget-related bills to committees (“the order of 14 May 2009”).
(2) The committee agreed to reconsider the Higher Education Support Amendment (2009 Budget Measures) Bill 2009 and resolved to recommend that the bill be referred immediately to the Education, Employment and Workplace Relations Legislation Committee
for inquiry and report by 22 July 2009 (see appendix 1 for a statement of reasons that the bill be referred on different terms).

The committee recommends accordingly and reports to the President.

(3) The committee considered a proposal to not refer the following bills to the Community Affairs Legislation Committee but draws the committee’s attention to paragraph (4) of the order of 14 May 2009:

- Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009
- Private Health Insurance Legislation Amendment Bill 2009.

(see appendix 2 for a statement of reasons that the bills not be referred)

The committee makes no further recommendation in respect of the bills.

(4) The committee also reconsidered a proposal relating to the Fairer Private Health Insurance Incentives Bill 2009 and two related bills. The committee noted the Opposition members of the committee prefer a reporting date of 5 August 2009 but as no agreement could be reached the bills continue to stand referred to the Economics Legislation Committee for inquiry and report by 16 June 2009 (see appendix 3 for a statement of reasons that the bills be referred on different terms).

(5) The committee notes that the following bills stand referred to committees to report by 16 June 2009, in accordance with the order of 14 May 2009:

- Guarantee of State and Territory Borrowing Appropriation Bill 2009, to the Economics Legislation Committee; and
- Private Health Insurance (National Joint Replacement Register Levy) Bill 2009, to the Community Affairs Legislation Committee.

(Kerry O’Brien)
Chair

4 June 2009
Appendix 1
SELECTION OF BILLS COMMITTEE
Proposal - Bill to not be referred or referred on different terms
Name of bill:
Higher Education Support Amendment (2009 Budget Measures) Bill 2009
Bill to be referred: Yes
Committee to which bill is to be referred:
Education, Employment and Workplace Relations Legislation Committee
Proposed reporting date: 22 July 2009
Reason for differing terms:
Schedule 1, Item 5 of bill to be examined specifically.
Bill start date is 1 January 2010 – not ‘urgent’.
(signed)
Stephen Parry
Whip/Selection of Bills Committee member
Appendix 2
SELECTION OF BILLS COMMITTEE
Proposal - Bill to not be referred or referred on different terms
Name of bill:
Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009
Private Health Insurance Legislation Amendment Bill 2009
Bill to be referred: No
Committee to which bill is to be referred:
Proposed hearing date:
Reason for differing terms:
(signed)
Stephen Parry
Whip/Selection of Bills Committee member
Appendix 3

SELECTION OF BILLS COMMITTEE
Proposal - Bill to not be referred or referred on different terms
Name of bill:
Fairer Private Health Insurance Incentives Bill 2009
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009

Bill to be referred: Yes
Committee to which bill is to be referred: Community Affairs
Proposed hearing date: 5 August 2009
Reason for differing terms:
According to the Government’s announcement, this package does not commence until 1 July 2010 therefore it is not essential for consideration before 1 July 2009.

(signed)
Stephen Parry
Whip/Selection of Bills Committee member

BUSINESS

Rearrangement

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (12.37 pm)—I move:
That government business notice of motion no. 1, standing in the name of the Minister for Defence (Senator Faulkner) for today, proposing the introduction of the National Security Legislation Monitor Bill 2009, be postponed to 24 June 2009.

Question agreed to.

TAX LAWS AMENDMENT (MEDICARE LEVY AND MEDICARE LEVY SURCHARGE) BILL 2009
First Reading

Bill received from the House of Representatives.
support the Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009. We consider this to be a housekeeping bill and think that it could actually have been dealt with in the non-controversial timeslot. It is a bill that comes up every year, and every year it is supported by everyone. It is about indexing a number of thresholds, in particular indexing by CPI the low-income threshold for the Medicare levy, making sure that the threshold for those who do not pay the Medicare levy because they are low-income earners is increased in line with inflation.

A number of other, related thresholds are indexed at the same time, one of them being the low-income threshold for the Medicare levy surcharge. We had an extensive debate in this chamber last year in which we said what our thoughts were on the Medicare levy surcharge threshold changes. We opposed those changes vigorously. A very comprehensive Senate inquiry into the proposed changes to the Medicare levy surcharge threshold last year over the winter recess forced the government to review its legislation twice, and to reduce those thresholds in the original measure from $100,000 for singles and $150,000 for couples and families down to $70,000 and $140,000. We still took the view that that was bad policy because it was a measure that would force 492,000 people out of private health insurance, put upward pressure on the cost of premiums and put additional pressure on public hospitals. From that point of view, we were very much opposed to it.

We just note for the record that in Senate estimates over the last fortnight both the health department and the Treasury department gave evidence that, contrary to what the Minister for Health and Ageing, Nicola Roxon, and Senator Cameron at various times have tried to make people believe, the government still expects 492,000 fewer people to be in private health insurance as a result of the Medicare levy surcharge threshold changes passed last year. In fact, not only does the government still expect 492,000 fewer people to be in private health insurance but it needs 492,000 fewer people to be in private health insurance in order to achieve the $740 million in estimated savings which are still, to this day, part of the Rudd government budget.

Notwithstanding those few comments, as I have said at the outset this is a housekeeping bill. It is about keeping the thresholds in line with inflation, and it is one that has been supported by oppositions of both persuasions over many years. On that basis, the opposition supports this bill.

Senator CAMERON (New South Wales) (12.41 pm)—I rise to support the Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009. The bill increases the Medicare levy low-income thresholds for individuals and families in line with increases in the consumer price index. The individual threshold amount is to be increased from $17,309 to $17,794. The family income threshold is to be increased from $29,207 to $30,025. The Medicare levy low-income threshold for pensioners below pension age is also increased to ensure that where pensioners do not have a tax liability they do not have a Medicare levy liability. The low-income threshold and the Medicare levy surcharge provisions are similarly increased. These changes ensure that low-income individuals and families will continue to be exempt from the Medicare levy or surcharge.

The amendments to the Medicare levy low-income thresholds apply to the 2008-09 year of income and later years of income. Indexation of Medicare has enjoyed bipartisan support for a number of years, and I ac-
knowledge the support of the opposition as outlined by Senator Cormann.

It is proposed to increase the Medicare levy low-income thresholds for individuals and families in line with movements in the consumer price index. It is also proposed to increase the Medicare levy low-income threshold for pensioners below age pension age to ensure that individuals in this cohort will not incur a Medicare levy liability when they do not have an income tax liability. The increases will apply to 2008-09 and later income years.

The Medicare levy is imposed at a flat rate of 1.5 per cent on a resident’s entire taxable income. However, low-income earners are not liable for the Medicare levy, consistent with the progressive nature of income tax. The low-income threshold in the Medicare levy surcharge provision will also be increased in line with increases in the CPI so that a low-income family member will continue to not be subject to the Medicare levy surcharge. For example, in 2008-09 the combined income of a couple where one partner had income of $130,000 and the other had income of $15,000 would be above the Medicare levy surcharge threshold of $140,000 and, therefore, both members of the couple could be liable for the surcharge—that is, if they do not have appropriate private health insurance. However, the low-income threshold and the Medicare levy surcharge provisions ensure that the partner on $15,000 would not be liable to pay the surcharge. The higher income partner may still be liable to pay the surcharge.

This bill proposes, as I mentioned earlier, to increase the Medicare levy low-income threshold for individuals and for families and, in particular, the Medicare levy surcharge provisions themselves. The increases are to ensure that low-income individuals and families will continue to not be required to pay the Medicare levy or surcharge. It would be an unfair and undesired outcome if this were not the case. These increases are in line with movements in the CPI. The amendments will apply to 2008-09 and later income years. Similar amendments have been announced in previous budgets and have enjoyed bipartisan support. I am pleased to note that this is the case on this occasion and I commend the bill to the Senate.

Senator SHERRY (Tasmania—Assistant Treasurer) (12.45 pm)—I thank members of the Senate who have taken part in the debate on the Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2009. This bill increases the Medicare levy low-income thresholds for individuals and families in line with increases in the consumer price index. The low-income thresholds in the Medicare levy surcharge provisions are similarly increased. These changes ensure that low-income individuals and families will continue to be exempt from the Medicare levy or surcharge. The Medicare levy low-income threshold for pensioners below pension age is also increased to ensure that where these pensioners do not have a tax liability they will not have a Medicare levy liability. Those on low incomes are amongst the most vulnerable Australians, particularly amidst this global recession, and the Rudd Labor government is determined to make sure these Australians remain exempt from the Medicare levy. The amendments to the Medicare levy low-income thresholds apply to the 2008-09 year of income and later years of income. Full details of the measures in the bill are contained in the explanatory memorandum. Again, I thank those who participated in the debate and commend this bill to the Senate.

Question agreed to.

Bill read a second time.
Third Reading
Bill passed through its remaining stages without amendment or debate.

NATION-BUILDING FUNDS AMENDMENT BILL 2009

Second Reading
Debate resumed from 15 May, on motion by Senator Ludwig:
That this bill be now read a second time.

(Quorum formed)

Senator ABETZ (Tasmania) (12.50 pm)—The Senate is considering the Nation-building Funds Amendment Bill 2009. The practical effect of this legislation is to rip $2,500 million out of the Education Investment Fund. I repeat: it will rip out $2,500 million. It is important from time to time to remind ourselves that $2.5 billion, which so easily slips off the tongue, actually represents $2,500 million. This is from the fund that was created with all the ‘wow’ factor of The Hollowmen only 12 months ago. This Education Investment Fund was going to be the fundamental underpinning of the Labor Party’s education revolution—it was fundamental to it—but, of course, ‘education revolution’ was yesterday’s slogan. It was yesterday’s slogan to be forgotten today. The focus group has told the government that there should be a new slogan, that of ‘nation building’.

So the government, shortly after introducing its budget—the very same evening, about half an hour later—slipped into the House of Representatives this legislation, which will strip $2,500 million out of the Education Investment Fund and place it in the so-called nation-building fund. Why have I been concentrating on this stripping out of funding from the Education Investment Fund? It is because of all the words spoken so very hollowly by the Prime Minister, the Deputy Prime Minister and, indeed, the Treasurer in relation to this Education Investment Fund. Ms Gillard, on 17 September last year, said:
Our reform agenda will be complemented by increased investment in innovation and infrastructure through the new $11 billion Education Investment Fund.

It will be interesting to hear the minister’s response at the end of this debate as to how much money will actually be in the Education Investment Fund after this raid. Prime Minister Rudd, on 25 August, was bemoaning the supposed, alleged run-down by the Howard government in this area, and he said:
We sought to turn that around, and one of the main vehicles for turning— that—around in the Budget was the announcement of … an Education Investment fund.

But, of course, as with everything with this government, that was five minutes ago. Now we need a new slogan and we need new money, so we just take the money out of one fund, slip it into another, give it a new name and once again are able to placate the 24-hour news cycle, which is the real driver of this government’s agenda.

That is the matter that concerns us in the coalition the most, Madam Acting Deputy President, because if you have a look at this government’s approach to economic management in this country then you will recall that it was only some 18 months ago or so that Kevin Rudd thundered, about the coalition government, ‘This reckless spending must stop.’ It had to stop. So, in their very first budget, they hoovered $20 billion out of the Australian economy through extra tax revenue measures because we had to slow the economy down! The reckless Howard government had so overheated the economy that it had to be slowed down! Indeed, the Reserve Bank was goaded and cajoled into increasing interest rates with that memorable line that the inflation genie was out of the
bottle, one of the more infamous comments by a federal Treasurer—and, of course, no wonder that it comes from the current federal Treasurer, Mr Swan!

That was in May 2008, but, of course, that was for the news cycle for that month. Shortly thereafter, rather than slowing the economy down, they had to inject over $10 billion into the economy for a stimulus package. This is a government that simply has no idea day to day as to how to manage the economy. It has no vision for the future. It has no idea what the fundamentals that need to be addressed are in our economy. One day it is reckless spending: ‘That sounds like a good, focus-group-tested idea, so we’ll throw that into the media for a while. When that’s run its course, we’ll talk about the inflation genie getting out of the bottle and run that for a little while. Then we’ll talk about an overheated economy for a little while.’ Then, without blinking an eyelid, having said all these things only a matter of a few months earlier, the government turns around and says, ‘We’ve got to stimulate the economy.’

It is this same ad hoc, stop-start approach that Labor are now taking to education. The interesting thing is—and I must say that I will keep scanning the newspapers and listening to the airwaves—that I do not seem to hear the Australian Education Union, such a huge funder of the Labor Party at the last election, complaining about this siphoning of money out of the Education Investment Fund into what the minister described in his second reading speech to the House by saying:

This amount will be made available for the new Clean Energy Initiative.

These new clean energy initiatives may well be worthwhile projects, but what we are saying is: why is it that this money is being taken out of the Education Investment Fund, which was promised to the Australian people and, in fact, funded by Howard government surpluses? That is how the money got into this investment fund in the first place—make no mistake. Now Labor, having pledged themselves to the Education Investment Fund and to ramping it up to $11 billion, are siphoning out $2.5 billion—and I remind myself that that is $2,500 million.

What it shows is that this government has no consistent set of priorities. One day it will be education if that is what focus groups are telling it, but the next day it will be nation building, and it will not bother to check to see if its two lots of rhetoric actually match into a common theme for its management of the Australian economy. Indeed, it is interesting to note—and I invite honourable senators to have a look at the legislation that, in fact, set up the Education Investment Fund—that it was specified in the legislation that this money would only be available for certain purposes, which are enumerated from (a) to (l) in the legislation. I have read through those subparagraphs time and time again, and nowhere—and this might surprise honourable senators—does the Education Investment Fund legislation say that the money might be used for new clean energy initiatives. Nowhere in the legislation does it say that. But, of course, the Australian people were told and guaranteed by Ms Gillard, this great champion of education—how she has allowed this $2.5 billion to be ripped out of her portfolio nobody knows—on 13 May 2008, at the time of the second last budget: The Future Fund Board of Guardians will be responsible for managing the fund. Let Ms Gillard tell the Australian people and this parliament whether the board of guardians of this Future Fund had any say whatsoever in the diversion of $2.5 billion out of the fund. Let her tell the Australian parliament when it was considered. I have a funny feeling that these guardians on the board of this Future Fund would in fact be experts in the field of education. Chances are they are
highly qualified capable individuals, able to make decisions as to where an investment fund in education ought be directed. I just have a feeling that if they were to be asked, ‘Where would money be well spent if you were to pursue new clean energy initiatives?’ they might say, ‘You’re asking the wrong people.’ If that is the case, what it shows and highlights is that Ms Gillard’s promise to the Australian people that the guardians would be responsible for managing the fund was wrong, that there was no intention whatsoever of allowing these guardians to manage this fund, which we were told on so many, many occasions was so vital to the future of Australians, especially young Australians.

Let’s just keep this in mind: Labor has stripped $13.8 billion out of future funds—the health one, the building Australia one and the education one—in about 12 months. $13.8 billion has now been spent and taken out of these funds. You then consider that the cash splashes that were splashed around the community for no benefit whatsoever, other than to keep us out of a technical recession, cost the Australian taxpayer $22 billion. So the simple fact is, but for the cash splash of $22 billion, this sleight of hand, stealing money out of the education fund and putting it into the clean energy initiatives, would not have been necessary. This is the price young Australians are already paying for the spending spree of this government. Not only do they have a $9,000 debt hanging over their heads as a result of the spending spree, but they have also been denied the investment of this $11 billion Education Infrastructure Fund, courtesy of the sound management of the Howard government, from being spent on educational institutions around this country. So the young people in particular are going to suffer a double whammy as a result of this economic negligence. In fact, I am not even sure if it is negligence. Sometimes I wish it were just mere incompetence, mere negligence. But there is a deliberate pattern emerging—

Senator Mason—Vandalism!

Senator ABETZ—where the government says one thing one day and does the exact opposite the next day, and still places hand on heart, saying, ‘We are committed to our election policies.’ I note in the chamber Senator Mason, a very excellent advocate for education in this country. He has pursued the issue of the education revolution and shown how hollow it actually is, that it was a mere two words, ‘education revolution’, which meant nothing, especially for the young people of Australia. But for the cash splash, the so-called ‘socks and jocks revolution’, the young people of Australia now are going to be denied a real education revolution. We know the ‘laptops for everybody’ was a disaster. We now know, courtesy of Senator Mason’s questioning at Senate estimates, that the school-building program is also a farce. Schools that were slated to be closed down over the next year or two will still have funding provided to them for new facilities. Indeed, I became aware of one school recently that were given $250,000 for a new facility. They were able to get it for $150,000, but when they put in their submission the department bounced it back to them, saying: ‘No, no, no, naughty people! It has to cost $250,000.’ This is how money is being squandered and that is why the Education Investment Fund has to be raided to the tune of $2.500 million.

Senator Parry—Gross mismanagement!

Senator ABETZ—Senator Parry, you are absolutely right—it is gross mismanagement. But methinks it is not so much negligence as part of the 24-hour news cycle spin. Education revolution was five minutes ago; that no longer has any traction. Now it is nation building; now we have to talk nation building. And I am sure by the time of the next
budget—but let’s just wait on this. What is the bet there will not be a budget before the next election? Let’s wait and see whether Labor are willing to deliver another budget. That is when the young people of this nation will get hit with a triple whammy. The first whammy is the $9,000 debt. The second whammy is that it is their Education Investment Fund that has now been stripped of funding. Of course, the third whammy will show how the economy is in a complete train wreck scenario because of the mismanagement. For those of us that are over 50, chances are we have lived half our lives. But the young people, whose cause people like Senator Mason and I are trying to champion, still have their lives in front of them. They still have their educational needs in front of them. That is why the stripping out of this money from the Education Investment Fund is so very damaging to the future of our country. Indeed, I recall Ms Gillard—and I happen to note the minister for innovation and industry, amongst other things, in the chamber—told us on 17 September 2008:

Our reform agenda will be complemented by increased investment in innovation … through the new $11 billion Education Investment Fund.

How hollow those words now sound, because we know there was never any intention. If the government were genuinely concerned about education and its funding for the future, they would have said, ‘Education is a better long-term investment in human capital in this country than giving a cash splash of $22 billion.’ Remember the first $10 billion? That was supposed to create 75,000 new jobs, yet not a single job can be identified for that gross waste of money. But then not to be outdone they came into this place with another $40 billion-plus stimulus package, and you would have thought that by spending four times the amount of money there may have been the creation of a further four times 75,000 jobs. No, they came into this place and said that $40 billion on this occasion would not create—only support—90,000 jobs.

What a waste of money these stimulus packages have been. We as a coalition would have had a lot more modest a figure. We would not have had the cash splashes and as a result the Education Investment Fund, which was the guarantee to future generations, the legacy that was able to be left by the sound financial management of the Howard-Costello governments, money that was set aside for future generations, is now being squandered by Rudd Labor. We take the view in general terms that governments are elected to govern. They are entitled to make decisions, and on this occasion we will not stand in the way of this legislation, but I, on behalf of the coalition, hope I have been able to express our concerns as to why this raid on the Education Investment Fund has been necessary, the damage it will do to the future of our country and especially to the future of our young people and that but for the reckless spending spree, the reckless cash splashes, there would have been no need for this raid and education would have been able to continue to shine and grow as it did under the Howard years.

Let me remind those opposite, in case they comment on the so-called lack of investment under the Howard government, the greatest investment that the Howard-Costello government made in the future of young people was to pay off Labor’s $96 billion debt that it left from last time. We paid that off only in April 2006. That is how long it took. We paid that off only in April 2006. That is how long it took. It was only after that debt was paid off that we were able to start investing in schools and set aside these future funds, and Labor has squandered the future funds and got us back into debt to the great future detriment of the young people of Australia. We will seek to champion their cause yet again, as we un-
doubtedly will be required to, when we fix up the economy after the next election.

Senator IAN MACDONALD (Queensland) (1.10 pm)—The second reading speech to the Nation-building Funds Amendment Bill 2009 says that the legislation is to provide funding for infrastructure spending priorities and that to do that the bill will repeal the crediting of $2.5 billion from the 2007-08 budget surplus—I want to come back to the word ‘surplus’; it is something we do not understand much about these days—to the Education Investment Fund that was to occur by 30 June this year. This amount is now to be made available for the new Clean Energy Initiative. The second reading speech also says that the Clean Energy Initiative will encourage further research and innovation in clean energy generation and low-emissions technology. On that point I refer to a comment by Dr Glenn Withers of Universities Australia, the peak body representing universities, which criticises the decision to divert funds from the education fund to the Clean Energy Initiative. He is reported as saying that ‘little of the money for the Clean Energy Initiative would go towards universities, vocational education and training or research institutes’. So at last academia in Australia is getting to understand the duplicity in the approach of this government to any issue and, in the instance I have quoted, to this particular bill before the parliament.

I refer again to the second reading speech, in which the government talks of surpluses in the 2007 budget. Madam Acting Deputy President, you and all senators would realise that that budget surplus was really money left to the current government by the Howard-Costello government—money and surpluses that had been built up in the previous couple of years after the Howard-Costello government had paid off $96 billion of Labor’s debt. As those senators who were here in 1996 when the government last changed would remember, in 1996 when the new government came in there was no indication that the current account for that particular year was $10 billion in the red. But when the new government came in and had a look at the books we found that there was almost a secret $10 billion deficit that had been run up in that particular year, and that $10 billion deficit went together with other deficits to create the $96 billion that was owing by the last Labor government. Madam Acting Deputy President, you do not have to look far to understand that this is not an isolated instance. That was the last Labor government. It was $10 billion in debt for that particular year and $96 billion in debt for the 13 years that it was in power. Have a look around at all of the state governments now, Madam Acting Deputy President, and you will see that all are in substantial debt.

It just shows that you simply cannot trust Labor with money. Labor is incapable of managing the taxpayers’ finances. My own state of Queensland, regrettably, has lost its AAA rating. We are facing a budget that is cutting services. In Queensland we are even talking about selling Queensland railways. We are talking about selling all of the electricity generation companies. We are talking about selling the ports infrastructure. These were all things which prior to this time I thought were tenets of the Labor Party philosophy—you know: the government should own all of those things. I see the unions, in their typical way, were demonstrating outside the Labor Party conference the other day. They were not going to let this happen. Of course, the Premier went inside the doors, said a few fine words, all the union bosses scurried around to fall in line and so went through the decision to privatise a lot of the Queensland government infrastructure.

Why is the Queensland government doing that? Because they have run out of money.
They are now at a state where they cannot even borrow money without the support of the federal government. If any of you were around in Queensland before the state election just a few months ago, you would have heard stories from the Labor Party of how well the state was being managed and what good shape the finances of the state were in, only to find out two or three short months later that we as a state are in the financial pits. If we were a business we would be going into liquidation. That is what you get from the Labor Party when you leave them in charge of money. This bill before us today is another indication of the Labor Party simply being incapable of making financial decisions that stick.

We thought $96 billion in 13 years was pretty horrendous. Now Australians are beginning to realise that in 18 short months this Labor government has provided not for $96 billion of debt but for over $300 billion worth of debt. How are the Australian taxpayers going to pay that off? The Labor Party are not interested in it. This has been well commented upon. They have come to the conclusion that they will not even try to pay off the debt. They know that the electoral cycle will turn. As every day goes by I think it is going to turn much sooner than the Labor Party intended. They always knew that at some time the electoral cycle would turn and the good old Liberals would come back, take the hard, tough decisions, get the economy back on track and pay off the debt.

It is because of this financial profligacy that we hear reports of interest rates going up. Why are interest rates going up? It is not the fault of the Commonwealth Bank. It is not the fault of the National bank or the other banks. It is because of the huge amount of debt that this government has racked up in 18 short months. It is simply incredible that any group of people masquerading under the pretence of government with financial responsibility can have done that in such a short period. You will remember Mr Rudd telling the Australian public, with hand on heart, that he was a financial conservative. How can he possibly lie straight in bed these nights? He knew at the time that he was not telling the truth, and he has proved that in his actions since that time.

I know time is short and we have a busy legislative program. The coalition will be helping the Labor Party get through the urgent bills that are on the program this sitting fortnight, so I do not want to take too much more of the Senate’s time. Suffice it to say that the Labor Party’s ‘Clean Energy Initiative’ is also as fanciful as their suggestions of financial conservatism or of good economic management. In the two Senate committees inquiring into climate change policy and emissions trading that I have sat on, it has become quite clear that this is another piece of legislation that the Labor Party simply have no idea how to manage.

They have appointed a minister who in the first couple of weeks of government slipped over to Bali, got nationwide publicity—not worldwide publicity, as the Labor Party tried to pretend, but at least they did get nationwide publicity—for signing the Kyoto agreement, an action which meant absolutely nothing and did not provide one iota of benefit for reducing the emissions of the world. We had this minister who was going to solve everything. It quickly became clear that the job was far too big for this minister and so when it got into real problems Mr Rudd, at least realising that he was in some real trouble with the unions, with others, with industry and with financiers on the emissions trading scheme, brought in Mr Combet as Parliamentary Secretary for Climate Change to go out and do the negotiations to try to bring the Labor Party’s emissions trading scheme back on track. Mr Combet has at least spoken to people; many people who spoke to us
could not get in to see the minister, but at least they were able to get in to see Mr Combet. As a result of Mr Combet’s work, there were substantial changes made to the emissions trading scheme.

I would not mind betting you that before this bill sees its time out in this parliament there will be other substantial changes, because even the Labor Party now understands that the bill to come before us is a dog of a bill and one that will not make one iota of difference in reducing world emissions or the changing climate of the world—but it will destroy many Australian industries and will ensure that many working families who were working families in the Howard government years no longer have that title. They will be families of unemployed, families whose parents do not have jobs because of the mis-management of the Labor Party and particularly this emissions trading scheme. In the two committee hearings that I sat through, witness after witness told us of the job losses that would occur.

In Queensland last week, the bankrupt state government increased electricity prices by 16 per cent. The minister who was given the short straw to go out and announce this 16 per cent increase said that if your electricity bill was something like $360 a bill—and I do not have the exact figures with me—it would go up by $55. This was done just because the Queensland government has run out of money. If you think of electricity and what the people of Queensland are paying now, our committee heard evidence that electricity costs for ordinary households would increase by anywhere between 50 and 200 per cent following the emissions trading scheme and mandatory renewable energy target come in electricity prices will go up another by 50 per cent at least—and perhaps by up 200 per cent.

The Clean Energy Initiative, which is mentioned in this bill, is a joke. Coal companies who appeared before the committee talked about clean energy and what they were doing to help reduce emissions. They have been cut off the Labor Party’s help list simply because they are coal companies and the Labor Party apparently do not like the coal companies. I can tell the Labor Party that many of their union members love the coal companies because they provide them with jobs, and up in my part of Queensland they provide them with very well paid jobs that in the future will not be available thanks to the Labor Party. I can just imagine the outrage and sense of betrayal that unionists in the Bowen Basin coalfields will exhibit when they realise that the government that they worked so hard to get elected just 18 or 19 months ago has turned on them and taken away their most valuable asset—that is, the right to work. Yet coal companies are doing things to try to reduce greenhouse gas emissions. They are trying to do their part but they have been shunned by this government and will not be assisted.

These are matters which we will be debating in the future, but what comes to mind when looking at the bill before us is that the Labor Party are using budget surpluses that were put aside in previous years and taking from education and putting it somewhere else. It again shows that where money is concerned you simply cannot trust the Labor Party.

Senator MILNE (Tasmania) (1.26 pm)—I rise today to say how very disappointed the Greens are with the government’s decision not to keep the money that was promised to the education infrastructure fund in the fund. I would like to remind the Senate of the
genesis of this and the conversation and the argument that occurred in the Senate. In the first quarter of last year when the government brought in its Infrastructure Australia legislation, there was a long debate in the Senate. At that time, I pointed out that the government’s total focus on infrastructure in Australia was based on the assumption that Australia would remain a resource based economy; it was all about building coal ports, railways and roads and the rest of it. I pointed out at the time that if you are going to move to a post-industrial, post-resource based economy and move to a low-carbon economy your major investment has to be in things like education. It is critical infrastructure for the nation to invest in education, skills training and retention, and move Australia from being an economy based on digging up things, cutting down and shipping away. We have to become a more sophisticated economy. We have to invest in manufacturing, innovation and new technology, and to do that we need the innovation coming out of our universities.

Subsequent to the establishment of Infrastructure Australia in the budget last year, the government—taking on board what had been said about the need to move beyond a resource based economy—announced an Education Investment Fund. At the time the government said that that fund would come from the transfer of what had previously been known as the Higher Education Endowment Fund, and that it would be added to in this year’s budget. Interestingly, the amount at that particular time was $6.5 billion, which would be transferred from the old Higher Education Endowment Fund. Now, as a result of the government’s decision to redirect money and not fulfil its promise to the nation last year in terms of education infrastructure, we find that there will still be $6.5 billion in the Education Investment Fund. In other words, all we have in the Education Investment Fund now is what was transferred from the old Higher Education Endowment Fund.

All of the publicity and all the hype last year about the money and the interest being made available to universities, to the higher education sector, to invest in new infrastructure was no more than hot air. I am really surprised that universities across Australia have not been much more outspoken in their criticism of the government’s failure. In part, that is because the government made several promises to the higher education sector in this year’s budget. But I wonder how closely the universities have actually looked at them, because the government’s promises for this year are going to be funded out of the Education Investment Fund. The Prime Minister announced that $4.1 billion has been committed in the 2009-10 budget, so we have already seen a substantial amount of the previous fund, the Higher Education Endowment Fund, spent in this year’s budget, with very little capacity in the future to build infrastructure in education, as indeed the Chief Executive Officer of Universities Australia, Glenn Withers, pointed out on 20 May this year. He said that the sector would require extra funding to cover the infrastructure needed to support the government’s plans to expand the number of students attending universities—reforms announced in the budget—and that this spending was not currently covered by the Education Investment Fund. He said:

To reach those [new participation goals] we need more volume infrastructure, not just excellence infrastructure.

Where is the ‘more volume infrastructure’ going to come from for our universities to physically house and teach the expanded number of students who are going to come—and I hope they do come—from the initiatives to increase participation at the tertiary level? This really has been an extraordinary
sleight of hand: $6.2 billion of an existing fund, the Higher Education Endowment Fund, transferred last year into the Education Investment Fund and the promised increases not put into that fund but diverted. The universities have not realised that they are actually losing big time because their Higher Education Endowment Fund—or the Education Investment Fund, as they are now calling it—is going to fund the initiatives from this year’s budget, leaving them precious little in that fund to cope with the capital needs they will have for building infrastructure into the future. That is a bad idea.

What is the money going to be used for? The government has announced that $2.5 billion will not go into education infrastructure; instead, it will go to the $4.5 billion Clean Energy Initiative. One billion dollars of that already existed, so it will have $3.5 billion and—what a coincidence—$2 billion has been promised for industrial-scale carbon capture and storage projects under the Carbon Capture and Storage Flagship program. So we are seeing $2.5 billion for infrastructure taken out of the universities sector and given straight to the coal industry. This is the community subsidising coal to the detriment of students and increased participation rates in our universities.

The Greens’ view is well known to the Senate—that is, if the coal industry is confident that carbon capture and storage will work then it will fund it itself. After all, the coal industry has made extraordinary profits over the last 150 years by treating the atmosphere as a waste dump for the coal industry, privatising the profits and socialising the costs. The cost is the greenhouse effect. The cost is global warming. And it is being met by increasing numbers of people dying around the world because of the impacts of global warming that are striking us right now. Why wouldn’t you expect the coal industry to spend $2 billion on its own future?

It has no legitimacy without carbon capture and storage. Several of Australia’s leading scientists, David Karoly amongst them, wrote to the coal industry recently saying: you cannot continue with coal-fired power stations unless you have carbon capture and storage, and that technology is not going to be available in the foreseeable future—certainly not in the time frame in which the Intergovernmental Panel on Climate Change has said we need to address dangerous climate change. We only have until 2015, and carbon capture and storage is going to be nowhere in that time frame.

Only last week I was at the CSIRO centre in Newcastle talking to them about the work they are doing on carbon capture and storage. Here is another example of the complete failure to have a whole-of-government approach on these issues. That particular research institution is looking at the capacity to capture carbon from coal-fired power stations—postcombustion capture—but who is actually doing the map on the capacity for storage? It is no use proving you can capture CO2 unless you can also prove you have the volume capacity in suitable geological structures to absorb the liquid carbon dioxide you are going to end up with at the end of the process. It is no use proving it if you cannot afford to pipe the liquid carbon dioxide from the Hunter Valley down to the Otway Basin in Victoria. Whatever that is going to cost—and of course it will be the community who end up paying for that infrastructure too; you can guarantee it—it will never be cost-effective compared with wind and solar thermal, which you can bring on-stream right now.

The issue here is that instead of the government honouring the commitment to the higher education sector that they made in last year’s budget—and there were accolades from one end of the country to the other because at last Australia was going to invest in

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education—we find that they are not investing in education at all. They are using the previously acquired funds of the Higher Education Endowment Fund to fund this year’s budget promises. There will be no capacity to build the infrastructure that will be necessary if we are to move to a post-industrial society. If we are to get beyond digging holes and cutting down and shipping away, we need not just excellence in our universities but the people and the physical space and infrastructure to absorb them.

I think it is very interesting that the government has not actually specified where the $2 billion is going in terms of the Clean Energy Initiative. It is trying to suggest that the $2 billion will just get mixed up in the $3½ billion of new money that is going to be spent partly on the $2 billion Carbon Capture and Storage Flagships program. There is $500 million going into Renewables Australia, which is the $500 million previously promised. Then there is $1.6 billion in solar technologies including $1.4 billion in the Solar Flagships program. So mixing clean coal and solar into this Clean Energy Initiative could imply that some of this money is going into solar. If that is the case, the government should be finding the money for solar energy elsewhere in its budget; it should not be taking it out of money that was promised to students in Australia to allow them to participate fully in reasonable conditions—physical spaces—in our universities.

This is a retrograde step from the government. I do not believe that one cent of public money should be used to cross-subsidise the coal industry’s research on carbon capture and storage. That industry is rich enough to pay for its own research. Its future depends on paying for its own research and proving it in a time frame that is consistent with the scientific imperatives. I strongly want to put on the public record the fact that the Greens are disgusted with the government’s sleight of hand on the education infrastructure funding initiative announced last year. As I indicated, I am very surprised that the university sector are not more outspoken on this. We can expect them to be more outspoken in the future as they come to realise how little will be left in the education infrastructure fund when the real test is absorbing this larger number of students, whom I hope we get enrolled. When they do enrol in universities across the country, the universities will be back here saying, ‘What happened to our education infrastructure fund?’ What will have happened to it is that it will have gone across to the coal industry to pump good money after bad down holes in the ground—into technology that is not economically viable and will not be economically viable in the time frame required. Every dollar spent on that carbon capture and storage is a dollar that is costing students, and that ought not to be the case.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (1.40 pm)—I thank senators for their contributions to this debate. I think there are some matters that require some response. First of all let me draw the chamber’s attention to the fact that this budget includes $22 billion worth of investment in nation building and infrastructure. This investment will provide an economic stimulus in the short term to build jobs during a global recession. It will also build critical infrastructure, which we will need for future productivity as the economy recovers and we move forward to ensure the prosperity of this nation into the future. The Nation-building Funds Amendment Bill 2009 is required to give effect to the government’s infrastructure program as well as to investments in a new broadband network and transport infrastructure such as ports, roads, rail, hospital and higher education. The government will also be investing
some $4.5 billion in the new Clean Energy Initiative.

The Clean Energy Initiative will encourage further research and innovation in clean energy technologies that will play an important role in Australia’s transition to a low-pollution economy. The Clean Energy Initiative will help accelerate the development and deployment of carbon capture and storage, solar energy and other forms of renewable energy. Of course, the government stand in sharp contrast to the Greens. We are not going to turn our backs on the coal industry. We are not going to turn our backs on the coal communities of this country. We are not going to turn our backs on an industry of this significance in terms of its contribution to both the economy and our society. We are ensuring that we are able to meet some of the greatest challenges this country has ever faced, in terms of climate change, in a responsible manner that ensures we have jobs for people into the future and we are able to provide the economic security that our people rightly deserve.

This bill provides funding for these priorities. It repeals the crediting of some $2.5 billion from the 2007-08 budget surplus to the Education Investment Fund, which was to occur on 30 June 2009. These are propositions that we made clear at Senate estimates; there is no secret about this approach. We made it very clear right from day one that we were able to support an expansion in infrastructure spending for the higher education and research sectors in quite considerable terms. We also said that the future commitments to the EIF program would be conditional on the macroeconomic circumstances of the time, and I do not believe that anyone in this chamber can seriously argue that the economic circumstances of this country have not changed, as they have throughout the world, since the collapse of Lehman Brothers in the United States last year.

What we said, and remain committed to, was that we were going to have a massive expansion in capital programs in all sectors of education in this country. So, on top of the largest single modernisation program in schools that this country has ever seen, we have also seen the government allocate some $5 billion in the last 18 months to higher education and research infrastructure in this country. How does that stand in comparison to the previous 11 years of coalition government? In that period the coalition invested $1.1 billion. So, in 18 months, we allocated $5 billion; in 11 years the conservatives of this country allocated $1.1 billion. And we see the crocodile tears from those opposite, as they say they now want to ensure there is adequate funding for a range of other programs on top of what is, in this current budget, the largest single investment in research and innovation that this country has seen for 30 years. Have we heard anything in support of that? Not one word.

We note that the government—in terms of draw-downs over the next four or five years, on top of what we have already spent—were only indicating commitments to some $4 billion in EIF funding. We have seen that in posts right across the teaching and research sectors of this country. On top of that, very substantial sums of money are also going for medical research, so that is in addition to what I am arguing in regard to the particular use of this fund. It is not credible for the opposition to claim their concerns about these matters in the context where not only do we have these additional commitments to those we already made but total funding commitments in the context of what is a $5 billion spend. The balance of the EIF will be some $2.4 billion, plus investment earnings estimated to be around $630 million over the forward estimates, and there will be further additional investments in VET, in universities and in research.
What has been put to us by Senator Milne is clearly fanciful. Four hundred million dollars is going to clean energy research in this budget alone. She gives no acknowledgement of that whatsoever but makes spurious claims about what is still available for future investments in higher education, in research and, of course, in ensuring that we have the capacity to provide the answers to some of the challenges that this country currently faces in terms of our climate action program. There is more than $6.5 billion in the Education Investment Fund for education and research, of which $4.1 billion has been committed in the 2009-10 budget and in terms of the nation-building package announced by the Prime Minister on 12 December 2008. There is a substantial proportion of funding available for future commitments on top of that.

The Rudd government’s performance in regard to higher education, research and innovation is second to none in this country. In 18 months we have demonstrated that. You had 11 years, and in 18 months we have surpassed your record by a figure of $5 billion to $1 billion, so I find it extraordinary that these spurious claims could be made by coalition senators, aided and abetted by the Greens, on this matter. I commend the bill to the chamber.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

HIGHER EDUCATION SUPPORT AMENDMENT (VET FEE-HELP and PROVIDERS) BILL 2009

First Reading

Bill received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (1.49 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 CARR (Victoria—Minister for Innovation, Industry, Science and Research) (1.49 pm)—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—

HIGHER EDUCATION SUPPORT AMENDMENT (VET FEE-HELP and Providers) BILL 2009

The Higher Education Support Amendment (VET FEE-HELP and Providers) Bill 2009 makes minor clarifications and adjustments to the operation of the FEE-HELP and VET FEE-HELP Assistance Schemes under the Higher Education Support Act 2003.

VET FEE-HELP assists students studying diploma, advanced diploma, graduate certificate and graduate diploma courses by providing a loan for all or part of their tuition costs.

The Scheme is aimed at encouraging students studying within the vocational education and training sector to pursue pathways to further or higher skill qualifications in the higher education sector. It ensures that all students have the opportunity to access higher level skills training without the financial burden that may otherwise prevent them from enrolling in such courses.

This Bill clarifies that a student can not access VET FEE-HELP assistance to undertake a unit of study, unless that unit of study is essential to the student’s course of study.

In addition, the Bill ensures that, if a provider of VET FEE-HELP assistance does not maintain
certain standards set by the Act, then it can be required to cease operating as a VET provider.

This amendment mirrors that made to the Act in 2007 in relation to the operation of higher education providers, ensuring consistency between the FEE-HELP and VET FEE-HELP Assistance Schemes.

These amendments improve the protections already in place for both students and the Commonwealth.

The Bill also makes minor changes to the higher education and VET provider approval process to allow higher education and VET provider notices of approval to take effect on the day immediately following the day the relevant notice is registered on the Federal Register of Legislative Instruments.

The amendments remove unnecessary delays in the approvals process, ensuring that a greater number of approved higher education and VET providers can operate sooner, giving eligible students faster access to FEE-HELP or VET FEE-HELP assistance with those providers.

Senator MASON (Queensland) (1.49 pm)—The opposition supports the Higher Education Support Amendment (VET FEE-HELP and Providers) Bill 2009. The bill is quite uncontroversial, but that belies its significance. Until the Howard government’s 2007 budget, vocational education and training was the only sector offering postsecondary qualifications without an income contingent loan scheme. But the 2007 budget changed all that. Young people enrolled in vocational education and training can now access FEE-HELP, just like their peers do at university.

The policy framework for extending FEE-HELP to vocational education and training students was borne of the Howard government’s conviction that governments in Australia over a long period had paid insufficient attention to the value of vocational education and training. While encouraging and indeed enabling young Australians to embark on further education is vital for our nation’s future, many students, over 1½ million of them, see their talents and their prospects best suited to vocational education and training rather than attending university. It goes without saying that VET is a pathway to great careers. We need plumbers and electricians. We need mechanics and chefs. We need hairdressers and horticulturalists. We need them, but of course often we cannot find them.

The policy of extending FEE-HELP to vocational education reflects a change in culture and a change in attitude. When I was at university, the gulf between university and VET was immense. There were very few so-called pathways, and so-called articulation between VET qualifications and university qualifications in those days was virtually unknown. But, thankfully, this has all changed. We recognise now that the 1½ million students studying in the VET sector are not only important to the economy but essential to community infrastructure, and that of course is a very good thing. This bill builds on that recognition.

Briefly, the bill seeks to achieve just three objectives. Firstly, this bill clarifies that a student cannot access VET FEE-HELP assistance to undertake a unit of study unless that unit of study is essential to the student’s course of study. Secondly, the bill ensures that, if a provider of VET FEE-HELP assistance does not maintain certain standards that are set by the act, it can be required to cease operating as a VET provider. In doing this, the bill ensures consistency between the FEE-HELP and VET FEE-HELP assistance schemes. Thirdly and finally, the bill removes unnecessary delays in the approvals process, ensuring that a greater number of approved higher education and VET providers can operate sooner, providing more timely eligibility to students seeking VET FEE-HELP or FEE-HELP from these providers.
In short, this bill improves protections and access for students and assists the Commonwealth in monitoring the 4,000 public and private providers of vocational education and training in this country. This is good public policy and the opposition supports it.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (1.53 pm)—in reply—I thank senators for their contribution and commend the bill to the chamber.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

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

Second Reading

Debate resumed from 14 May, on motion by Senator Ludwig:

That this bill be now read a second time.

Senator CORMANN (Western Australia) (1.54 pm)—The National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 implements a 2008-09 budget measure which the government says was an election commitment. However, no such commitment can be found—at least, it cannot be easily found. It must be hidden somewhere in the fine print. What we were able to find, however, was a comment by the now Minister for Health and Ageing, Nicola Roxon, when she spoke on this in the House of Representatives on 31 May 2007. This is what the now Minister for Health and Ageing, Nicola Roxon, said before the election:

The PBAC needs to be independent of government and of industry, and we cannot see the justification for this move to the cost-recovery model. I have asked the government to reconsider this approach given the risk to the independence of the PBAC.

And, of course, what we have now is a total reversal—a 180-degree turnaround. We have a measure which will impose fees at three points. It will impose fees for the original submission for pricing, for listing after successful application and for resubmissions.

The introduction of a cost recovery measure was expected to generate additional revenues of $7 million over four years, with a net cost of $2.2 million. However, the explanatory memorandum states that, once fully operational, annual revenue from fees is expected to total about $9.4 million in 2008-09, rising to $14 million in 2009-10. Irrespective, savings are very small compared to the approximately $7 billion spent on the PBS.

Indicative fees and charges proposed under the scheme as at June 2008 were: a major submission, $119,500; a minor submission, $12,500; a secretariat listing, $1,000; generic products, $500; and pricing arrangements, $25,000. This effectively means that it could cost approximately $145,000 to make a submission. To bring new drugs to market, the costs are estimated to be approximately $315,000, provided there is no complication.

Cost recovery measures were first introduced in the 2005-06 budget, with a proposed implementation day of 1 July 2007. Implementation at that time was delayed due to consultations with the pharmaceutical industry about the Pharmaceutical Benefits Scheme reform process during 2006. When originally proposed in 2005-06, there was concern that the measures were undermining the independence of the PBAC and might result in manufacturers declining to list drugs on the PBS. In fact, in 2005-06 Medicines Australia argued that the operation of the PBAC was a Commonwealth government
function and cost recovery measures would be inappropriate.

Arguments in favour of cost recovery suggest a pharmaceutical company receives significant benefit from listing and that it is unreasonable that the taxpayer should pay the bill for listing. However, manufacturers already incur significant costs in preparing a submission and, under such a proposal, the pharmaceutical industry would also have to pay the additional fee when a submission is considered by the PBAC. There are concerns that cost recovery could affect the independence of the PBAC and the PBS. In fact, as I have previously mentioned, the Minister for Health and Ageing raised those concerns in the lead-up to the last election—but, of course, now in government, the minister’s position has changed. We have had a bit of a pattern of this. We have seen it with the changes to the Medicare levy surcharge thresholds; we have seen it with the now broken promise in this year’s budget on the private health insurance rebates; and we are now seeing it in relation to the government’s approach to cost recovery of the Pharmaceutical Benefits Scheme listings. They say one thing in opposition and they do another in government. It is well and truly in line with what Mr Garrett said before the election: ‘Once we get in, we’ll just change it all; don’t you worry about that.’

Cost recovery has been implemented successfully in the TGA process, which has maintained its independence. However, the TGA and the PBAC have very different roles. The TGA decides whether a drug or medical device can be marketed in Australia, whereas the PBAC advises the minister on which drugs should be approved for a public subsidy.

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (2.00 pm)—I table for the information of the Senate a revised ministry list reflecting changes to the ministry following the resignations of the Hon. Joel Fitzgibbon MP as the Minister for Defence, the Hon. Bob Debus MP as the Minister for Home Affairs and Senator the Hon. Jan McLucas as the Parliamentary Secretary to the Minister for Health and Ageing.

The Prime Minister has acknowledged the contribution made by Mr Fitzgibbon, Mr Debus and Senator McLucas to this government and our reform agenda and has thanked them for their service. Personally, I would like to thank Senator McLucas for her contribution to the government in her role as parliamentary secretary, and I look forward to her ongoing contribution to the parliament and to the Rudd Labor government. I also take this opportunity to congratulate Senator Mark Arbib on his elevation to the ministry. I know he will do an excellent job as Minister for Employment Participation. I know he is looking forward to question time as much as I am.

I seek leave to have the new ministry list incorporated in Hansard.

Leave granted.
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<th>Title</th>
<th>Minister</th>
<th>Other Chamber</th>
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<td>Prime Minister</td>
<td>The Hon Kevin Rudd MP</td>
<td>Senator the Hon Chris Evans</td>
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<td>Minister for Climate Change and Water</td>
<td>Senator the Hon Penny Wong</td>
<td>The Hon Greg Combet AM MP</td>
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<td>Cabinet Secretary</td>
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<td>(Manager of Government Business in the Senate)</td>
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<td>Minister Assisting the Minister for Climate Change</td>
<td><em>The Hon Greg Combet AM MP</em></td>
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<td>Minister Assisting the Prime Minister for Government Service Delivery</td>
<td><em>Senator the Hon Mark Arbib</em></td>
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<td>Parliamentary Secretary</td>
<td><em>The Hon Anthony Byrne MP</em></td>
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<td>Minister for Education</td>
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<td>Minister for Employment and Workplace Relations</td>
<td>The Hon Julia Gillard MP</td>
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<td>Minister for Social Inclusion (Deputy Prime Minister)</td>
<td>The Hon Julia Gillard MP</td>
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<td>Minister for Early Childhood Education, Childcare and Youth Participation</td>
<td>The Hon Kate Ellis MP</td>
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<td>Minister for Employment Participation</td>
<td>Senator the Hon Mark Arbib</td>
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<td>Parliamentary Secretary for Social Inclusion</td>
<td><em>Senator the Hon Ursula Stephens</em></td>
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<td>Parliamentary Secretary for Employment</td>
<td><em>The Hon Jason Clare MP</em></td>
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<td>Treasurer</td>
<td>The Hon Wayne Swan MP</td>
<td>Senator the Hon Nick Sherry</td>
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<td>Minister for Financial Services, Superannuation and Corporate Law</td>
<td>The Hon Chris Bowen MP</td>
<td>Senator the Hon Nick Sherry</td>
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<td>Minister for Competition Policy and Consumer Affairs</td>
<td>The Hon Dr Craig Emerson MP</td>
<td>Senator the Hon Nick Sherry</td>
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<td>Assistant Treasurer</td>
<td>Senator the Hon Nick Sherry</td>
<td>The Hon Wayne Swan MP</td>
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<td>Minister for Immigration and Citizenship (Leader of the Government in the Senate)</td>
<td>Senator the Hon Chris Evans</td>
<td>The Hon Robert McClelland MP</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td><em>The Hon Laurie Ferguson MP</em></td>
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<td>Minister for Veterans’ Affairs</td>
<td>The Hon Alan Griffin MP</td>
<td>Senator the Hon John Faulkner</td>
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<td>Minister for Defence Personnel, Materiel and Science</td>
<td>The Hon Greg Combet AM MP</td>
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<td>Parliamentary Secretary for Defence Support</td>
<td>The Hon Dr Mike Kelly AM MP</td>
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<td><strong>Minister for Trade</strong></td>
<td>The Hon Simon Crean MP</td>
<td>Senator the Hon Kim Carr</td>
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<td>Minister for Foreign Affairs</td>
<td>The Hon Anthony Byrne MP</td>
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<td>The Hon Duncan Kerr SC MP</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
<td>The Hon Bob McMullan MP</td>
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<td><strong>Minister for Health and Ageing</strong></td>
<td>The Hon Nicola Roxon MP</td>
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<td>Minister for Indigenous Health, Rural and Regional Health and Regional Service Delivery</td>
<td>The Hon Warren Snowdon MP</td>
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<td>The Hon Justine Elliot MP</td>
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<td>The Hon Mark Butler MP</td>
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<td><strong>Minister for Families, Housing, Community Services and Indigenous Affairs</strong></td>
<td>The Hon Jenny Macklin MP</td>
<td>Senator the Hon Chris Evans</td>
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<td>Minister for Housing</td>
<td>The Hon Tanya Plibersek MP</td>
<td>Senator the Hon Chris Evans</td>
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<td>Minister for the Status of Women</td>
<td>The Hon Tanya Plibersek MP</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
<td>The Hon Bill Shorten MP</td>
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<td>Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
<td>The Hon Bill Shorten MP</td>
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<td>Parliamentary Secretary for the Voluntary Sector</td>
<td>Senator the Hon Ursula Stephens</td>
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<td><strong>Minister for Finance and Deregulation</strong></td>
<td>The Hon Lindsay Tanner MP</td>
<td>Senator the Hon Stephen Conroy</td>
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<td>Senator the Hon Stephen Conroy</td>
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<td>The Hon Gary Gray AO MP</td>
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<td>The Hon Peter Garrett AM MP</td>
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<td>Attorney-General</td>
<td>The Hon Robert McClelland MP</td>
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<td>Minister for Home Affairs</td>
<td>The Hon Brendan O’Connor MP</td>
<td>Senator the Hon Penny Wong</td>
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<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon Tony Burke MP</td>
<td>Senator the Hon Nick Sherry</td>
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<td>Minister for Resources and Energy</td>
<td>The Hon Martin Ferguson AM MP</td>
<td>Senator the Hon Kim Carr</td>
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<td>The Hon Martin Ferguson AM MP</td>
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<td>Minister for Human Services</td>
<td>The Hon Chris Bowen MP</td>
<td>Senator the Hon Joe Ludwig</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Climate Change in the Prime Minister’s portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
QUESTIONs WITHOUT NOTICE

Interest Rates

Senator COONAN (2.00 pm)—My question is to the Minister representing the Treasurer, Senator Sherry. Is it not a fact that the government’s massive $315 billion debt binge, where it is borrowing $3 billion a week, has put up the cost of money for banks, thereby leading to higher interest rates?

Senator SHERRY—I thank Senator Coonan for her question. I think one thing that should be learnt by all, but particularly the Liberal opposition, is that correlation is not necessarily causation. At times like this Australians have every right to expect that the banks will join with the community and the government and the RBA to do everything possible to support jobs and our economy. In fact, in the face of the most volatile market conditions in some 75 years, there have been some ups and downs in bank funding costs, and this will continue for some time—for the very obvious reason of the world financial crisis, which has impacted on the world economy in a devastating way. In fact we have had the worst economic outlook in some 75 years.

The Rudd Labor government has been upfront with the Australian people about bank funding costs. We know there has been some recovery in the banks’ net interest margins in the past six months, and therefore we expect the banks, and in particular the Commonwealth Bank, which increased its rate by one-tenth of a per cent, to play their part in supporting the Australian economy and Australian jobs during this global recession. Australians have every right to be furious at the selfish attitude of the Commonwealth Bank, which is hindering the efforts of the government, the Reserve Bank and the community to stimulate the economy during this global recession. When people see banks like the Commonwealth Bank reporting very healthy profits, they rightly find it hard to understand why rises are necessary and why the banks cannot afford to leave rates where they are. (Time expired)

Senator COONAN—Mr President, I have a supplementary question. We have heard the government’s excuses and feigned outrage over the rate rise, even though it is the government’s fault. What is the government actually going to do to stop these rate rises?

Senator SHERRY—As I indicated in my initial comments, correlation is not causation. What we have from Senator Coonan and Liberal members opposite is the usual dishonest scare campaign, which has absolutely no basis in fact whatsoever. Australia’s borrowings are very low by international standards and represent a tiny fraction of global capital markets. So you cannot relate it to the increase of 0.1 per cent by the Commonwealth Bank. As I said earlier, correlation is not causation. I notice the member for North Sydney’s comments on borrowings. If he thinks these increases have an impact, with a background of borrowings of tens of trillions of dollars, his economics are even sloppier than I thought.

Senator COONAN—Mr President, I have a further supplementary question. Is it not true that the recent interest rate rises were just the first rise in what will be many interest rate rises forced upon all Australians by Labor’s massive $315 billion debt binge, and how much in total will Australian taxpayers now have to pay in interest from now until 2022 to pay off the government’s massive $315 billion debt in addition to the recent interest rate hit on Australian household mortgages?

Senator SHERRY—The hypocrisy of the Liberal-National Party is breathtaking. Let me remind the chamber what Mr Turnbull
said when interest rates went up by 25 basis points. When interest rates rose by 25 basis points in August 2006, this is what Mr Turnbull, the now irresponsible Leader of the Opposition, said:

I think the interest rate hike has been over-dramatised.

That is what the now opposition leader, Mr Turnbull, said in response to a 0.25 per cent increase in interest rates. As I have said on a number of occasions through you, Mr President, to Senator Coonan, correlation is not causation. What we do know is that borrowing costs are determined by global capital markets as well as movements in short-term interest rates as set out by the RBA. (Time expired)

Economy

Senator HURLEY (2.06 pm)—My question is to the Assistant Treasurer, Senator Sherry, in his capacity and as Minister representing the Treasurer. Can the Assistant Treasurer update the Senate of what important and decisive actions the Rudd Labor government has taken to stimulate Australia’s economy during the global financial crisis and to set a path of nation building for recovery? Can the Assistant Treasurer explain to the Senate how these important measures are working to protect jobs and growth and whether there are any alternatives to the Rudd government’s strategy of recovery?

Senator SHERRY—We know, against the background of the worst turmoil in financial and economic markets the world has seen in the last 75 years, the Rudd Labor government have acted decisively to protect Australia’s economic interests and the national interests. We have acted decisively in a range of ways to cushion the impact of the world recession, which has now become very, very deep. We have announced the $42 billion nation-building plan to stimulate Australia’s economy and protect all Australians from the impacts of this global financial and economic crisis. The government have stepped in to fill the gap left by the private sector during this global recession to stimulate the economy and support jobs. We make no apologies for this approach.

We already know, from the March national accounts, that the Australian economy has outperformed the other advanced economies in the March quarter. Let me repeat that for the opposition’s benefit: the Australian economy has outperformed every comparable economy right around the world. That is the record. In the clearest possible sign that the government’s efforts to stimulate the economy are working to support jobs and growth, gross domestic product rose by 0.4 per cent in the March quarter and was 0.4 per cent higher over the year. During the same time that the Australian economy grew, comparable economies—the G7—contracted. They reduced in size by some 2.1 per cent. Despite the worst global recession in 75 years, we are weathering this storm better than most countries, in the face of reckless opposition from the Liberal-National Party, who say no to everything. (Time expired)

Senator HURLEY—Mr President, I ask a supplementary question. Can the Assistant Treasurer update the Senate on any new information that shows how the Rudd government’s nation-building stimulus package is supporting the economy, jobs and small businesses during these turbulent economic times?

Senator SHERRY—As I have been saying, this Rudd Labor government has acted decisively to cushion and stimulate the economy in the face of this deep world recession. I can inform the Senate today that the gains from the government’s $42 billion stimulus package will be much greater than previ-
Liberal Party approach: do nothing. Rudd Labor government decisive approach: there will be $100 billion in higher incomes for employees as a consequence. That is $100 billion that the opportunistic and divided Liberal-National Party say no to. They always say no to vital measures to cushion and underpin the growth of our economy. That is the Liberal Party’s attitude: sit on your hands and do nothing. (Time expired)

Senator HURLEY—Mr President, I ask a further supplementary question. Can the Assistant Treasurer also update the Senate on the value of other decisive actions taken by the Rudd government to provide stability to Australia’s financial system, such as the deposit and wholesale funding guarantees? Is the Assistant Treasurer aware of any alternative views?

Senator SHERRY—I am glad that the question has raised the important issue of the bank guarantee, because this is another example of the decisive action taken by the Rudd Labor government: in the face of collapsing world financial markets, to ensure a guarantee not only for the banks themselves but in respect of wholesale funding. We have had much criticism from Liberal-National Party members such as Mr Turnbull, Senator Coonan and Mr Hockey, but they have now been joined by a new economic critic. A new economic critic has come out and received extensive media coverage today: Senator McGauran. Senator McGauran has made an economic foray. I notice in today’s media Senator McGauran has been referred to as a ‘key member’ of the coalition economics committee. (Time expired)

Senator BIRMINGHAM (2.12 pm)—My question is to the Minister representing the Minister for the Environment, Heritage and the Arts, Senator Wong. I refer the minister to the decision last week by the government to end the $8,000 solar rebates early. Will the minister inform the Senate whether Minister Garrett was deliberately misleading the Australian people or was simply being kept in the dark by those who actually run the government when he told the ABC’s PM program on 17 December last year that the rebate and the means test would be phased out after 1 July?

Senator WONG—The Solar Homes and Communities Plan of this government has put more solar panel systems on Australian roofs than any program run in the history of the Australian government.

Senator Birmingham—We set it up!

Senator WONG—Under you—I will talk more about this later, Senator Birmingham—under the Howard government, what we know is investment in renewables, the deployment of renewables, went backwards as a total percentage of our energy profile. Those on that side presided over a reduction in the investment in the utilisation of renewable energy. The fact is this is a government which has gone well beyond its election commitment for solar rebates. The original commitment was for $150 million for up to 15,000 solar rebates over five years. This government will fund around 80,000 solar panel installations. What Senator Birmingham might like to know is how that compares with what the previous government did, because he comes in here saying, ‘Oh, you should do more.’ Under your government, there were 10½ thousand rebates. We are going to fund about 80,000 installations; they on that side funded about 10½ thousand rebates when in government.
The fact is we have been making clear for some time that we would transition out of this rebate program to the Solar Credits scheme under the renewable energy target. It is the case that demand in this program was very high, very substantial. As I said, we went well beyond our pre-election commitment of $150 million. We have previously announced that we would transition to Solar Credits from July 2009. (Time expired)

Senator BIRMINGHAM—Mr President, I ask a supplementary question. Seeing as the minister refuses to confirm whether Minister Garrett deliberately misled Australian consumers and the Australian solar industry, I draw her attention to the COAG communique of 30 April this year, which stated that the replacement Solar Credits program was intended to commence from 1 July. Minister, exactly which part of that statement let industry and consumers know that 1 July would miraculously become 9 June?

Senator WONG—It is useful, I think, when we are asked questions by those opposite for us to remember their paltry record on renewable energy when in government. It is the case that the transition was brought forward from that which was previously announced in order to ensure the long-term financial sustainability of this government’s support for the solar industry, support which is unprecedented in terms of the number of rebates and the millions of dollars we put in place to assist the solar industry both through this program and of course through the budget measures which were announced—the Solar Flagships program, which is intended to support the largest solar installation in the world. The reality is that we are providing unprecedented support. We are also providing a transition. We will bring forward the renewable energy target legislation—(Time expired)

Senator BIRMINGHAM—Mr President, I ask a further supplementary question. Given that the minister refuses to stand by either the spoken word of Mr Garrett or the written word of the COAG communique, I ask whether she will now stand by the budget papers released just a few weeks ago. I refer the minister to page 206 of Budget Paper No. 2, which states that funding for solar rebates will continue until the program transitions to Solar Credits under the expanded renewable energy target on 1 July 2009. Were the budget papers, released just a few weeks ago, just plain wrong, or were they also deliberately misleading as part of the government’s cruel hoax on the solar industry and Australia’s solar consumers?

Senator WONG—The cruel hoax is the party who presided over a reduction in the renewable energy component of our energy sector coming in here and pretending to be the champion of renewables. Senator Birmingham, if you had listened to my answer, I acknowledged that the transition had been brought forward to ensure the financial sustainability of the government’s support for the solar industry. We are funding more than four times what we promised we would fund and substantially more than anything which was funded under the Howard government. We acknowledge that this is a transition which some may find difficult. We are committed to bringing forward the renewable energy legislation to provide ongoing and sustainable support for the solar industry, support which was never forthcoming under the Howard government.

Solar Energy

Senator CROSSIN (2.18 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. Minister, given the need to respond to the threat of climate change, can you please update the Senate on the government’s action to turn Australia’s
carbon pollution around and support investment in renewable energy? How can the government ensure that the equivalent of all of Australia’s household electricity supply will come from renewable energy sources? And why, even with all the direct support for renewable energy, is the Carbon Pollution Reduction Scheme still fundamental if we are going to successfully tackle climate change?

Senator WONG—I thank Senator Crossin for her question and her interest in both renewable energy and the government’s action on climate change. This is a government which is committed to acting on climate change and putting in place incentives for investment in clean energy, renewable energy and the clean technologies which will deliver the transformation our economy needs. This government will bring forward our renewable energy target legislation, which will deliver a fourfold increase in Australia’s renewable energy sector by 2020, to ensure that the equivalent of all of Australia’s household energy will come from renewable sources by that time. This will unleash investment in the renewable energy sector, something which should have happened a long time ago. Of course, this is on top of the government’s unprecedented commitment in the budget with the $1.4 billion Solar Flags program and additional investment in the Australian Centre for Renewable Energy and our investment in Solar Homes and Communities, all of which demonstrate this government’s commitment to the reform of our energy sector and strong and sustainable support for renewables.

But the fact is that, even with all of these measures in place, Australia’s emissions would still rise to around 20 per cent higher in 2020 than they were in 2000, as opposed to being up to 20 per cent lower if the Senate is minded to pass the Carbon Pollution Reduction Scheme. The reality is that without the Carbon Pollution Reduction Scheme this country will not hold its contribution to climate change, without the scheme we will keep making climate change worse and without the Carbon Pollution Reduction Scheme we have no means to deliver our targets, which are ambitious, necessary and in the national interest. (Time expired)

Senator CROSSIN—Mr President, I ask a supplementary question. Can the minister update the Senate on plans to provide emissions-intensive industries with assistance under the renewable energy target and Carbon Pollution Reduction Scheme? Why is it important to provide assistance to industry to adjust to the combined impact of the Carbon Pollution Reduction Scheme and the renewable energy target?

Senator WONG—This is a government that is putting forward a comprehensive set of policies to tackle climate change and drive investment in renewables, unlike the Howard government that was in place for so many years in this country. The fact is that the Carbon Pollution Reduction Scheme and renewable energy target assistance are linked, because this government understands that we need both of these policies in place if we are to seriously tackle climate change. This is a government that also understands that industry will need assistance in relation to both policies. So, when we were designing assistance under the renewable energy target legislation, this government listened to those in industry who asked us to consider the cumulative, combined impact of both the CPRS and the renewable energy target. This is a position we made clear in the April COAG meeting that Senator Birmingham referred to, and it is a pity that the opposition did not read the communique before time. (Time expired)

Senator CROSSIN—Mr President, I ask a further supplementary question. Finally,
can the minister outline Australia’s track record on renewable energy? In particular, can the minister outline whether the contribution of renewable energy has increased or decreased in the 10 years to 2007? Can the minister advise the Senate of any threats to turning around Australia’s carbon pollution and promoting investment in renewable energy?

Senator WONG—I think it is useful for the Senate to know just what occurred under the Howard government when it comes to renewables, because the fact is that investment in renewable energy went backwards when those opposite were in government. What happened was that between 1997 and 2007 the proportion of our electricity supply from renewables declined from 10½ per cent to 9.5 per cent. So, whenever those opposite come forward professing support for the renewables sector, they should be reminded of the stark facts which are presented and the stark reality of their own record in government, which is that they presided over a decline in renewable energy. They also went to the last election with a 15 per cent clean energy target, which included nuclear power and clean coal—so not only a smaller target but a target where solar, wind and wave would have to compete with nuclear energy and clean coal. That is their record on renewables. (Time expired)

Building the Education Revolution Program

Senator MASON (2.24 pm)—My question is to the Minister representing the Minister for Education, Senator Carr. Will the minister advise how many schools slated for closure around Australia have received funding under the so-called Building the Education Revolution program?

Senator CARR—The government’s program for Building the Education Revolution involves the single largest modernisation of Australia’s schools in our history. That is $14.7 billion. It will boost jobs and it will boost investment in Australia’s long-term future by building or upgrading schools.

Senator Colbeck—Even if they’re going to close.

Senator CARR—Every school across the country, Senator. It will provide support for local communities in a way that has yet to be provided by any government in the history of this Commonwealth. I would hope that opposition senators would be advising schools in their communities that they are working with as to whether or not they support this program. I would hope that opposition senators might actually have the courage of their convictions and, instead of coming into this chamber and opposing these measures, go to the community.

Senator Ian Macdonald—Mr President, I raise a point of order on the grounds of relevance. The question asked by Senator Mason was very, very simple: how many schools that were being closed were to get the grants? It is one minute 17 seconds into the answer and the minister has not even gone anywhere near answering. So I ask under standing orders that you direct the minister to answer the question in a directly relevant way.

Senator Ludwig—Mr President, on the point of order: the Minister representing the Minister for Education is and has been relevant to the point that has been raised. We are now into 1½ minutes, or slightly over that, where the answer is being provided. It is going to the issue of the schools and the minister is being relevant to the question. What we now have is the opposition seeking to utilise this approach as another way of re-asking their question. The minister has been apprised of the question, it was asked and the minister should be allowed in this instance to answer the question that was provided.
The PRESIDENT—Senator Carr, I draw your attention to the fact that there are 46 seconds left to answer the question and that the question that has been raised by Senator Mason needs to be addressed.

Senator CARR—Thank you, Mr President. What is occurring here is that some $14.7 billion has been provided right across Australia. The program involves some 5,115 schools, with a total of some 6,983 projects involved to date—some $9.19 billion. What we are seeing through these primary school initiatives is that the Commonwealth provides support to the states, who administer the actual allocations of program moneys to the states in each of the jurisdictions across the Commonwealth. What I do return to is a simple proposition. (Time expired)

Senator MASON—Mr President, I ask a supplementary question. Can the minister assure the Senate that the Commonwealth is receiving value for money on the projects funded under Building the Education Revolution? Are the most competitive tenders being chosen in each case? Are buildings being built in accordance with the industry rate for similar structures in every case? Have the proper tender processes been observed in every single case?

Senator CARR—The Commonwealth department of education provides estimates in regard to individual school projects taking into account the full cost of the projects. The Commonwealth is committed to ensuring value for money for the Commonwealth expenditures but also ensuring that appropriate standards are maintained. It is a disappointment to me to see that the coalition often peddles claims about the cost of projects that are not measured against the actual standards of provision that are required. There are guidelines in terms of the provision of moneys whether schools are either closing down or amalgamating. The advice that the states are providing to the Commonwealth to date is that those guidelines are being followed. We are determined to ensure value for money. We are determined to ensure that these projects also provide— (Time expired)

Senator MASON—Mr President, I ask a further supplementary question. As the minister seems unable to assure the Senate that the proper tender processes have been followed, will the minister further advise the Senate how many schools have had their requests for capital works overruled in favour of facilities that they neither need nor want?

Senator CARR—Senator Mason is familiar enough with this area to know the way the education system of this country operates. The administration of individual schools is the responsibility of school authorities, whether they be state governments, the Catholic education offices or the independent schools. Individual school authorities have responsibilities. However, our responsibility is to the Australian people. Our responsibility is to ensure that projects are brought on quickly and at the appropriate standard, that we provide jobs and that we provide infrastructure for the future. Our responsibility is to defend this country and to ensure that proper productivity arrangements are made for the future through investment in education. What is your responsibility? Your responsibility is to tell the truth. Do you support these projects or do you not support them? Go out to the schools of this country and tell the local communities whether you support these measures, yes or no.

Securency Pty Ltd and Note Printing Australia

Senator BOB BROWN (2.32 pm)—My question is to the Minister representing the Treasurer. I quote from the Age of 13 June that the Reserve Bank of Australia has asked the Australian Federal Police to examine the
use by Securency, a company subsidiary of the RBA, of agents in Africa and Asia—

The PRESIDENT—Order on both sides! Senator Brown, you are entitled to be heard in silence. I could not hear your question properly because of the interjections from both sides. Start again, please.

Senator BOB BROWN—Thank you, Mr President. The Age on Saturday said this:

The RBA has asked the Australian Federal Police to examine Securency’s use of agents in Africa and Asia after the Age revealed several had been implicated in official corruption inquiries and at least one had been convicted for reckless trading.

Securency has made multimillion-dollar commission payments to its agents, including some to offshore tax haven accounts.

I am aware that that police inquiry is underway, but I ask the minister, has the Reserve Bank undertaken an independent investigation, as suggested by Transparency International Australia, to investigate whether its own code of practice has been breached by Securency and Note Printing Australia, NPA, regarding the use of their agents?

Senator SHERRY—I thank Senator Brown for his question. I have read the reports in the Age and a subsequent article about allegations relating to a company and some alleged arrangements that were entered into with the printing of banknotes and the relationship with the RBA. The first point I would make is that the Reserve Bank of Australia is independent. I am not aware of the particulars of the contractual arrangements that were entered into with the subsidiary printing production company. I am aware that there is a police investigation underway and I do not want at this stage to make any further comment until that investigation is concluded and a report is provided.

Senator BOB BROWN—Mr President, I asked a supplementary question. Has the government, the Treasurer or anybody else in the government sought information from the Reserve Bank of Australia about these extremely serious allegations? If so, when did that happen and with whom were those talks held? If not, why hasn’t the government asked the Reserve Bank of Australia for an explanation?

Senator SHERRY—As I have noted, Senator Brown, and you have referred to this, there is a police investigation. I understand the Reserve Bank did issue a statement about this matter on Friday. If there is any suggestion of inappropriate action by NPA, the matter will be referred to the Australian Federal Police. But, as I have said already, beyond that it is not appropriate to make any further comment.

Senator BOB BROWN—Mr President, I have a further supplementary question. Is it true that the Deputy Governor of the Reserve Bank is also the chair of the board of Securency, which has now been accused of having agents putting multimillion dollar funds into offshore tax havens as a result of the pursuit of contractual arrangements, including with countries like Sudan, which have been prescribed by the United States because of their terrorist status? I also ask the minister, does it not trouble the government enough to ask the Reserve Bank about its subsidiary’s dealing with the regime of Saddam Hussein in the 1990s? If it has information about those particular dealings, what is that particular information?

Senator SHERRY—Securency was established in 1996 and it is half-owned by the Reserve Bank. I do not have the board membership before me but I am happy to take that on notice and examine whether there is any common board membership between the RBA and Securency. I do understand that the board of Securency have referred all matters to the Australian Federal Police. As I have
said on two occasions in response to your questions, it would be inappropriate for me to comment further until the police have carried out whatever investigations they believe are appropriate in this matter.

**Workplace Relations**

Senator FISHER (2.37 pm)—My question is of the Minister representing the Minister for Employment and Workplace Relations, Senator Arbib. Under the government’s award modernisation, what unique features of the restaurant and catering sector merit concessions separate from the hospitality sector?

Senator ARBIB—Thank you, Senator Fisher. It is a pleasure to be able to get up and talk about industrial relations, and certainly about the transition to a fair and less complex industrial relations system. I say to Senator Fisher that we are extremely proud of the work we are doing in award modernisation. It is an area that had been left on the backburner by the previous government for far too long and it is real reform. It is reform that business has actually been asking about—streamlining awards and ensuring less complex features.

The transition will take place over five years, and there has been a great deal of discussion and consultation with the catering and restaurant industry; there is no doubt there has been a great deal of discussion and consultation with them. They have raised a number of issues in their operations concerning overtime and night shifts, and the Deputy Prime Minister has taken that on board and has asked the Industrial Relations Commission to have a look at those issues, which they are doing. There are certainly other issues in the areas you raise, and I am sure the follow-on question will be about other areas that the government will also be looking at—horticulture, retail and pharmacy. These areas are under examination by the government because we are about providing flexible, streamlined awards that actually provide fairness to workers but at the same time provide certainty to employers.

Senator FISHER—Mr President, I ask a supplementary question. Those other sectors such as horticulture, cleaning services, retail, pharmacy and fast food consider they have the same challenges as the restaurant and catering sector. They want the same, Minister; you know they deserve the same. Will the government give them the same?

Senator ARBIB—The decision by the Deputy Prime Minister to issue the variation to the award modernisation request was one that was not taken lightly. It is not the usual practice of the Deputy Prime Minister to intervene in the award modernisation process. However, in some cases there will need to be intervention. Senator Fisher, in the areas you raise—horticulture, pharmacy and retail—there is examination going on right now by the department and also by the Deputy Prime Minister. I do not think that is any surprise because there is extensive consultation with the sector going on right now; Senator Marshall just raised that. This was raised with Senator Fisher in estimates. Again, this is about streamlining these awards—reform that should have taken place in the past but was too hard for those on the other side of the chamber. *(Time expired)*

Opposition senators interjecting—

The PRESIDENT—A person is entitled to be heard in silence when they are answering just as a person is entitled to be heard in silence when they are asking the question. It cuts both ways.

Senator FISHER—Mr President, I ask a further supplementary question. Given the government’s best efforts to destroy the economy through debt and deficit, why is the government simultaneously overhauling
awards to gut business confidence, stop jobs and stunt the economy?

Senator ARBIB—We are keeping the election commitments that we promised at the last election. I would like to remind you, Senator Fisher—wait for this one—you actually voted for it. You voted for this.

Opposition senators interjecting—

The PRESIDENT—Resume your seat, Senator Arbib. I asked people to be quiet at the start. A bit of respect is worth while.

Senator ARBIB—As I said previously, those on the opposite side of the chamber actually voted for this legislation. They voted for this legislation—a fairer industrial relations system. But again we see the true colours of the Liberal Party—reverting to Work Choices. Peter Costello, the architect of Work Choices, may be on his way out, but those on the opposite side of the chamber still want it back. The government’s plan is to stimulate the economy with the largest infrastructure program the country has ever seen. We talk about the Building the Education Revolution; every school in the country will be getting infrastructure. That is what we are doing. That is what the government is providing—support for jobs. (Time expired)

Afghanistan

Senator HUTCHINS (2.43 pm)—My question is to the Minister for Defence, Senator Faulkner. I offer him congratulations on his appointment. Can the minister inform the Senate about his recent meetings with defence ministers from Regional Command South and North Atlantic Treaty Organisation regarding the progress of the International Security Assistance Force in Afghanistan?

Senator FAULKNER—I thank Senator Hutchins for his question. Last week I did have the opportunity to participate in meetings with defence ministers from countries comprising the International Security Assistance Force in Afghanistan. Defence ministers from Regional Command South nations received an extensive briefing from Major General Mart de Kruiff regarding the current situation in the region, which is acknowledged to be the most dangerous in Afghanistan and is where the risk of attack by insurgents is the greatest. Ministers also participated in discussions about the challenges faced by and future organisation of military efforts in Regional Command South.

The ISAF component of the subsequent NATO defence ministers’ meeting provided me with an opportunity to advise NATO of Australia’s enhanced commitment to the conflict in Afghanistan, the largest to ISAF by any non-NATO nation—a very critical contribution to the international community’s efforts for the stabilisation and reconstruction of Afghanistan. I was able to reinforce Australia’s commitment to Afghanistan, Australia’s support for the additional US presence in Afghanistan, the need to focus on the training of the indigenous Afghan security forces and the need for certainty regarding future NATO operations in Oruzgan province. I was accompanied on the visit by the Chief of the Defence Force and the Secretary of the Department of Defence, and their attendance very much assisted in providing a valuable opportunity for strategic discussions on progress and the challenges faced in Afghanistan.

Senator HUTCHINS—Mr President, I ask a supplementary question. Can the minister inform the Senate of the outcome of any bilateral discussions he undertook with defence minister counterparts from other nations contributing to the International Security Assistance Force?

Senator FAULKNER—Yes, I did take the opportunity that the ministerial roundtables provided to also have a series of bilat-
eral meetings about the future direction of ISAF, including with the US Secretary of Defence, Dr Gates, and my ministerial counterparts from Canada, New Zealand as well as the Netherlands, who are our partners in Oruzgan province. I also met with the newly appointed defence secretary for the United Kingdom, Bob Ainsworth, the Afghan Minister for Defence, General Wardak, as well as Jaap de Hoop Scheffer, the NATO Secretary General, with whom I was able to discuss NATO’s current thinking on Afghanistan.

Senator Hutchins—Mr President, I ask a further supplementary question. My final question is: can the minister update the Senate on his visit to Afghanistan and his meeting with Australian Defence Force personnel at Tarin Kowt?

Senator Faulkner—I can report that after my meetings in Europe I visited Afghanistan to meet with Australian Defence Force personnel based at Tarin Kowt in order to obtain first-hand information about the situation there and the critically important role the ADF is playing in Oruzgan province. At Tarin Kowt I met with troops from the Mentoring and Reconstruction Task Force as well as leaders of the Special Operations Task Group. I received very detailed briefings on the progress of the conflict in Oruzgan and ongoing reconstruction efforts. I can say that, as you would expect, on behalf of the government and us all I expressed our thanks and our gratitude to our troops for their magnificent efforts facing considerable hardship and risk. (Time expired)

Emissions Trading Scheme

Senator McGauran (2.48 pm)—My question is to the Minister for Employment Participation, Senator Arbib. Given evidence to the Senate Standing Committee on Economics that real wages growth will be forced lower by the Carbon Pollution Reduction Scheme, has the minister made a representation to the Minister for Climate Change and Water expressing concern about this?

Senator Arbib—This is only my first week, so you can imagine, Senator McGauran, that I have not yet made that many representations at all. In terms of the CPRS, though, the whole-of-government response and our approach to the CPRS has been about protecting jobs. That is our whole approach to it. That is why we are making a transition to a CPRS.

At the same time as that, the government has been—

Opposition senators interjecting—

The President—Order! Resume your seat, Senator Arbib. When we have quiet we will resume question time.

Senator Arbib—At the same time as that, the government has been working with industry and with the environmental movement to get the balance right. It is not an easy thing to get the balance right because, when you talk to business, the one thing they do want in terms of the CPRS is certainty. That is what they want. They want certainty. That is what the government is working to provide them. The current plan—and this might surprise some of the senators on the other side—actually has the support of the Business Council of Australia and the Australian Industry Group on the one side and, on the environmental side, the WWF and the ACF. So we have struck the right balance to project jobs.

At the same time, this is not just about the CPRS. We are also working to create green jobs—new jobs in environmentally sustainable areas. That is the future. They are the jobs of the future. The sort of stuff you are seeing over in the United States with President Obama is what we are working on. In my own area, the stimulus package and the energy efficiency package in relation to pink
batts and gold batts will also create jobs. (Time expired)

Senator McGAURAN—Mr President, I ask a supplementary question. Given further evidence to the Senate Standing Committee on Economics that jobs will ‘undoubtedly’ be lost in the coalmining sector as a result of the government’s CPRS, has the minister made representations or will the minister make representations to the ailing climate change minister seeking changes to the scheme?

Senator ARBIB—The government and, I know, the good minister have been working together with all sections—the business community and the environmental community—Senator Fisher—What about the workers?

Senator ARBIB—to ensure that employment is protected.

Government senators interjecting—

The PRESIDENT—Order! Senator Arbib, resume your seat. I need order on both sides before we will proceed. Order on my right!

Senator ARBIB—We are obviously providing a great deal of industry assistance to ensure that companies in those exposed areas can make the transition, and that is why we are not starting this for another 12 months. It is all about jobs. That is what the government is all about and that is what our changes are about: protecting the environment, fighting climate change and at the same time making a huge reform into the future. The green jobs we talk about are something that you on the other side have no idea about. (Time expired)

Senator McGAURAN—Mr President, I ask a further supplementary question. Given that the minister has not and will not make representations on behalf of Australian workers against the CPRS scheme, will the minister advise how lower real wages and higher unemployment serve to increase employment participation?

Senator ARBIB—Well, I have already, in a previous answer, had to go back to the past and talk about Work Choices; now we are here talking about the climate change sceptics on the other side. Really they do not want to talk about fighting climate change, and there is a good reason why they do not want to talk about fighting climate change: because they do not actually believe in it. They do not believe in climate change. They do not think it has been caused by man-made effects. When you listen to some of the senators on the other side you hear them say, ‘Climate change is a natural phenomenon.’

Opposition senators interjecting—

The PRESIDENT—Order!

Senator ARBIB—I can see my time is winding up. We have taken steps all along the way with industry to ensure that jobs are protected throughout the transition to the CPRS. That is the sole focus of what the government are doing. That is why we are providing industry assistance and that is why we are working with industry. Again, AIG is supporting it—as is the BCA.

Building the Education Revolution Program

Senator FORSHAW (2.54 pm)—My question is to Senator Carr, the Minister for Innovation, Industry, Science and Research, representing the Minister for Education. Can the minister inform the Senate what the government is doing to renew and extend Australia’s school infrastructure? In particular, can the minister update the Senate on the progress of the Building the Education Revolution program? What contribution are these investments making to battling the global recession and accelerating recovery?

Senator CARR—I thank Senator Forshaw for his question. At least he is seeking
information, concerned as he is about ensuring the prosperity of this nation in these difficult times. Building the Education Revolution, I repeat for those senators who clearly are not interested in this, is the single biggest boost to Australian schools in the nation’s history. This is a $14.7 billion initiative to provide new facilities and to refurbish facilities. It will help equip each and every Australian school to meet the demands of the 21st century. The centre-piece of this program is the $12.4 billion Primary Schools for the 21st Century program. It is building and renewing large-scale infrastructure in all eligible Australian primary schools, especially in special schools and in kindergarten to year 12 schools, including libraries, halls and indoor sporting centres.

The first two rounds of this program will deliver $9.1 billion to 5,215 schools in all states and territories, and we are yet to hear from the coalition as to whether or not they support this expenditure. This program will support some 6,983 projects. It will help to sustain jobs and it will help to sustain businesses in every community across Australia. What do the coalition say about this? Do they support it or don’t they? Of course, this is round 1 of the funding. Two-thirds of this program’s funding to date has gone to government schools, one-fifth has gone to Catholic schools and 13 per cent has gone to independent schools. Contrary to some ill-informed media commentary—(Time expired)

Senator FORSHAW—Mr President, I ask a supplementary question. I thank the minister for his answer, and particularly for pointing out that this program, the Building the Education Revolution program, has a significant number of components and involves a huge investment. Minister, if I can then take that up, I would like to ask you a question in respect of one component of that—that being the National School Pride program. I ask: could the minister update the Senate on the rollout of that national pride program and how it is going? What is the scope of the program and how many schools does it involve?

Honourable senators interjecting—

The PRESIDENT—Order! I have already said once today that I need to hear the question. I need people on both sides of me to be quiet. Senator Forshaw, could you go back to the last part of your question.

Senator FORSHAW—I am hoping that the minister had the chance to hear the first part, but I will come to the last part of my question—that is, is this a program for just one particular sector? Could you please enlighten the Senate, Minister?

Senator CARR—I thank Senator Forshaw for his question. I think first of all I should say that, contrary to some ill-informed senators relying on ill-informed media comments, there will be no money allocated to projects in schools which are due to close or to amalgamate. What you have here is the government allocating $1.26 billion to 13,176 projects in 9,490 schools around the country under rounds 1 and 2 of the National School Pride program. That is 9½ thousand schools—not a few dozen or a few hundred but 9½ thousand schools. We see a whingeing, do-nothing attitude from those opposite. Of course they will never have the courage to actually—(Time expired)

Senator FORSHAW—Mr President, I ask a further supplementary question. I agree—there is nothing worse than an ill-informed senator, and we have been looking at quite a few of them today. But I would actually like to be—

The PRESIDENT—Come on, Senator Forshaw. Ask your question.
Senator FORSHA—I would ask if the minister could inform the Senate, particularly for the benefit of those opposite, about the Science and Language Centres for 21st Century Secondary Schools component of Building the Education Revolution. How does it relate to new spending on research and innovation in the 2009-10 budget, and how can science and research help to shield Australia from the global recession and lay the foundations for future prosperity?

Senator CARR—Last month’s budget included some $3.1 billion in new funding for research and innovation over four years. Much of that money will be spent on Australian science, especially through the $1.1 billion Super Science Initiative. We also recognise that progress in building long-term scientific capacity must actually begin in the schools, and that is why this component of Building the Education Revolution is so important. It will make $1 billion available to build around 500 new science laboratories and language training centres in schools that can demonstrate that need. There has to be a capacity to complete construction by 30 June 2010. It will give young Australians the skills they require to compete and prosper in a high-tech global economy. (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS
Answers to Questions

Senator COONAN (New South Wales) (3.01 pm)—I move:

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

In particular, I would like to make some comments about the answer given by Senator Sherry to my question. The most that can be said of Senator Sherry’s maiden voyage representing the Treasurer in question time is that his performance was a minuscule improvement on that of Senator Conroy, who, unsurprisingly, has been dumped from this very important role. But Senator Sherry’s attempts to explain the principles of causation were, quite frankly, embarrassing. His answers showed just how comprehensively the Rudd Labor government has lost control of the nation’s finances.

Australia’s largest home lender is putting up interest rates because of the increased cost of funds due in part to Mr Rudd’s massive spending spree and the need to borrow funds to fund the spending. Australian householders will face increased mortgage payments, in part because the government is out in the bond market borrowing around $3 billion per week. For Senator Sherry to claim that this has no impact on the cost of funds for home lenders is simply flying a kite. Australia, as we all know, is in deep debt, with the Rudd Labor government now admitting that debt will peak at $315 billion, and that is before we have the farcical broadband plan—another $43 billion—and Ruddbank, yet another $28 billion. This is all borrowed money, borrowed to fund poorly thought-out policy choices, examples of which are now bubbling to the fore.

As if it is not enough that every man, woman and child is now in hock to the tune of $9,000 for Labor’s reckless spending, there is nothing concrete or permanent to show for the $95 billion ploughed into the so-called stimulus packages. Just take the farce that is the so-called education revolution, which the ministers failed to clear up this afternoon in question time. Not content to have computers sitting in boxes becoming obsolete, unused and no use to anyone, Ms Gillard’s latest botched job is to spray money at schools slated for demolition or for amalgamation. Media reports have identified 21 schools due for closure that have been allo-
cated funds from the $14.2 billion Building the Education Revolution fund. As I say, the answers given in question time today as to where these funds have gone and whether or not there will be value for money for the allocation were very unconvincing. You certainly cannot put much faith in a program name that, of course, helps with photo shoots, hard-hat opportunities and stunts but where, when it comes to the crunch, there is money going to schools that, so far as we know, are to be closed and money going to schools for buildings they do not need and have not asked for. This shambles is yet another example of a Labor government great at talking and absolutely hopeless at delivering anything.

These examples merely reinforce Labor’s incompetence, spending $40 million in stimulus cheques to 16,000 deceased estates and 27,000 people overseas. I think on any view, Mr Deputy President, you would have to admit that these people would be highly unlikely to be spending the money in Australia as intended. Obviously this denotes haste, it denotes panic and it denotes a government so desperate to react to what it perceives as a crisis that it could not take time to simply get it right. Australians have every right to question why Australia is now in deep debt—at least $315 billion—and why there is a need to pay interest of $12 billion per annum for such massive borrowings. What we see is reckless spending with nothing concrete to show for it, nothing permanent—millions and millions wasted. Eighteen months ago Australia had no debt and cash in the bank. Now Labor has plunged Australia back onto the debt treadmill. (Time expired)

Senator HURLEY (South Australia) (3.06 pm)—Not only are the opposition climate change deniers; they are also global financial crisis deniers. They do not want to recognise that the financial markets are in turmoil—that there is a global financial crisis plunging other major nations into huge debt and massive restructuring of their financial markets. No, they want to do nothing. They want to sit back on their past glories, fuelled by the resource boom, and do nothing. They want to do nothing when there has been a write-down in revenues in Australia of $210 billion, which is the most extensive write-down confronted by an Australian government since 1931. They would sit back and do nothing in the face of that, and the Australian economy would go down the tube with them. So it is a very happy circumstance that at the last election the Australian population voted in a Labor government that is able to take the strong, necessary and decisive measures to ensure that our economy holds up well in the face of the global financial crisis.

The opposition come in here, deny that there is a financial crisis and do not put up any solutions to what might happen but instead want to nitpick and try and find every single small problem. They are saying that nothing needs to be done—that the Labor government is spending billions on nothing. Nothing? What we are doing is putting in place a tiered system through which that first tranche of money went to short-term payments to people and helped prop up the retail sector, the economy and jobs. The intermediate tier is happening right now. That decisive action by the government has allowed, in a short space of time, for those jobs to be rolled out and for those funds to be put into schools. I think Senator Coonan said they were ‘buildings they don’t need’. Schools were neglected for nearly 12 years by the Howard government. They are desperate for funding, desperate for buildings and desperate for upgrades. They are very grateful for this money that is coming into their system at last—at long last. How can you say that schools do not need science and language centres? How can you say that they do not need that money put in? No school that I
have been to would say: ‘We do not need any money for buildings. Our local communities do not need jobs in putting up these buildings.’

Finally, there is the funding for long-term infrastructure that was also neglected under the Howard government. It is for roads, rail and ports—the infrastructure that, in opposition, Labor were crying out for during the Howard government’s term and which was ignored. That is what we will spend billions of dollars on. It will not only support jobs and our economy but also build infrastructure for the future that will assist productivity, which went down, down, down during the Howard government’s term. That is what we are doing. What would the opposition do? Probably what Senator McGauran has advised in respect of the wholesale funding guarantee. Against the strong and ongoing advice of the regional banks, who are using the guarantee widely, Senator McGauran’s advice is that the markets will sort it out. That is what he said to the Courier Mail today. He said, ‘Oh, let the market sort it out.’ That is exactly why the popularity of the Rudd Labor government is holding up. It is because people see that the Liberal opposition have no solution whatsoever. They would stand back and let the financial turmoil happening overseas infect Australia. Instead, we have an economy that is now looking forward to a future in which jobs are holding up and in which growth is a possibility—instead of a recession and the kinds of deficits that are hitting major industrialised countries elsewhere. (Time expired)

Senator WILLIAMS (New South Wales) (3.12 pm)—I would like to contribute to this debate on interest rates and say how extremely disappointed I am about what has happened since September 2008, a period when we have seen a 2.4 per cent reduction in official rates by the Reserve Bank. We know that drought has been around in many areas since January 2002. I find it very alarming that we now see upward pressure on interest rates and I believe, from a good source of knowledge, that tomorrow Westpac will announce a rise in their home loan interest rates, following on from the Commonwealth Bank today. But the most disappointing thing I have seen is that, no doubt, the government has put a lot of pressure on the banks to lower interest rates for home loan borrowers. I was privileged to talk to David Bell, who represents the Australian Bankers Association, and we discussed this very issue. He made it quite clear that the government has put a lot of pressure on the banks to pass on those reductions in interest rates over those months—as I said, from last September being the big falls.

The question is: what pressure did the government put on the banks to reduce interest rates for small business and farmers? The answer to that is none. I talk to farmers who are paying 11.5 per cent on overdrafts totally secured with real assets, as in land. How can these people recover from the tough times that they are going through, from the drought to the high input cost to many farmers and the way that those reductions in moneys affect the regional communities, where the small businesses suffer as their sales are down? Yet they are paying high interest rates because the government has failed to put the same pressure on our banks to pass on those rates onto small business and farmers. This is a very alarming situation, when we see official rates of three per cent and we see people in business trying to survive, many of them competing on world markets—such as our agricultural producers, our farmers, do—and relying on exports of food. They are paying 10, 11 and 12 per cent interest rates. I think that is just an utter disgrace.
The government are great at beating their chests about how they are doing this, that and everything else to stimulate the economy, but the real stimulation should be directed at those in the private sector. As I have said before, it is the private sector that drives the nation’s wealth. It is small business, including the farm sector, that is paying through the nose on interest rates today. The government have failed dismally to put any pressure on the banks to forward those reductions—in other words, the banks are surviving on the high interest rates to the people they lend to.

I touch on the underwriting of the bank investments that Senator Hurley referred to a minute ago. It has been very obvious that the credit unions are now calling for the removal of the bank guarantee. Those small institutions are paying more for their premiums to have that guarantee. Here is a problem in itself where the competition simply cannot be put in place. It is unfair because we have smaller competitors such as our credit unions, which are out there in many rural and regional areas, doing the best they can but failing to compete against the big banks, who are obviously paying smaller premiums for the underwriting of their investments. This again is a huge problem, because we see the big boy at the big end of town with an advantage over the small one at the small end of town. As a National I am very proud to represent and bat for the small business people—the people who battled through all sorts of tight conditions and tough times, the people who worked long hours, often for low wages, no superannuation and very few holidays. They are the people who are battling now and they are the people whom this government has failed to look after.

As I said, they have not put any downward pressure on interest rates for the banks to do that for small businesses and farmers. It is a disgrace. It is holding the economy back.

The more these small businesses and farmers have to pay in interest, the less money they have to keep people employed. The government wonders why unemployment is on the rise. We are looking at more than a million Australians unemployed next year. That is in the budget forecast of the government. They should do something positive and pass on a strong message that those interest rate reductions should be passed on to small business and farmers, not just to home borrowers. But brace yourself: the government is swamped in debt and there is more bad news to come.

Senator FORSHAW (New South Wales) (3.17 pm)—I rise to participate in this debate on taking note of answers. I note at the outset that a number of issues were canvassed during question time. I want to touch on a couple of them, but I begin with the issue of interest rates, which Senator Williams has just spoken about. I respect Senator Williams. I think he is a person with genuine concern for the rural constituency, but I have to say that the speech he has just made was one that could have been made—and, I am sure, was made—by members of the Labor Party in opposition in the last 12 months of the Howard government. Why do I say that? Let’s remember. The opposition sits here today and lectures us about interest rates because the Commonwealth Bank have just announced an increase in their mortgage rates, but it was under the Howard government that there were eight increases in interest rates in a row. The situation that we inherited when we came to office in November 2007 was a treadmill of interest rate rises; every couple of months they were going up again as a result of the decisions of the Reserve Bank being followed by the banks.

Those eight interest rate rises were the opposition’s legacy to us. There was even one during the election campaign—something that was unheard of—because it was clear that at that time the Reserve Bank
saw no alternative but to raise interest rates again. We had to confront that reality in the first few months of our term of office. After the first few months that we were in office, interest rates declined. They have done so steadily throughout most of the period that we have been in government. To say that the Labor government is pushing up interest rates is completely incorrect. Senator Coonan asked this question initially, and I recall Senator Coonan interjecting, saying, ‘What are we doing about it? What are we doing about it?’ I find this argument from the opposition somewhat strange because, as was quoted by Senator Hurley, it is Senator McGauran who has the view—no doubt reflecting the view of the vast majority, if not all, of that Liberal Party—that the market should decide. In other words, government should stay out of trying to inject activity into the economy to deal with the global financial crisis. The Liberal Party view is that you do not need a stimulus package; you just let the market decide. But over in cockies corner the National Party has a different view, which is that government should hop in wherever it can to prop up their sector—which I acknowledge is doing it tough.

The other point I make is that throughout the period of the Howard-Costello government the current opposition constantly pointed to their economic record of removing debt and so on. What happened with private debt in this country? It exploded. It increased and increased as more and more people built up debt at high interest rates of 17 and 18 per cent on their MasterCards, Visa cards, Amex cards and all the other cards. That was the real debt that was incurred by the Australian people. While you can wax lyrical about government debt, the real debt that was crippling a lot of people in this country was on credit cards. That legacy remains. Then the opposition have the hide to criticise our economic stimulus package because some people might have used it to pay off part of their credit card. There are a lot of other issues. We had Senator Fisher raising award modernisation. Frankly, that is a joke. The record of the National Farmers Federation, which Senator Fisher worked for, as I recall, is one that opposed even superannuation for farm workers. They did not want farm workers to have access to superannuation. Fortunately, that was a fight that we won. On all of these issues and many more you are just—(Time expired)

Senator FIERRAVANTI-WELLS (New South Wales) (3.22 pm)—I rise to support Senator Coonan’s motion. Today we are seeing Australian families paying a very, very high price for Kevin Rudd’s and Labor’s reckless spending.

The DEPUTY PRESIDENT—Order! You must refer to the Prime Minister by his proper title.

Senator FIERRAVANTI-WELLS—They are paying for the Prime Minister’s and his Labor government’s reckless spending and rapidly rising debt. Labor’s budget is the first in a decade to increase the burden on Australian families, with a record debt of $315 billion—and, of course, that does not include the potential extra debt that could be created by the Ruddbank and Labor’s $43 billion broadband excursion—and a record $58 billion deficit. We also will have one million unemployed by 2010-11, private health insurance rebates being attacked—meaning longer waiting lists and higher costs for all Australians—and the cutting by a third of the superannuation co-contribution scheme, which bolstered the retirement savings of low and middle income earners. Australians will need to work much longer to pay off all this debt. This reckless economic mismanagement will hurt Australian families. This budget reveals the high price that will be paid.
Labor are doing what they always do best, which is racking up debt and splashing the red ink about. They certainly are doing it at a record rate. With this debt to surge to $315 billion, the Rudd government will make even the Gough Whitlam and Paul Keating governments look fiscally responsible. Two-thirds of net public debt will be due to spending decisions taken by the Rudd government over the past 18 months. Since the November 2007 election, Labor have announced new spending of $124 billion, an average of $225 million per spending day. It took the coalition $9 billion worth of interest and about eight years to pay off $96 billion of Labor’s debt. Just think how long it is going to take for us to pay off $315 billion. And that is assuming it stays at $315 billion. Knowing the track record of Labor governments, that $315 billion is only the starting point; it is going to get higher and higher.

We have had the feigned outrage of Mr Swan and Mr Rudd in their complaints about the interest rate increase, but they are directly responsible for it. If this government is going to go out and borrow $3 billion a week, it is inevitably going to put upward pressure on interest rates. The decision by the Commonwealth Bank was just the beginning. The government is borrowing record amounts of money in competition with the major banks and as a result the cost of money is inevitably going to rise. You cannot continue with low interest rates while the Australian government is borrowing billions of dollars a week in order to hand out the $900 cheques. Senator Hurley was talking about the so-called spending in Australia. Might I remind her that there are about 514,000 nonresidents who are also eligible to get the $900, and millions of dollars just left these shores because Centrelink could not be bothered asking the Department of Immigration and Citizenship who these people were and thereby at least saving us some money on that front. Mr Rudd and Mr Swan will voice their displeasure, yet what are they going to do about it? Absolutely nothing.

Before I conclude, I would like to say a couple of things about New South Wales. New South Wales was plundered and pillaged and, of course, the architects of that plundering and pillaging were Senator Arbib and all his New South Wales Right mates. They have abandoned ship in New South Wales and are going to do federally what they did to New South Wales, which is to send it into a record state debt that is going to cost a staggering $30,000 per household—an absolute and utter disgrace. (Time expired)

Question agreed to.

PETITIONS

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

Commonwealth Seniors Health Card

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

The petition of the undersigned shows:

The Association of Independent Retirees (AIR.) 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 Fielding (from 48 citizens),
Senator Kroger (from 36 citizens) and
Senator Ryan (from two citizens).

Petition received.

NOTICES

Presentation

Senator WORTLEY (South Australia) (3.27 pm)—Following the receipt of satisfactory responses, on behalf of the Standing Committee on Regulations and Ordinances, I give notice that, at the giving of notices on the next day of sitting, I shall withdraw five notices of motion to disallow, the full terms of which have been circulated in the chamber and which I now hand to the Clerk. I seek leave to incorporate in Hansard the committee’s correspondence concerning these instruments.

Leave granted.
tion of these Regulations. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley Chair

9 April 2009
Senator Dana Wortley
Chair
Standing Committee on Regulations and Ordinances Parliament House
CANBERRA ACT 2600
Dear Senator Wortley
Thank you for your letter of 5 February 2009 concerning explanatory statement requirements for the financial claims scheme regulations. I apologise for the delay in replying to you.
I note that section 18 of the Legislative Instruments Act 2003 lists circumstances where consultation may be unnecessary or inappropriate. One of these circumstances includes where an instrument is required as a matter of urgency.
The Banking Amendment Regulations 2008 (No. 2) and the Insurance Amendment Regulations 2008 (No. 2) were required to make the practical aspects of the financial claims scheme workable. The Financial Sector (Financial Claims Scheme and other Measures) Act 2008 was legislated as a matter of urgency in October 2008 to provide confidence to depositors and policyholders. Because the financial claims scheme could not have been fully operational until regulations were in place, it was considered inappropriate to delay making the regulations for reason of consultation.
In relation to both the banking and insurance regulations, Treasury had previously consulted with the authorised deposit-taking institution and insurance sectors on the broad parameters of the financial claims scheme.
No industry consultation was undertaken in either case in relation to the regulations to which the explanatory statement refers although the Australian Prudential Regulation Authority was consulted on drafts of these regulations.

I trust this information will be of assistance to the committee.

Yours sincerely
Wayne Swan Treasurer
Family Law Amendment Regulations 2008 (No. 3), Select Legislative Instrument 2008 No. 258

5 February 2009
The Hon Robert McClelland MP Attorney-General
Suite ML.21
Parliament House CANBERRA ACT 2600
Dear Attorney-General
I refer to the Family Law Amendment Regulations 2008 (No. 3), Select Legislative Instrument 2008 No. 258.
The Committee notes that section 17 of the Legislative Instruments Act 2003 directs a rule-maker to be satisfied that appropriate consultation, as is reasonably practicable, has been undertaken particularly where a proposed instrument is likely to have an effect on business. Section 18 of the Act provides that in some circumstances consultation may be unnecessary or inappropriate. The definition of ‘explanatory statement’ in section 4 of the Act requires an explanatory statement to describe the nature of any consultation that has been carried out or, if there has been no consultation, to explain why none was undertaken. The Explanatory Statement that accompanies these Regulations makes no reference to consultation. The Committee therefore seeks your advice on whether consultation was undertaken and, if so, the nature of that consultation.
The Committee also seeks an assurance that future explanatory statements will provide information on consultation as required by the Legislative Instruments Act.
The Committee would appreciate your advice on the above matter as soon as possible, but before 6 March 2009, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley Chair
20 March 2009
Senator Dana Wortley
Chairman,
Senate Standing Committee on Regulations and Ordinances Room SG49
Parliament House
Canberra ACT 2600
Dear Senator Wortley
I refer to your letter dated 5 February 2009 regarding an omission in the Family Law Amendment Regulations 2008 (No. 3), Select Legislative Instrument 2008 No. 258 concerning consultation.

I confirm that consultation with the Australian Child Support Agency did occur prior to the commencement of the amending instrument. Broader consultation was not seen to be necessary given the technical nature of the amendments.

I apolgise for the inadvertent omission of a reference to consultation in the Explanatory Statement to the amending instrument. I am aware that my Department has undertaken measures to ensure that future explanatory statements will provide information on consultation as required by the Legislative Instruments Act.

Yours sincerely
Robert McClelland Attorney-General

Instrument number CASA 627/08 5 February 2009
The Hon Anthony Albanese MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Suite MG43
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to Instrument No. CASA 627/08 made under regulation 208 of the Civil Aviation Regulations 1988. This instrument permits Tiger Airways Australia Pty Ltd to operate Airbus A320 series aircraft with one cabin attendant for every 50 passenger seats.

The Committee notes that previously, in relation to another airline operator, different instruments were made for a particular series of aircraft with a maximum seating capacity of 180 people when carrying fewer than 50 passenger seats, and when carrying more than 50 passenger seats. The Committee would appreciate your advice as to why this distinction has not been made in this instance.

The Committee would appreciate your advice on the above matter as soon as possible, but before 6 March 2009, to enable it to finalise its consideration of this Instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley Chair

20 March 2009
Senator Dana Wortley Chair
Senate Standing Committee on Regulations and Ordinances Room SG49
Parliament House
Canberra ACT 2600
Dear Senator Wortley
Thank you for your letter dated 5 February 2009 (your reference 2/2009) on the distinction between the Tiger Airways and Qantas Airways Instruments.

Firstly, let me reiterate that the safety of the travelling public remains the Australian Government’s highest priority.

The reason for the distinction is that Qantas Airways found that it would not be able to comply with the standard exemption instrument when carrying very small passenger loads. For example, the instrument does not allow flights when carrying less than eight passengers. Instead of cancelling those flights, Qantas Airways approached the Civil Aviation Safety Authority (CASA) with a proposal to amend the instrument specifically for flights carrying less than eight passengers in emergency exit rows. On reviewing the Qantas Airways proposal, CASA decided that Qantas Airways’ guidance to the cabin attendants on the
location of passengers in the emergency exit rows did not result in a decrease in passenger safety, and issued the instrument.

Tiger Airways has not notified CASA that it cannot comply with the conditions on the current instrument regarding passenger numbers in emergency exit row seats. We conclude that, while Qantas Airways wanted the flexibility to continue to operate with very small passenger numbers, Tiger Airways’ business model means that they would probably not operate such flights.

I trust this information addresses your concerns.

Yours sincerely

Anthony Albanese
Minister for Infrastructure, Transport, Regional Development and Local Government

Instrument number CASA 51/09 12 February 2009

The Hon Anthony Albanese MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Suite MG 43
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to Instrument No. CASA 51/09 made under regulation 208 of the Civil Aviation Regulations 1988. This instrument permits certain aircraft operated by Macair Airlines Pty Ltd to be operated with one flight attendant.

The Committee notes that the Explanatory Statement indicates that the Civil Aviation Safety Authority (CASA) consulted ‘within CASA and with Macair Airlines’ prior to making this instrument. Notwithstanding the consultation with the airline, it is not clear how consultation by a rule-maker with itself meets the requirement of section 17 of the Legislative Instruments Act 2003. It is also unclear what consultation ‘within CASA’ means.

The Committee would appreciate your advice on the above matter as soon as possible, but before 13 March 2009, to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

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Yours sincerely

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Minister for Infrastructure, Transport, Regional Development and Local Government
simply records that persons having expertise within CASA in fields relevant to the proposed instrument were consulted.

Yours sincerely

Anthony Albanese
Minister for Infrastructure, Transport, Regional Development and Local Government

Senator Birmingham to move on the next day of sitting:
That the time for the presentation of the report of the Environment, Communications and the Arts References Committee on forestry and mining operations on the Tiwi Islands be extended to 17 September 2009.

Senator Cormann to move on the next day of sitting:
That the resolution of the Senate of 25 June 2008, as amended, appointing the Select Committee on Fuel and Energy, be amended as follows:
(a) paragraph (1)(a), omit “petroleum, diesel and gas”, insert “fuel and energy”; 
(b) paragraph (1)(c), after “domestic, “, add “energy markets, and”; 
(c) paragraph (1)(e):
(i) after “set of”, add “federal and”, and 
(ii) omit “petroleum, diesel and gas”, insert “fuel and energy”; 
(d) paragraph (1)(f), omit “petroleum, diesel and gas”, insert “fuel and energy”;
(e) paragraph (1)(g), after “role of”, add “alternative sources of energy to coal and”;
(f) paragraph (1)(h), before “the domestic oil”, add “domestic energy supply”; 
(g) paragraph (1)(h)(i), omit “this industry”, insert “these industries”; 
(h) after paragraph (1)(h)(iii), add “(iv) securing Australia’s future domestic energy supply;”; and 
(i) after paragraph (1)(i), add “(j) any related matters.”.

Senator Abetz to move on the next day of sitting:
That the Car Dealership Financing Guarantee Appropriation Bill 2009 be referred to the Economics Legislation Committee for inquiry and report by 23 June 2009 and, in undertaking its inquiry, the committee hear evidence from relevant bodies and individuals, including the Department of Treasury, about the operation and management of the proposed OzCar scheme.

Senator Hutchins, Hurley, Furner, Polley, Farrell, Feeney, Bilyk, Collins and Bishop to move on the next day of sitting:
That the Senate—
(a) notes that 4 June 2009 was the 20th anniversary of the free elections in Poland, elections which were the beginning of the end of communist party rule not only in Poland but in all the countries of central and eastern Europe, and eventually also in the republics of the Soviet Union; 
(b) congratulates the people of Poland for their courageous struggle over more than 40 years to reclaim their independence and to restore democracy and freedom, and on the increasing security, prosperity and freedom which Poland has enjoyed since 1989; and 
(c) recalls that it was the Solidarity free trade union which led the successful struggle of the Polish people to achieve independence and democracy in Poland, and declares that strong, free and independent trade unions are an essential part of the fabric of a democratic society.

Senator Humphries to move on the next day of sitting:
That the Senate—
(a) notes that 4 June 2009 was the 20th anniversary of the first free elections in the Republic of Poland since World War II; 
(b) acknowledges Poland’s tremendous contribution to the fall of communism in Europe and notes Poland’s democratic achievements, particularly that the citizens of Poland resolutely voted to restore their Senate and reinstate the accountability and transparency of their government; and 
(c) notes the 40 years of struggle and hardship endured by those who fought to assure the
independence of judges and the courts, to
assure that Poles could freely form asso-
ciations and clubs, and to bring about an
overhaul of the economy.

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

That the Senate—
(a) remembers the thousands of people who
were killed 20 years ago on 4 June 1989 in
the Tiananmen Square massacre;
(b) supports the pro-democracy and pro-
human rights principles outlined in Char-
ter 08, which has been written by promi-
nent Chinese academics and activists; and
(c) condemns the detention and interrogation
of signatories to the Charter 08 by Chinese
authorities, including the continued deten-
tion of acclaimed author Liu Xiaobo.

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

That the Senate—
(a) recognises, with the Australian Govern-
ment, the effective protection of Antarc-
tica that is already in place through global
agreements;
(b) notes that Australia is an active participant
in the Antarctic Treaty Consultative Meet-
ing and plays a lead role in its Committee
for Environmental Protection; and
(c) calls on the Australian Government to
pursue the lead role towards inscribing Antar-
tica on the World Cultural and Natural Heritage list.

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

That the Senate calls on the Rudd Government
to establish an independent Parliamentary Stan-
dards Commissioner to give clear and independ-
ent advice on the legitimate expenditure of elec-
torate allowance, and other allowances to mem-
ers of parliament and to monitor and publicly
report on the expenditure of the $32 000 per an-
um electorate allowance.

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

That the Senate—
(a) supports the rights of Indigenous peoples
living in the Peruvian Amazon to protest
against the exploitation of their ancestral
lands by oil, logging and mining compa-
nies; and
(b) condemns the violence that occurred when
police tried to break-up protests and re-
sulted in injuries and deaths of protestors
and police officers.

Senators Nash and Hanson-Young to
move on the next day of sitting:

That the following matter be referred to the
Rural and Regional Affairs and Transport Refer-
ces Committee for inquiry and report by 30
August 2009:

An assessment of the adequacy of Gov-
ernment measures to provide equitable access
to secondary and post-secondary edu-
cation opportunities to students from rural
and regional communities attending met-
ropolitan institutions, and metropolitan
students attending regional universities or
technical and further education (TAFE)
colleges, with particular reference to:
(a) the financial impact on rural and regional
students who are attending metropolitan
secondary schools, universities or TAFE;
(b) the education alternatives for rural and
regional students wanting to study in re-
regional areas;
(c) the implications of current and proposed
government measures on prospective stu-
dents living in rural and regional areas;
(d) the short- and long-term impact of current
and proposed government policies on re-
regional university and TAFE college en-
rolments;
(e) the adequacy of government measures to
provide for students who are required to
leave home for secondary or post-
secondary study;
(f) the educational needs of rural and regional
students;
(g) the impact of government measures and proposals on rural and regional communities; and
(h) other related matters.

Senator Siewert to move on the next day of sitting:

That there be laid on the table by the Minister representing the Minister for the Environment, Heritage and the Arts (Senator Wong), by 22 June 2009, the Australian Terrestrial Biodiversity Assessment 2008 and all documents used in its preparation, including drafts.

Senator WORTLEY (South Australia) (3.29 pm)—I give notice that, 15 sitting days after today, I shall move:

That the Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations 2009 (No. 1), as contained in Select Legislative Instrument 2009 No. 4 and made under the Ozone Protection and Synthetic Greenhouse Gas Management Act 1989, be disallowed.

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

Leave granted.

The document read as follows—

These Amendment Regulations insert new regulation 111 into the principal Regulations which creates the strict liability offence of handling a refrigerant.

Paragraph 111 (2xb) defines the phrase ‘handle a refrigerant’ to include the situation where a person manufactures, installs, commissions, services or maintains refrigeration or air conditioning equipment even where there is no refrigerant present.

It thus appears that a person can be liable for the strict liability offence created by subregulation 111 (1) relating to handling a refrigerant even where they do not handle a refrigerant because no refrigerant is present. The Committee has written to the Minister seeking advice on whether the provision should be made clearer and more certain.

COMMITTEES
Community Affairs Legislation Committee
Extension of Time
Senator FARRELL (South Australia) (3.29 pm)—by leave—At the request of the Chair of the Community Affairs Legislation Committee, Senator Moore, I move:

That the time for the presentation of the report of the Community Affairs Legislation Committee on the provisions of the Health Workforce Australia Bill 2009 be extended to 16 June 2009.

Question agreed to.

LEAVE OF ABSENCE
Senator FARRELL (South Australia) (3.30 pm)—by leave—I move:

That leave of absence be granted to Senator Polley from 15 June to 19 June 2009, for personal reasons.

Question agreed to.

Senator CASH (Western Australia) (3.31 pm)—by leave—I move:

That leave of absence be granted to Senator Payne for 15 June and 16 June 2009, for personal reasons.

Question agreed to.

COMMITTEES
Regional and Remote Indigenous Communities Committee
Extension of Time
Senator ABETZ (Tasmania) (3.32 pm)—by leave—At the request of Senator Scullion, I move:

That the time for the presentation of the second report of the Select Committee on Regional and Remote Indigenous Communities be extended to 25 June 2009.

Question agreed to.
NOTICES
Postponement

The following item of business was postponed:

Business of the Senate notice of motion No. 1 standing in the name of Senator Xenophon for today, proposing the reference to the Standing Committee of Senators’ Interests, postponed till 18 June 2009.

INFRASTRUCTURE AUSTRALIA AMENDMENT (NATIONAL BROADBAND NETWORK AND OTHER PROJECTS) BILL 2009

First Reading

Senator PARRY (Tasmania) (3.33 pm)—At the request of Senator Minchin, I move:

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.

Question agreed to.

Senator PARRY (Tasmania) (3.34 pm)—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 PARRY (Tasmania) (3.34 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This Bill has arisen out of the Government’s latest announcement in relation to broadband and its continued lack of transparency about its broadband proposal and the massive cost to taxpayers. This Bill will go some way in ensuring that some level of scrutiny and assessment is applied to the Government’s broadband proposals by inserting a new provision into the Infrastructure Australia Act 2008 to require that the proposed national broadband network be assessed by Infrastructure Australian in accordance with their existing functions and the Building Australia Fund Evaluation Criteria.

It further requires that a written report be provided to the Minister for Broadband, Communications and the Digital Economy, which includes details of the assessment methodology, and then be tabled in Parliament.

This Bill also provides a mechanism whereby future infrastructure projects that seek to bypass the Infrastructure Australia assessment process can be referred for assessment by either House of Parliament rather than leaving the discretion for examination solely within the hands of the Government.

The Infrastructure Australia Act includes communications infrastructure in its definition of nationally significant infrastructure.

Despite the clear designation by the Government of the proposed national broadband network as infrastructure, the Government has steadfastly refused any assessment of its proposals by the infrastructure body they created.

If the first $4.7bn fibre to the node proposal was assessed, the past 18 months and $20 million on the flawed tender process may not have been wasted. The Government botched NBN mark 1 and the stakes are significantly higher with the revised $43 billion FTTP proposal. That is why, the Coalition believes nothing less than a full and independent cost benefit analysis is required.

Despite the rapidly shrinking contribution from the Building Australia Fund (BAF), it was confirmed during Budget Estimates in May that $2.4 billion of the funding for the NBN would come from the BAF. And while this means up to $40 billion of the proposal could theoretically be funded by debt, the Government has ignored its
own BAF Evaluation criteria in committing even the $2.4 billion, let alone the remaining $40 billion.

BAF Evaluation Criterion 2: relates to “the extent to which proposals are well justified with evidence and data” stating that:

“Proposal should demonstrate through a cost-benefit analysis that the proposal represents good value for money.”

The Minister for Broadband, Communications and the Digital Economy does not believe that a cost-benefit analysis of any description is required.

The Government failed this criterion with NBN Mark 1 and again with their second, more expensive attempt.

Other aspects of the BAF Evaluation Criteria are also valid for the NBN project. For instance criterion 4 requires that project risks have been analysed and that “consideration has been given to, where relevant, the requirements that will need to be addressed prior to construction of the project including relevant approvals, land acquisition and planning.”

There is absolutely no evidence that the Government has done any of these essential prerequisites for BAF funding for the NBN.

The Coalition is not alone in calling for greater scrutiny of the Government’s proposed $43 billion spend on the National Broadband Network.

Numerous economists and commentators have stated they also believe this project requires a cost benefit analysis.

For instance, the Australian Financial Review Editorial of 9 April 2009 stated:

“No the government wants to build a $43 billion fibre optic broadband network (NBN) without being able to offer a shred of economic justification for it, let alone the kind of detailed cost-benefit analysis and business case that is being demanded by Infrastructure Australia - in the interests of ‘rigour’ - of states seeking funding for their pet projects.”

And again on the 22 May 2009, the AFR Editorial stated:

“Taxpayers should expect nothing less than a thorough cost-benefit analysis of the NBN. Everyone is entitled to demand much greater transparency and rigour from the government on this huge undertaking.”

Respected journalist Paul Kerin said in The Australian on 15 April 2009:

“His FTTP announcement contained nothing but rhetoric. Benefits were claimed with no specifics, pressing the usual hot-buttons such as revolutionising teaching and health care. But he’s spent the past two years saying exactly the same things about the old plan.

Asked why there was no CBA and for more (any) specifics on benefits, Rudd’s pouts outdid Kylie Minogue’s. No CBA was rationalised with nonsense. Conroy said they couldn’t do one, as total project and required government contribution might fall following discussions with potential private investors. But that can only make the CBA look better!

The global financial crisis is no excuse. Rudd’s October speech cited that crisis as a reason the guidelines were so important.

Their claim that the market failed because no tenderer committed to fund the old plan within the Government’s contribution limit was dodgy. An alternative explanation is that it was a dumb plan, in which case, lack of funding is a sign of market success. Without a CBA, we don’t know which is right.”

The Coalition has consistently questioned why the Government did not use Infrastructure Australia to provide advice on their first $4.7 billion proposal, but the fact it continues to refuse to even consider a cost benefit analysis shows that it has absolutely no respect for the taxpayer funds it is spending, or indeed for its own Infrastructure Australia processes.

The Government has announced the single largest infrastructure project with a potential spend of $43 billion of taxpayer funds, yet they have refused to utilise their own infrastructure assessment body, Infrastructure Australia.

This Bill will create an important mechanism to enable some level of assessment of the project before taxpayers are exposed to this high level of risk.
The Government’s willingness to so readily bypass Infrastructure Australia also raises questions about the role of the body. As Michael Stutchbury, Economics Editor for The Australian stated on 2 June 2009:

“But what does Rudd then do with what is touted to be Australia’s single biggest infrastructure project, the $43billion broadband plan? He and Broadband Minister Stephen Conroy brazenly flout the rigorous cost-benefit analysis that is supposed to be applied to all big infrastructure projects. They announce the plan to directly connect just about all Australian homes to an optic fibre network, whatever the technology risks, along with a price tag plucked out of nowhere. The technocrats and merchant bankers are supposed to reverse engineer the cost-benefit numbers to make them add up. This puts Eddington and his Infrastructure Australia in an impossible position in demanding that the states lift their game.”

The Government’s proposal to build a national broadband network needs to be based on firm evidence that such a massive taxpayer spend is warranted. The Government’s arrogant and secretive approach should worry all Australian taxpayers.

The Coalition will continue to pursue the Government about its plans, the risks and costs of the project and the ultimate costs for consumers who utilise the network. This Bill is about improving the information available to ascertain that a potential additional $40 billion in Australia’s debt level is warranted.

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

Leave granted; debate adjourned.

MINISTERIAL STATEMENTS

International Education

Australian Financial Centre Forum

North Korea

India

Piracy and Armed Robbery at Sea

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (3.35 pm)—I present ministerial statements relating to International education—its contribution to Australia; Promoting Australia as a financial services hub—progress of the Australian Financial Centre Forum; North Korea; Australia and India; and Australia’s response to combat piracy and armed robbery at sea.

DOCUMENTS

Tabling

The DEPUTY PRESIDENT (3.36 pm)—Pursuant to standing orders 38 and 166, I present documents as listed below, which were presented to the President, me and Temporary Chairmen of Committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised.

The list read as follows—

Committee reports

1. Rural and Regional Affairs and Transport References Committee—Interim report—Matters specified in part (2) of the inquiry into the management of the Murray-Darling Basin system (received 22 May 2009)

2. Rural and Regional Affairs and Transport References Committee—Interim report—Import risk analysis for the importation of Cavendish bananas from the Philippines (received 22 May 2009)


4. Foreign Affairs, Defence and Trade References Committee—Interim report—Economic and security challenges facing Papua New Guinea and the island states of the southwest Pacific (received 27 May 2009)

5. Joint Standing Committee on the National Capital and External Territories—Report—
Inquiry into the Immigration Bridge proposal (received 29 May 2009)

6. Select Committee on Men’s Health—Report, together with the Hansard record of the committee’s proceedings and documents presented to the committee (received 29 May 2009)

8. Legal and Constitutional Affairs Committee—Report—Native Title Amendment Bill 2009 [Provisions]—Corrigendum (received 1 June 2009)

9. Standing Committee for the Scrutiny of Bills—5th report and alert digest no. 6 (received 2 June 2009)

11. Community Affairs Legislation Committee—Interim report—Compliance audits on Medicare benefits (received 10 June 2009)

Government documents


2. The Road Home—A national approach to reducing homelessness (White paper) (received 15 May 2009)

3. Public Sector Superannuation Scheme (PSS) and the Commonwealth Superannuation Scheme (CSS)—Report on the long term cost of the Public Sector Superannuation Scheme and the Commonwealth Superannuation Scheme prepared by Mercer (Australia) Pty Limited using data as at 30 June 2008 (received 22 May 2009)

4. Estimates of proposed expenditure for 2009-10—Portfolio budget statement—Defence portfolio—Corrigendum (received 22 May 2009)

Reports of the Auditor-General

1. Audit Report no. 32 of 2008-09—Performance audit—Management of the tendering process for the construction of the joint operation headquarters: Department of Defence (received 19 May 2009)


4. Audit Report no. 35 of 2008-09—Performance audit—Management of the movement alert list: Department of Immigration and Citizenship (received 21 May 2009)

5. Audit Report no. 36 of 2008-09—Performance audit—Settlement Grants Program: Department of Immigration of Citizenship (received 21 May 2009)

Statements of compliance and letters of advice relating to Senate orders

1. Statements of compliance relating to indexed lists of files:
   Department of Climate Change (received 15 May 2009)
   Office of the Renewable Energy Regulator (received 15 May 2009)

2. Letter of advice relating to lists of contracts:
   Immigration and Citizenship portfolio agencies (received 22 May 2009)

3. Letters of advice relating to lists of departmental and agency appointments/vacancies:
   Department of Immigration and Citizenship (received 15 May 2009)
   Veterans’ Affairs portfolio agencies (received 15 May 2009)
   Human Services portfolio agencies [2] (received 15 May 2009)
   Finance and Deregulation portfolio agencies (received 18 May 2009)
   Office of National Assessments (received 18 May 2009)
   Old Parliament House (received 18 May 2009)
   National Archives of Australia (received 18 May 2009)
   Commonwealth Ombudsman (received 18 May 2009)
   Office of the Privacy Commissioner (received 18 May 2009)
Australian National Audit Office (received 18 May 2009)
Inspector-General of Intelligence and Security (received 18 May 2009)
Australian Public Service Commission (received 18 May 2009)
Department of the Prime Minister and Cabinet (received 18 May 2009)
Health and Ageing portfolio agencies (received 18 May 2009)
Innovation, Industry, Science and Research portfolio agencies (received 18 May 2009)
Attorney-General’s Department (received 18 May 2009)
Agriculture, Fisheries and Forestry portfolio agencies (received 18 May 2009)
Infrastructure, Transport, Regional Development and Local Government portfolio agencies (received 19 May 2009)
Broadband, Communications and the Digital Economy portfolio agencies—Revised (received 21 May 2009)
Climate Change and Water portfolio agencies (received 22 May 2009)
Department of Defence (received 22 May 2009)
Department of Families, Housing, Community Services and Indigenous Affairs (received 25 May 2009)
Foreign Affairs and Trade portfolio agencies [separate letters] (received 25 May 2009)
Australian Institute of Family Studies (updated information) (received 25 May 2009)
Commonwealth Ombudsman (updated information) (received 25 May 2009)
Department of the Prime Minister and Cabinet (updated information) (received 25 May 2009)
Environment, Water, Heritage and the Arts portfolio agencies (received 25 May 2009)
Infrastructure, Transport, Regional Development and Local Government portfolio agencies (updated information) (received 26 May 2009)
Health and Ageing portfolio agencies (updated information) (received 26 May 2009)
Finance and Deregulation portfolio agencies (updated information) (received 27 May 2009)
Foreign Affairs and Trade portfolio agencies [separate letters] (updated information) (received 28 May 2009)
Environment, Water, Heritage and the Arts portfolio agencies (received 1 June 2009)
Environment, Water, Heritage and the Arts portfolio agencies (updated information) (received 11 June 2009)
4. Letters of advice relating to lists of departmental and agency grants:
Department of Immigration and Citizenship (received 15 May 2009)
Department of Veterans’ Affairs (received 15 May 2009)
Human Services portfolio agencies (received 15 May 2009)
Finance and Deregulation portfolio agencies (received 18 May 2009)
Office of National Assessments (received 18 May 2009)
Old Parliament House (received 18 May 2009)
National Archives of Australia (received 18 May 2009)
Commonwealth Ombudsman (received 18 May 2009)
Office of the Privacy Commissioner (received 18 May 2009)
Australian National Audit Office (received 18 May 2009)
Inspector-General of Intelligence and Security (received 18 May 2009)
Australian Public Service Commission (received 18 May 2009)
Department of the Prime Minister and Cabinet (received 18 May 2009)
Innovation, Industry, Science and Research portfolio agencies (received 18 May 2009)
Ordered that the Men’s Health Committee, Legal and Constitutional Affairs Committee and Scrutiny of Bills Committee reports be printed.

COMMITTEES

Rural and Regional Affairs and Transport References Committee

Report

Senator FARRELL (South Australia) (3.37 pm)—by leave—At the request of the Chair of the Rural and Regional Affairs and Transport References Committee, I move:

That the final report of the Rural and Regional Affairs and Transport References Committee on the import risk analysis for the importation of Cavendish bananas from the Philippines be presented by 25 June 2009.

Question agreed to.

Foreign Affairs, Defence and Trade References Committee

Report

Senator FARRELL (South Australia) (3.37 pm)—by leave—At the request of the Chair of the Foreign Affairs, Defence and Trade References Committee, I move:

That the final report of the Foreign Affairs, Defence and Trade References Committee on the economic and security challenges facing Papua New Guinea and the island states of the southwest Pacific be presented by 21 August 2009.

Question agreed to.

Community Affairs Legislation Committee

Report

Senator FARRELL (South Australia) (3.37 pm)—by leave—At the request of the Chair of the Community Affairs Legislation Committee, I move:

That the final report of the Community Affairs Legislation Committee on compliance audits on Medicare benefits be presented by 17 June 2009.

Question agreed to.

Public Works Committee

Report

Senator FARRELL (South Australia) (3.38 pm)—On behalf of the Parliamentary Standing Committee on Public Works, I seek
leave to incorporate a tabling statement in
Hansard.

Leave granted.

The statement read as follows—

On behalf of the Parliamentary Standing Committee on Public Works, I present the Committee’s second report of 2009, Referral made February 2009.

The report addresses the RAAF Base Edinburgh Redevelopment Stage 2, Adelaide, South Australia, valued at $99.56m, referred to the Committee on 26 February 2009.

The RAAF Base Edinburgh Redevelopment Stage 2 proposal will provide a range of new refurbished facilities to meet the functional requirements of several Air Force units, enhance base security and upgrade engineering services at RAAF Base Edinburgh.

During the public hearing in Adelaide the Committee enquired about the impact of the project on the local area. The Committee is satisfied that local companies and workers will be competitive in securing contracts on the project and welcomes this level of employment activity in the Adelaide region. The Committee was also pleased to hear that the Department of Defence is taking steps to alleviate traffic congestion around the Edinburgh Defence Precinct.

Mr President, the Committee commends the environmentally sustainable initiatives taken by the Department of Defence at the Edinburgh Defence Precinct, including installing electricity sub meters and implementing strategies to reduce demand for potable water. The Committee considers that these initiatives will provide a good example of sustainable building practices for other Commonwealth agencies involved in the provision of public works.

The Committee has also made additional commentary in its report encouraging all Commonwealth agencies to lead by example by implementing sustainable water initiatives in government construction.

While a number of issues were raised with the Committee, it has reported on an exception only basis on issues that it thought warranted further comment. I would urge those interested in this work to supplement the report with the transcripts and submissions available on the Committee’s website.

Mr President, the Committee has recommended that the House resolve that the works be carried out.

Mr President, I would like to thank the Members and Senators on the Committee for its work in relation to this inquiry.

Mr President, I commend the report to the House.

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Mr President, I would like to thank the Members and Senators on the Committee for its work in relation to this inquiry.

Mr President, I commend the report to the House.

Scrutiny of Bills Committee
Report

Senator PARRY (Tasmania) (3.38 pm)—I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.
Leave granted.

The statement read as follows—

The Committee’s Alert Digest No. 6 of 2009 and Fifth Report of 2009 were presented to the President on 2 June 2009, pursuant to Standing Order 38(7).

I draw the Senate’s attention to a number of provisions in the Carbon Pollution Reduction Scheme Bill 2009. The Committee has sought the Minister’s advice on provisions dealing with:

• the operation and maintenance of the Australian Climate Change Regulatory Authority’s website;
• some apparently excessive powers given to the Authority with respect to the issuing of Obligation Transfer Numbers to applicants;
• uncertainty of the civil penalty regime relating to obligations on holders of Obligation Transfer Numbers; and
• the creation of a strict liability offence where a person ceases to be an inspector at the Authority and does not, within 14 days, return his or her identity card to the Authority.

In relation to the first matter, the Committee has noted that the operation of the Carbon Pollution Reduction Scheme relies heavily on the use of the Authority’s website. At least 50 provisions in the bill require the Authority to publish information on its website; remove information from the website; or undertake certain action contingent on, or related to, publication of information on the website.

The Committee has commented that, while there is no specific power of the Authority to maintain an efficient website, it is an implied power. However, since so many of the Authority’s activities will be communicated solely via its website, and since those affected by the Carbon Pollution Reduction Scheme will be so reliant on the effective operation of the website, the Committee considers that the administrative powers and responsibilities regarding the operation of the website could perhaps be better articulated, or at the very least, closely monitored.

The Committee appreciates that the bill is reflective of a modern approach to the communication and dissemination of information. At the same time, however, the bill is seeking to implement an entirely new scheme with major implications for many stakeholders, including business and the broader community. If a website is to be exclusively relied upon as the source of information, it is imperative that the efficient operation of that website - including the availability of up-to-date information - is assured at all times.

The Committee has sought the Minister’s advice on whether these issues have been considered. In particular, the Committee is interested to ascertain how the Authority will ensure that the website is reliable and up-to-date; how the Authority will make sure that the website is available to, and can be accessed by, all those affected or impacted upon by the operation of the scheme; and whether any of the administrative powers and responsibilities of the Authority regarding the operation of the website will be monitored or assessed to ensure effective operation over time. In this context, it may be appropriate for a parliamentary committee to be tasked with independent assessment of the operation of the website and the broader issue of utilising the Internet as the only means of information dissemination.

Another matter of interest to the Committee concerns the breadth of the regulation-making power in clause 167 of the bill. Clause 167 allows for an integral part of the Carbon Pollution Reduction Scheme the emissions-intensive trade-exposed assistance program - to be created in regulations, rather than being articulated in the bill itself. The Committee has been advised that the approach taken in clause 167 is consistent with current legislative practice and has left to the Senate as a whole any consideration of the approach taken in this particular case.

However, the Committee has indicated its intention to examine separately the broader subject of the appropriate delegation of legislative powers in modern circumstances.

Question agreed to.

Men’s Health Committee Report

Senator BERNARDI (South Australia) (3.38 pm)—by leave—I move:
That the Senate take note of the report.

I will not detain the Senate too long, but I point out that this is Men’s Health Week and so it is very appropriate that the Senate Select Committee on Men’s Health report is being tabled today. It was a great pleasure and privilege to chair such a hardworking committee, and I thank all senators for their participation in it, because there were some issues with meeting quorums due to other Senate committee commitments. The amount of interest shown by all of our colleagues was exemplary. I also thank the Labor Party for their cooperation in agreeing to a report that was bipartisan. It was tabled and created in the best interests of developing men’s health and making a contribution to the government’s men’s health policy.

By way of my background, I have no particular reason to be interested in men’s health save that I am a man myself. I consider why I am so interested in and committed to ensuring that men look after their health and are able to take preventative and remedial measures to protect their health. In contemplating that, I believe that men have a very, very important role in our society, as husbands, fathers, workers and people that make an enormous contribution. Without casting any doubt on gender roles in Australia, I think that men’s contribution is often overlooked. Part of that is reflected in the fact that we are seeing men in this country have a life expectancy which is somewhat less than that of women. Women’s life expectancy and health have improved enormously since the advent of a longitudinal study into women’s health and an increased focus on some of the ailments and diseases that particularly affect women. It is high time that we applied the same sorts of standards and tests to men’s health, because, as I said, the fathers, the husbands and the sons all need to do more to improve their health and longevity.

The men’s health committee examined a number of aspects of men’s health, not limited to physical maladies but including the emotional and general wellbeing of all men. The committee identified a number of issues, and one of these was that we should be introducing a longitudinal study of men’s health to improve the health outcomes for men over the longer term. The reason we should do this is easily illustrated by statistics. More than five Australian men die every single hour from conditions that are potentially preventable—conditions such as diabetes, high blood pressure, heart disease and prostate cancer. Whilst prostate cancer is a disease unique to men, some of the other conditions affect men disproportionately to women. Men are also four times more likely than women to commit suicide. Men are more likely to have trauma injuries and accidents. Men’s average life expectancy at birth is nearly five years less than that of women. These are all areas in which we can improve.

There are a number of recommendations that, if followed, would make it very, very easy for men’s health to be improved in this country. They include, as I said, a longitudinal study. Another one is an annual health check for men. It is easy to say that men should just go to the doctor and get checked out, but men face some real and perceived limitations in going to the doctor. One of them, as reflected to us, was the fact that they feel disempowered by sitting around in a waiting room reading *Woman’s Day* or some of the other magazines that they find in their GPs’ waiting rooms. Part of our inquiry also discovered that men are perfectly happy to have regular health checks in an environment that is conducive to men seeking that help—that is, in the workplace, in specialist men’s health clinics or with specialist men’s health practitioners. We need to do that, quite frankly.
One of the recommendations is that a standardised series of tests be developed for men that can be delivered not only in a GP’s surgery but also within the workplace, perhaps at field days. A number of organisations are doing something similar. I will name Pit Stop as one that is operating in regional areas, in more male-specific environments—as its name would probably denote. As Senator Williams remarked during the committee inquiry, it is like having your chassis checked—for the car buffs. He said his chassis was not in such good nick, but I will not pass any further comment on that! An annual healthcare check, checking things like cholesterol and blood pressure and dealing with potential questioning about men’s mental health and social needs, can offer a great many benefits to our nation over the longer term.

I think the government needs to implement this, I think the government is on the right path by trying to introduce a national men’s health policy and I hope they will not overlook the recommendations in this report. I commend the report because it explores a hitherto underexplored area. I hope a great deal more work can be done, in cooperation with the states, to introduce some national programs to deal with depression, which afflicts men very seriously indeed. We need to improve the trauma treatment in some male oriented areas, particularly within Indigenous Australia, and there is a recommendation about that.

The other matter the committee discussed, investigated and spent a lot of time on is prostate health. Prostate disease is a debilitating disease for many men, not only because it can kill them but also because the most appropriate treatment is not always easily identifiable. Living with the knowledge that you have a diseased prostate or elevated levels of PSA can have a huge impact on a man’s general and emotional wellbeing. So one of the recommendations was to establish and further fund a prostate biobank to aid in research into prostate health, with the aim of developing an appropriate test and screening procedure. In Parliament House a couple of weeks ago a DVD about men’s health and the treatment of prostate disease was released—because one of the complaints we hear is that, when men are diagnosed with prostate disease, they do not know the most appropriate treatment for them. We need to go further down the path of researching prostate cancer and supplying adequate funds to do so.

It would be remiss of me not to mention that the committee received 130 submissions. A lot of them dealt with prostate health. A lot of them dealt with the causes of depression in men, which often comes back to family or custody issues. Those were certainly issues that we explored. But there were any number of other issues that the committee did not explore as fully as perhaps it could have, given the time constraints and the focus of the submissions. There are a whole range of men’s health issues which can and should be dealt with and improved upon.

In commending the report to the Senate, I thank my fellow senators on this side of the chamber and also on the other side. I also thank the secretariat staff, who did a wonderful job. This report is a building block for the future. I urge the government to pay attention to the recommendations in the report and incorporate them into the national men’s health policy, and I feel confident that a comprehensive men’s health policy will have the full support of coalition senators.

Question agreed to.

MINISTERIAL STATEMENTS

International Education

Senator LUDLAM (Western Australia) (3.47 pm)—by leave—I move:
That the Senate take note of the document.

I want to respond briefly to the Prime Minister’s statement, which was tabled in the Senate a short while ago, deploving the violence against Indian students in Melbourne. I visited India as a child, I have visited India several times since then and I am travelling there again in a fortnight or so. I want to put a couple of comments on the record. India is an extraordinary country. It is, in fact, the world’s largest democracy. It has a unique and important contribution to make to the world community of peoples. Of course all efforts, including the Prime Minister’s statement, which seek to stigmatise racial violence are urgently needed and very welcome. We need to send a strong and clear message from the top that racist attacks, racial vilification and racial discrimination are not acceptable in Australian society. I note also that the Leader of the Opposition, Malcolm Turnbull, joined in support of the Prime Minister’s statement—although he somehow could not resist working into his speech a reference to uranium exports, which is a truly random bit of speech writing. Nonetheless, the comments on racism from the country’s leadership are extremely welcome.

The Prime Minister characterised Australia as a country of harmony and tolerance. While that is certainly a very relevant and appropriate goal, I think it is more of a welcome aspiration than an accurate description of Australia as we find it today. We have a very long way to go in this country. Racist attitudes and beliefs are visible and present in our culture, which systematically values and devalues certain groups and certain contributions. The apology last February from the current government addressed a shockingly racist chapter in our history which is obviously still not closed. Quite apart from the racist laws of the past and the behaviour of the present, we also have a form of structural racism that is revealed when you look at the photographs of everyone who sits in this chamber. Our parliament does not represent the diversity of Australian society—that is quite simple—it does not represent the gender make-up of our society and it certainly does not accurately represent the cultural background of Australian society. Australia needs to work to address racism, which is why it would have been a good idea to participate in the review conference of the UN’s World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance. Australia is a member of the United Nations. That means we should participate and be involved and engaged—or else you cannot decide whether we are part of the international community. A smorgasbord approach to these sorts of conferences is simply not appropriate.

In the global efforts to identify, analyse, understand and eliminate racism, Australia has been missing. We have not participated in the global agreement to achieve real changes for the millions of victims of racism and racial discrimination. We should not pretend that mistreatment of overseas students is a recent phenomenon either. Overseas students, as we know, bring a lot of revenue to this country—they have been seen as something of a cash cow—but we know that insufficient services and support are provided in turn. I would like to acknowledge the work of my colleague Sarah Hanson-Young, who has taken a very strong interest in this issue since its most recent manifestation hit the front pages in Victoria.

The Australian Greens support the Prime Minister’s statement on this issue. We call on the government to address the challenges faced by overseas students. I also call on the government to rejoin the United Nations in its work to fight racism. Australia should not have absented itself from the UN conference when quite obviously we have issues of racism to deal with here at home. I thank the
Senator for the opportunity to make a statement.

Question agreed to.

COMMITTEES

National Capital and External Territories Committee

Report

Senator LUNDY (Australian Capital Territory) (3.51 pm)—On behalf of the Joint Standing Committee on the National Capital and External Territories, I have pleasure in presenting the committee’s report entitled Inquiry into the Immigration Bridge proposal. I seek leave to move a motion in relation to the report.

Leave granted.

Senator LUNDY—I move:

That the Senate take note of the report.

Since its inception, Canberra has been designed with the highest ideals in mind. Its design elements are unique and it is home to some of the most distinctive landscape design and architecture in the country. Canberra, as our national capital, is the chosen location to commemorate aspects of our democracy and our history. The Immigration Bridge Australia proposal seeks to commemorate the contribution that migrants have made to Australia. The proposed 400-metre bridge would, if successful, cross Lake Burley Griffin in the area of West Basin, linking the National Museum of Australia with the Parliamentary Zone at Lennox Gardens.

While the objective of recognising the contribution migrants have made to Australia’s development is worthy, the proposal to build a bridge in this location has provoked concerns from many in the community. In view of this, the committee was pleased to receive the reference from former Minister Debus to inquire into the Immigration Bridge proposal. The committee had been made aware of the proposal through evidence at previous inquiries, and it was clear that there was some confusion within the community about the status of the proposal, the works approval process and the method adopted by Immigration Bridge Australia to raise funds for the construction of the bridge. The confusion in the community has been exacerbated by the television advertising and sale of family plaques on the History Handrail of the proposed bridge despite the actual design of the bridge not being available and a development application for the bridge not yet having been submitted to the National Capital Authority.

This report traverses the history of the proposal from its roots in the vision by migrant workers from the Snowy Mountains to commemorate the contribution of migrants to Australia’s development, including the role that the National Capital Authority has played over the years in supporting this proposal and the amendment that inserted the footbridge into the National Capital Plan as part of the Griffin Legacy amendments. The report also details the final development approval process and required statutory consultation measures, including heritage assessment, that will ultimately determine whether or not the bridge proposal proceeds in its current form, in a different form, in a different location or not at all. Not surprisingly, the bridge proposal raised passionate views both for and against, but a uniting sentiment was that the national capital was the appropriate location for commemorating the contribution of Australia’s migrants.

The committee’s objective was never to adjudicate on whether the Immigration Bridge ought to proceed or not. What the report does is to provide clarity into how the proposal got to this point and what checks and balances are in place as the organisation of Immigration Bridge Australia moves towards making a development application to
the National Capital Authority. The committee received over 80 submissions, and there is now increased awareness of the consultation processes as the IBA—Immigration Bridge Australia—advances its proposal.

The committee made three recommendations, which, if implemented, will improve aspects of this process. First, Immigration Bridge Australia, in improving its transparency and accountability, should clarify its refund policy to contributors in order to make sure that, if the project does not proceed, people understand the nature of the investment and whether they will get their money back. The committee has recommended that IBA make its financial documents available on its website in the interests of accountability and transparency.

The committee also recommends that if the proposal proceeds and the bridge, as is currently suggested, is ceded to the Commonwealth then the government should ensure that agreement to receive the bridge is met by an appropriate level of government funding to make sure that the National Capital Authority is in a position to manage its ongoing maintenance. Thanks to an Audit Office report, we are all aware of the situation of the ongoing pressures on the National Capital Authority in having the appropriate resources to manage national capital assets, and that audit report informed this recommendation.

The last recommendation encourages Immigration Bridge Australia to reconcile the competing issues relating to lake users, as well as the vista and heritage values of Lake Burley Griffin and its foreshores. If Immigration Bridge Australia finds that this challenge cannot be met or their development application for the proposed bridge is unsuccessful then Immigration Bridge Australia should, in the committee’s view, consider changing the location of the bridge or propose an alternative memorial to migration.

These three recommendations, we believe, will not only increase the accountability and transparency that the committee believes is necessary but provide the clarity that I think many in the community have been seeking about the current status of this bridge. It is not a fait accompli; it has very formal and specific approval processes yet to be gone through. The committee notes the commitment by Immigration Bridge Australia to spend the better part of the next two years, as they have foreshadowed, in consulting extensively with the community above and beyond the statutory consultation requirements.

In conclusion and on behalf of the committee, I would like to thank all of the groups, organisations and individuals who contributed to this inquiry, and I would also like to extend my thanks to the hardworking staff of the Joint Standing Committee on the National Capital and External Territories.

Senator HUMPHRIES (Australian Capital Territory) (3.58 pm)—I also rise to welcome the tabling of this report and to adopt the comments of the chair of the committee, Senator Lundy, with respect to the process which has been undertaken in this matter. As she points out, this was not an inquiry into either the concept of a bridge across Lake Burley Griffin at approximately that position or the particular design that the bridge, if it goes ahead, ought to adopt. The reason is that one is in the past—that is, the concept of a bridge at that point in the lake has already been determined and decided by the National Capital Authority, back in 2006—and the specific question of the design of a bridge is yet to be considered; the proponents are not yet ready to bring that proposal on for specific consideration. But I have to say that, as one listened to the submissions made and the witnesses who presented to this inquiry, one had to come to the conclusion that many
proceeded on the basis that we were indeed inquiring into just those things. This is based on an unfortunate tendency of some people to reject any notion of change in the appearance of Canberra.

The recommendations of the report, as Senator Lundy has indicated, suggest that the proponents of the Immigration Bridge proposal attempt to reconcile the concerns—about the heritage value of the lake and so on—of lake users, particularly rowers and sailors, with their plans before they proceed to the design stage. I warmly support that recommendation. But I have to say that those who have made submissions hesitant about or even critical of the proposal to build the bridge across the lake ignore a number of important considerations. First of all, it is worth pointing out that the Immigration Bridge proposal is a community driven endeavour to create a major new monument of national significance in our national capital. I welcome the community based decision here to drive and to fund this new monument in the middle of the national capital. It is a refreshing approach to the architecture and design of our city that it should be a community initiated proposal rather than one initiated by government, as is usually the case.

The second point I want to make is that the monument will honour the contribution of migrants to modern Australia. There is at present no such monument within the national capital, a city which itself has been substantially built by people from overseas. It is a great omission in the design and layout of the national capital and it should be rectified. A proposal as grand and visionary as this is an appropriate response to that need.

The third point is that the Immigration Bridge proposal and the Immigration Bridge Australia proponents have properly prosecuted the case for their proposal through the appropriate stages. They have sought and obtained a variation to the National Capital Plan to allow the concept of a bridge over the lake to occur at this point. They have sought and obtained cross-party support from the federal parliament and from state parliaments for the concept of a bridge of this kind. They are seeking public donations but they have held off on the major push for public support for the bridge until the design of the bridge has been completed and presented for approval in the appropriate way. They appropriately have not committed to a design as yet because they wish to ensure that they have got the best possible design to address the sorts of issues that were raised during the inquiry. They suggest that a design competition might be possible to make this happen.

The other point which I think is overlooked by many people in this debate is that the bridge lies on the site of a proposed bridge actually envisaged by Walter Burley Griffin himself. On page 12 of the committee report one can see, though not very clearly, the winning design submitted by Walter Burley Griffin, and it contained a bridge at approximately that point across the lake. So those who generally rely on the vision of Walter Burley Griffin as a bible for Canberra’s planning in some cases seem to have abandoned that consideration when it comes to considering whether a bridge on this location is appropriate in these circumstances. In my view it clearly is within the vision fore-shadowed by Walter Burley Griffin.

My appeal to the community is to give this proposal a fair go. This proposal is a bold, imaginative idea which will see ordinary Australians driving the construction of a new national monument in their national capital. That is a community based approach which we have not seen in the past with respect to the creation and development of our national capital. I welcome it very warmly. If it succeeds, it will be the biggest community initiated investment and community funded
investment in the history of Canberra. We should not lightly turn such an investment in the national capital aside.

It does not need to be held back by people who apparently cannot see the wood for the trees. I say that quite deliberately because, frankly, some of the arguments that were put forward to the inquiry suggesting that there was not a need for a bridge or that the bridge was inappropriate in some way relied on arguments that bordered on the absurd. We heard, for example, that winds at that point in the lake would be too strong and people would be frightened to cross the lake when winds of that kind were blowing. Apparently people are not affected by those winds a few hundred metres away at the Commonwealth Bridge. Children would be unable to sail up to the Captain Cook fountain if the bridge went ahead, according to another witness. A third argued that the bridge would be a haven for crime. I reject all of those suggestions. I think we fail to appreciate the grandeur of the vision that has been put forward when we resort to such arguments.

This is a proposal which deserves to have its day in court, and its day in court is in effect consideration of a design proposal by the National Capital Authority when the proponents are appropriately funded and in a position to bring such a design forward. No-one should interpret the report of the joint standing committee as any kind of repudiation of that approach. Indeed, the committee quite expressly understands that it is the way in which the proposal should proceed and it is appropriate for the idea to be considered on its merits when the time comes and not be pre-judged before that point.

Question agreed to.

AUDITOR-GENERAL’S REPORTS
Report No. 34 of 2008-09
Senator Barnett (Tasmania) (4.06 pm)—by leave—I move:

That the Senate take note of the report.

Audit report No. 34 of 2008-09: The Australian Taxation Office’s management of serious non-compliance. This is a very important report by the Audit Office and it refers to the fact that in 2007-08 the Taxation Office collected tax and excise revenues of $278.6 billion and made related payments of $9.6 billion. It notes that the tax office aims to achieve a high level of voluntary compliance with Australia’s tax laws. It also refers to the importance of responding to fraud and serious evasion and it notes that noncompliance in the form of fraud and serious evasion against the Commonwealth has the potential if left unchecked to undermine community confidence in Australia’s taxation system and reduce voluntary compliance levels.

This confidence in the tax system and the government’s overall management of our economy concerns me greatly. In an answer to a question on notice from me and others, the federal Commissioner of Taxation has released some information which is now on the public record. It confirms that the Rudd Labor government’s cash splash is both indiscriminate and reckless. The federal Commissioner of Taxation confirmed that the tax bonus payments had been paid to 15,934 dead people and 27,252 Australians living overseas, totalling an estimated $40 million. With regard to the former, the tax commissioner noted that 47,111 deceased estates had lodged a tax return in the 2007-08 year. The answer was as at that time, so we do not know exactly how many deceased estates will benefit from the tax bonus payments which have been and will be paid by the government under their plans. We know the figures for a couple of weeks ago, and the numbers are obviously rising.

What we do know is that there are over 27,000 Australians living overseas who will receive this funding. The government’s ob-
jective for this package and the tax bonus payments was to strengthen the Australian economy, not overseas economies. Which overseas destinations benefited most? The United Kingdom benefited, with 20 per cent of the payments; New Zealand, with 19 per cent; Ireland, with seven per cent; Canada, with six per cent; Germany, with five per cent; France, Korea, the United States and Japan, with four per cent each; Brazil, with three per cent; and other countries with three per cent. This is all noted in that response to the question put to the federal Commissioner of Taxation. Those countries will receive an estimated $24.5 million. As I say, those figures are correct as of a couple of weeks ago and they will no doubt go up. That means that an estimated $38.8 million, nearly $40 million, of payments designed to stimulate the Australian economy have been paid to deceased estates and those living overseas.

What else have we learnt from this answer to the question on notice and to other investigations during budget estimates? The Department of Immigration and Citizenship disclosed and confirmed that up to 540,921 non-Australian residents as at 30 June 2008 may be eligible for the Rudd government’s $900 tax bonus payment. The department confirmed that 540,921 non-Australian residents have temporary visas with work rights, including 134,238 temporary skilled workers on 457 visas, 317,897 international students, 86,558 working holiday-makers and 2,228 work and holiday visa holders, but, sadly, the government appears unable to identify how many of these nonresidents have received or will receive the tax bonus. This question must be answered by the government. As far as I and those on this side of the chamber are concerned, the government must disclose exactly how many of those non-Australian residents have received or will receive the tax bonus. This confirms again that the government’s handling of the economy is reckless, indiscriminate and certainly wasteful. It highlights the mismanagement and misad- ministration of our economy. If only one in 10 of those eligible meet the criterion and receive the tax bonus, that could mean up to another $48 million in payments to nonresidents, which could then go overseas. These are the concerns we have. The community is clearly paying the price now for Labor’s reckless and indiscriminate spending.

We have also had confirmed by the federal Commissioner of Taxation that criminals in prison have received and will be receiving the tax bonus. That is on the public record. What perhaps is not clear to the community but has also been made clear in the last few days is that some millionaires have received multiple payments of this $900 tax bonus under the tax bonus scheme. We would like to know how many millionaires have received the tax bonus payments and, in each case, how many tax bonus payments they received. Was it two, three, four, five? We have been advised that there were multiple tax bonus payments to one millionaire in particular. We would like to know exactly how many payments have been made to these millionaires and, indeed, how this is possible. We would like the government to come clean and make it clear.

These are the questions that need to be answered. We have put them on the record, and the government has to come clean. We know that we are all now paying the price for the government’s reckless spending, and we say enough is enough. They have to come clean and answer these questions so that we are all in the know. Enough is enough.

Question agreed to.
That the Senate take note of departmental and agency files, contracts, appointments and vacancies and grants tabled earlier today.
I seek leave to continue my remarks later.
Leave granted; debate adjourned.

Iran

The ACTING DEPUTY PRESIDENT—
I present the following response to the resolution of the Senate:
(a) Response from the Minister for Foreign Affairs (Mr Smith) to a resolution of the Senate of 17 March 2009 concerning the death penalty in Iran.

AUDITOR-GENERAL’S REPORTS
Report Nos 37 to 40 of 2008-09

The ACTING DEPUTY PRESIDENT—
In accordance with the provisions of the Auditor-General Act 1997, I present the following reports of the Auditor-General: No. 37 of 2008-09: Online availability of government entities’ documents tabled in the Australian Parliament; No. 38 of 2008-09: Administration of the buyback component of the Securing our Fishing Future Structural Adjustment Package: Department of Agriculture, Fisheries and Forestry; No. 39 of 2008-09: Administration of the Securing our Fishing Future Structural Adjustment Package Assistance Programs: Department of Agriculture, Fisheries and Forestry; No. 40 of 2008-09: Planning and allocating aged care places and capital grants: Department of Health and Ageing.

BUDGET
Portfolio Budget Statements
Senator SHERRY (Tasmania—Assistant Treasurer) (4.15 pm)—I table a correction to the portfolio budget statements 2009-10 for the Environment, Water, Heritage and the Arts portfolio.

COMMITTEES
Reports: Government Responses
Senator SHERRY (Tasmania—Assistant Treasurer) (4.15 pm)—I present four government responses to committee reports. In accordance with the usual practice, I seek leave to incorporate the documents in Hansard.
Leave granted.
The documents read as follows—

PARLIAMENTARY JOINT COMMITTEE ON INTELLIGENCE AND SECURITY
GOVERNMENT’S RESPONSE TO COMMITTEE’S RECOMMENDATION
Review of the re-listing of Abu Sayyaf Group (ASG), Jamiat ul-Ansar (JuA) and Al-Qa’ida in Iraq (AQI) as terrorist organisations under the Criminal Code Act 1995
Tabled 11 February 2009
Recommendation 1:
The Committee does not recommend the disallowance of the regulations, made under the Criminal Code section 102.1, to list the three organisations:
Abu Sayyaf Group (ASG)
Jamiat ul-Ansar (JuA)
Al-Qa’ida in Iraq (AQI)
as terrorist organisations.
Response:
The Government agrees with the recommendation.

PARLIAMENTARY JOINT COMMITTEE ON INTELLIGENCE AND SECURITY
GOVERNMENT’S RESPONSE TO COMMITTEE’S RECOMMENDATION
Review of the re-listing of Al-Qa’ida (AQ), Je-maah Islamiyah (JI) and Al-Qa’ida in the Lands of the Islamic Maghreb (AQIM) as terrorist organisations under the Criminal Code Act 1995
Tabled 13 October 2008
Recommendation 1:
The Committee does not recommend the disallowance of the regulations, made under the Criminal Code section 102.1, to list the three organisations:
Al-Qa’ida
Jemaah Islamiyah (JI)
Al-Qaeda in the Lands of the Islamic Maghreb (AQIM)
as terrorist organisations.

Response:
The Government agrees with the recommendation.

PARLIAMENTARY JOINT COMMITTEE ON INTELLIGENCE AND SECURITY
GOVERNMENT’S RESPONSE TO COMMITTEE’S RECOMMENDATION
Review of the re-listing of the Kurdistan Workers’ Party (PKK) as a terrorist organisation under the Criminal Code Act 1995
Tabled 25 June 2008
Recommendation 1:
The Committee does not recommend the disallowance of the regulation made to proscribe the Kurdistan Workers’ Party (PKK).
Response:
The Government agrees with the recommendation.

GOVERNMENT RESPONSE TO THE JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT 412 – RECOMMENDATIONS 11 AND 12
Recommendation 11 (p.126 of JCPAA Report 412)
The Committee recommends that, in an effort to minimise inefficient use of legal services, PM&C, Finance, and any other relevant bodies, implement monitoring systems to ensure that legal advice obtained by agencies, with implications broader than that specific agency’s circumstances, are appropriately distributed to other relevant government agencies.
Accepted.
The Legal Services Directions 2005, issued by the Attorney-General under section 55ZF of the Judiciary Act 1903 establish a framework to maximise the efficient use of legal services as well as reducing the risk that legal advice is inconsistent or does not address whole of government and public interest issues. For example:
• An agency must ensure arrangements concerning legal services deliver efficient and effective services. See paragraph 1 of the Directions.
• Agencies must report to the Office of Legal Services Coordination on significant issues arising in the provision of legal services, especially in relation to claims and litigation. See paragraph 3 of the Directions.
• Where legal advice is sought on legislation administered by another agency, the administering agency must generally be consulted before advice is requested. See paragraph 10 of the Directions. This provision prevents agencies obtaining unnecessary or duplicate advice. It also facilitates consistency across government in statutory interpretation.
• Core areas of government legal work such as constitutional, cabinet, national security and public international law work are tied to the Australian Government Solicitor and the Attorney-General’s Department. See Appendix A of the Directions. This means that significant legal opinions provided on these issues are readily available to AGS and the Department.
• There are special arrangements for constitutional advice. Agencies must provide a copy of a request for advice on a constitutional law issue to the Secretary of the Attorney-General’s Department. The Australian Government Solicitor must provide a copy of any advice it gives on a constitutional law issue to the Attorney-General’s Department. This enables the Department to monitor constitutional issues, coordinate requests for advice across agencies and avoid unnecessary duplication. See paragraph 10A of the Directions.
• Agency chief executives have specific responsibilities concerning the handling of legal services and compliance with the Directions. See paragraph 11 of the Directions. An annual compliance certificate must be provided to OLSC.
The Directions are a legislative instrument and have the force of law. Sanctions can be imposed for non-compliance. They apply to Financial Management and Accountability Act 1997 agencies and, to a lesser extent, to Commonwealth agencies regulated by the Commonwealth Authorities and Companies Act 1997.

The OLSC conducts ongoing education and monitoring to ensure government agencies comply with their obligations under the Directions.

**Recommendation 12 (p.126 of JCPAA Report 412)**

The Committee recommends that PM&C and Finance establish a repository of legal advices obtained by government agencies, for use by all government bodies where practicable.

Not accepted.

The Australian government legal services market comprises close to 200 departments, agencies and other bodies. A government agency may obtain legal advice from the Australian Government Solicitor, a private sector law firm or an in-house lawyer. For certain matters, an agency will obtain advice from the Attorney-General’s Department, the Solicitor-General or may directly brief counsel from the private bar.

There is currently a database that gives the Attorney-General’s Department, the Australian Government Solicitor, the Solicitor-General and the Office of Parliamentary Counsel access to each other’s legal opinions.

To implement the Committee’s recommendation would require all legal services providers to the Commonwealth to contribute to a repository (database) and would give all government bodies (and by extension their legal representatives, who may be government or private sector) access to that database.

This raises financial, technical and practical concerns. The costs of establishing and maintaining a database and the risks it would create, particularly regarding access and undue reliance, outweigh the benefits that could accrue from its establishment.

In purely financial terms, it is questionable whether the costs of establishing and maintaining a Commonwealth-wide opinions database would be matched by reduced legal costs of government bodies seeking legal advice. This analysis is based on experience relating to the costs involved in the upgrade and maintenance of the existing legal opinions database referred to above.

Technical concerns primarily relate to quality control, that is, which advices would be included in, or excluded from, the database and who would be responsible for making the decision to include or exclude an advice. Who would determine when an advice was superseded or should be removed in the face of conflicting advice? These issues arise with the existing legal opinions database, but would be more difficult to resolve if multiple users from different organisations were submitting advice.

The integrity and technical security of the database, for example in relation to password protection, access controls and unauthorised forwarding of contents is also of concern and the risks would be compounded if multiple users from different organisations were granted access to the database.

Practical concerns relate to the specific nature and type of advice sought by agencies. Legal advice databases carry a risk of over reliance or inappropriate application of previous advice to different factual contexts. Reference to previous advice and precedents in the course of researching a legal issue can be useful but there is no substitute for a government agency obtaining its own legal advice on an issue.

The participation of private sector legal providers in the Commonwealth market means that it is inevitable some firms will at times act against the Commonwealth. This intensifies the potential for users to have a conflict of interest. It would be difficult to establish access controls or firewalls that would prevent a legal service provider who is, or may in future act against the Commonwealth from accessing advices for reasons other than performing work for the Commonwealth.

It would be resource intensive to ensure that legal advices included in the repository were appropriately amended to protect privacy and confidentiality. Access to advices that touched on constitutional, cabinet or national security matters would need to be restricted. There are numerous other examples of advices that would not be suitable for broad access by all government bodies or their
legal service providers. For example, publication of opinions that relate to the corporate governance of a department or management of Commonwealth litigation could inappropriately prejudice the legitimate interests of the Commonwealth. The need to edit advices, suppress publication and restrict access within the database would limit the capacity of the database to serve as a broad ranging and comprehensive legal resource.

Finally, the protection of legal professional privilege would also be problematic. There is a risk that allowing broad access to third parties may deprive legal advice of the confidentiality necessary to establish a claim for legal professional privilege.

Intelligence and Security Committee Report

Senator McEWEN (South Australia)

(4.15 pm)—On behalf of the Joint Committee on Intelligence and Security, I present the report Review of the re-listing of Ansar al-Islam, AAA, IAA, IMU, JeM and LeJ as terrorist organisations.

Senator McEWEN—by leave—I move:

That the Senate take note of the report.

I seek leave to have Senator Marshall’s tabling statement incorporated in Hansard.

Leave granted.

The statement read as follows—

PARLIAMENTARY JOINT COMMITTEE ON INTELLIGENCE AND SECURITY

REVIEW OF THE RELISTING OF Ansar al-Islam, Asbat al-Ansar (AAA), Islamic Army of Aden (IAA), Islamic Movement of Uzbekistan, Jaish-e-Mohammad (JeM), Lashkar-e Jhangvi (LeJ)

Senator Gavin Marshall MP

CANCERRA - XX June 2009

Mr President, on behalf of the Parliamentary Joint Committee on Intelligence and Security I have pleasure in presenting the Committee’s report entitled Review of the re-listing of Ansar al-Islam, AAA, IAA, IMU, JeM and LeJ as terrorist organisations.

Mr President, this report has departed from the usual format of terrorist proscription reports. It has done so because the Committee has sought some improvements to the way in which statements of reasons are drafted. The Committee recommends that in future the Attorney-General provide the Committee with a statement of reasons where a decision is taken not to re-list an organisation similar to that now supplied when an organisation is listed.

Mr President, there is no requirement for the Attorney-General to provide the Committee with detailed reasons when he decides not to re-list an organisation. The Committee, however, feels that it would be useful if, where the Attorney-General has decided he will not be re-listing an organisation under the Criminal Code, a statement of reasons explaining his decision is provided to the Committee and that there also be a publicly released statement of reasons.

On the subject of decisions not to re-list the Committee was advised that the Attorney-General recently considered advice from the Director-General of Security with respect to the Egyptian Islamic Jihad (EIJ). Based on this advice he stated he would not be re-listing EIJ as a terrorist organisation under the Criminal Code after the current listing expired on 30 March 2009.

Mr President, I now turn to requested improvements to the statements of reasons.

The Committee in this Parliament and earlier Parliaments has taken the view that non-statutory guidelines used by ASIO are useful tools in evaluating the evidence supporting a listing or re-listing. The Committee believes it would be helpful in its role if the statements of reasons be written in a way that directly links the evidence with ASIO’s guidelines.

This approach would also better inform public understanding of the listing process and outcomes.

The Committee has also requested that future statements of reasons be drafted, at least in part, in such a way that the information is directly referable to the statutory criteria for listing contained within the Criminal Code.

Mr President, to turn to the current regulations, they were signed by the Governor-General on 13
March 2009. They were then tabled in the House of Representatives and the Senate on 17 March 2009. The disallowance period of 15 sitting days for the Committee’s review of the listing began from the date of the tabling. Therefore the Committee was required to report to the Parliament by today, Monday 15 June 2009.

Notice of the inquiry was placed on the Committee’s website. One submission was received from a public organisation. Representatives of the Federation of Community Legal Centres (Vic) Inc, the Attorney-General’s Department and ASIO attended a private hearing on the listings.

Mr President, I will now take this opportunity to outline some brief information on each organisation and I will also outline the Committee’s findings in relation to each of these six organisations.

**Ansar al-Islam**

Ansar al-Islam’s immediate objectives are to overthrow the Iraqi Government, expel Coalition forces from the country and establish a Sunni Islamic state administered under Shariah law.

The last terrorist act Ansar al-Islam was involved in was an attack on a Peshmerga barracks, reportedly killing 19 people and destroying two vehicles on 13 August 2008.

The Committee does not recommend disallowance of the regulation in relation to Ansar al-Islam.

**Asbat al-Ansar (AAA)**

Asbat al Ansar’s objectives are to establish a Sunni Islamic state in Lebanon by overthrowing the Lebanese government, eliminating Israel and impeding anti-Islamic and pro-Western influences in Lebanon. The group believes its struggle justifies violence against civilians. The group’s strategy in seeking its objectives includes the use of terrorist tactics.

AAA remains focused on supporting jihad in Iraq and planning attacks against Lebanese security forces, and Western interests.

The Committee does not recommend disallowance of the regulation in relation to the AAA.

**Islamic Army of Aden (IAA)**

The Islamic Army of Aden is a Sunni Islamic extremist group that first came to public prominence in 1998 when it issued statements detailing its intention to overthrow the Yemeni government and implement Sharia law; and called for operations against Western interests in Yemen.

In March/April members of the group suspected of planning to travel to Iraq to fight foreign forces were arrested.

The Committee does not recommend disallowance of the regulation in relation to the IAA.

**Islamic Movement of Uzbekistan**

The Islamic Movement of Uzbekistan’s current stated goal is to establish an Islamic caliphate in Turkestan, stretching from the Caspian Sea to China’s Xinjiang Province and encompassing the current Central Asian nations.

The IMU is now fighting in support of the Taliban and other Islamic groups against the Afghan government and international military forces in Afghanistan.

The Committee does not recommend disallowance of the regulation in relation to the IMU.

**Jaish-e-Mohammad (JeM)**

Jaish-e-Mohammed is a Sunni Islamic extremist organisation based in Pakistan.

Jaish e Mohammed is a group that uses violence in pursuit of its stated objective of uniting Indian Administered Kashmir with Pakistan under a radical interpretation of Islamic law, as well as the eradication of Hindu and other non-Muslim presence on the sub-continent. The group actively promotes jihad against the US and other nations for perceived violations of Muslim rights. Reporting continues to suggest that JeM remains operational and is continuing to recruit and train new members as well as plan attacks.

The Committee does not recommend disallowance of the regulation in relation to JeM.

**Lashkar-e Jhangvi (LeJ)**

Lashkar-e Jhangvi (LeJ) is a Sunni Deobandi Islamic terrorist group. LeJ’s goals are to establish an Islamic Sunni state in Pakistan based on Sharia law, through the use of violence if necessary; to have all Shias declared non-believers; and to eliminate followers of other faiths, especially Jews, Christians, and Hindus.

Recent events confirm LeJ’s continued existence and involvement in terrorist attacks and planning
for future attacks. For example on 20 June 2008: two LeJ members were among five men arrested in Lahore who confessed to planning suicide attacks in Lahore and other cities.

The Committee does not recommend disallowance of the regulation in relation to LeJ.

Mr President, I would like to take this opportunity to thank my fellow Committee members for their work in reviewing these and other terrorist organisations. Lastly I would like to thank the Secretariat.

Mr President, I commend the report to the Senate.

Senator Gavin Marshall
Parliamentary Joint Committee on Intelligence and Security
XX June 2009

Question agreed to.

Migration Committee Report

Senator McEWEN (South Australia) (4.16 pm)—On behalf of the Joint Standing Committee on Migration, I present the report Immigration detention in Australia: community-based alternatives to detention, together with the Hansard record of proceedings, minutes of proceedings and submissions received by the committee.

Senator McEWEN—by leave—I move:

That the Senate take note of the report.

Just over 12 months ago the Joint Standing Committee on Migration began an inquiry into the state of immigration detention in Australia. At the beginning of December last year, the committee tabled its first report entitled Immigration detention in Australia: a new beginning: criteria for release from detention. I am very pleased to table in the Senate today the second report on behalf of the committee, Immigration detention in Australia: community-based alternatives to detention. I note that it is a very appropriate week to be tabling such a report because it is Refugee Week in Australia.

The first report by the committee made 18 recommendations that were aimed at improving accountability and ensuring a timely release from detention centres following health, security and identity checks. It gives me great pleasure to note that the government has already acted on some of those recommendations from the first report, particularly with the introduction of the Migration Amendment (Abolishing Detention Debt) Bill 2009. That bill seeks to remove the liability of detention costs for detainees and also to extinguish all outstanding immigration detention debts.

The second report of the committee addresses the options available for community based alternatives to detention centres. It focuses on the conditions and material support required for a successful release into the community. Drawing on evidence from submissions, as well as looking at international approaches to immigration detention, the committee’s second report makes 12 recommendations. Those recommendations are made in the context of the government’s commitment to immigration detention reform as announced by the Minister for Immigration and Citizenship, Senator Evans, through the seven values that will underpin the future of immigration detention within Australia. The recommendations from this report build on those immigration detention values. The recommendations in the second report seek to uphold the security and safety of Australia’s people and its borders whilst taking a humane approach to people that arrive in Australia seeking our protection.

One of the key recommendations in the report is that the government utilise a reformed bridging visa framework in lieu of community detention until a person’s immigration status is resolved. This recommendation—recommendation 2 in the report—proposes that community detention be discontinued and those people assessed as suit-
able for release from detention centres be granted bridging visas until either their departure or resolution of their case. That recommendation is consistent with the department’s practice of issuing bridging visas in preference over placing a person into immigration detention as well as with the fifth key immigration detention value that states that: Detention in immigration detention centres is only to be used as a last resort and for the shortest practicable time.

However, in the shift to maximising community based alternatives to detention, the committee recognises the need for change and greater consistency in conditions applying to bridging visas. Subsequently, recommendation 1 of the report advocates for reform to the current bridging visa framework to comprehensively support those released into the community with the appropriate reporting or surety requirements.

The committee believes that there is an inadequate provision of services available to bridging visa holders. Evidence received by the committee through submissions and public hearings suggested that people can be granted but also lose access to health care or permission to work at different stages of the immigration process. The inconsistencies in the rules are not at all fair to families or individuals going through the process of having their immigration status resolved. It is anticipated that if the government adopts the first recommendation of this report individuals and families would be subject to less stress and strain whilst they undergo that assessment process. If there is an increase in the use of bridging visas without reform to the framework, it is the case that some people may be no better off or indeed could be worse off than if they were put into immigration detention. The aspects of bridging visa conditions are certainly something that the committee felt needed to be sorted out sooner rather than later.

Further recommendations in this report are focused on ensuring that migrants have access to humane and appropriate living environments whilst they await the outcome of their immigration status. The committee has considered maintaining an enforceable immigration system for Australia whilst providing affordable options for the Australian taxpayer in this context.

For the information of the Senate, as at the beginning of last month—that is, May 2009—there were 84 children aged less than 18 years being held in immigration detention: 27 of those children were detained in the community under residence determinations, 52 were in alternative temporary detention in the community and five were in transitional immigration residential housing. With the committee’s aim to get all immigrant detainees out into community based alternatives to detention as soon as possible, recommendation 9 focused in particular on the welfare of those children. The committee has suggested that the government commits to ensuring that children living in the Australian community have access to safe and appropriate accommodation with their parents or guardians—as well as the provision of basic necessities such as adequate food, necessary health care, and, importantly, primary and secondary education for as long as it takes for their or their guardians’ immigration status to be resolved.

It is unacceptable that children, regardless of their citizenship or migration status, can be living in our community in preventable poverty. Immigrant families with children in particular have special vulnerabilities; therefore it has already been a priority of the Australian government, I am very pleased to say, in recent years to remove children, together with their families, from immigration detention centres. With the recommendation in this second report the committee is making an additional proposal to safeguard the rights
and interests of children living in our community, regardless of their immigration status. The committee also notes the need to make sure that the states and territories are sufficiently funded to meet these obligations.

In line with the recommendations of the first report, the committee has concluded that there are opportunities to improve accountability and transparency in the department’s decisions about who is eligible for release from immigration detention into the community and the subsequent conditions that will apply to that release. Recommendation 4 from the report proposes that, for any case where a person held in some form of immigration detention is refused a bridging visa, the government require that clear and detailed reasons in writing be provided to the person being detained; and also that the person have a reasonable time limit of up to 21 days in which to seek merit review of any refusal.

Finally, the other remaining recommendations from this report cover access to income, health care and housing; conditions for permission to work; and community based immigration housing availability. These recommendations all build on Australia’s immigration detention values and strike a fair balance between maintaining the integrity of our immigration system and protecting the welfare of those who seek refuge here. Additionally, I would like to add that the recommendations made in this second report maintain the standards expected of us by the international community, further reflecting the values outlined by the UN refugee convention, of which Australia is a signatory.

The committee is determined in this report to ensure that our immigration system treats all people, no matter what their immigration status may be, in a humane and compassionate way whilst maintaining the security and protection of our nation. The findings of this second report will assist the government to continue to achieve a fair and equitable balance between those two things. I am pleased to say that the committee’s third and final report of the inquiry into immigration detention can be expected later this year. I would like to conclude by thanking all of the witnesses, the departmental officials, the committee secretariat, and the senators and members on the joint committee who contributed to this report.

Senator BILYK (Tasmania) (4.26 pm)—The Joint Standing Committee on Migration is undertaking a broad-ranging inquiry into the integrity of our immigration detention system. The aim of that inquiry is to look constructively to the future and to build a rational and humane immigration detention system, aligning Australia with our obligations under international laws and conventions to which we are a party. I would like to note that this week, 14 June to 20 June, is Refugee Week and that communities across Australia will celebrate their new lives free from fear and persecution. Since November 2007 the Rudd government has moved towards a new policy direction concerning the mandatory detention of unauthorised arrivals.

Mandatory detention has been the subject of vigorous debate over many years and ignites great passion in both its supporters and detractors. It is typically viewed by some as a necessary part of maintaining the integrity of Australia’s immigration system and protecting our borders, and by those on the other side of the debate as contrary to the spirit of international refugee law, inhumane and largely ineffective in curbing unauthorised arrivals. Many others argue that the policy has shamed Australia internationally, and that prolonged detention has been psychologically damaging to those in detention,
lacking in compassion and unnecessary punitive.

Released last December, the committee’s first report covered the first two terms of reference of the inquiry. They were the criteria that should be applied in determining how long a person should be held in immigration detention and the criteria that should be applied in determining when a person should be released from immigration detention following health and security checks. The committee members achieved a very high level of agreement with this first report, even though a dissenting report was submitted by the member for Kooyong, Senator Alan Eggleston and Senator Sarah Hanson-Young arguing that the government should go further and calling for broader access to judicial review of detention. Overall, though, the committee endorsed the direction that the Rudd government had taken on these issues. In fact recommendation 12 of that report unambiguously supported the Rudd government’s approach to immigration detention reform.

Recommendation 18 of that first report recommended that legislation be introduced to waive all detention charges and debt. The Rudd government quickly responded to that recommendation and introduced the Migration Amendment (Abolishing Detention Debt) Bill 2009 into the Senate on 18 March. In the Treasurer’s budget speech on 12 May, $14 million was allocated to assist voluntary return for those people found not to meet the criteria for entry to Australia, and funds to help assist people granted asylum to adjust were also allocated. These are welcome changes to the government’s policies on immigration detention and take up recommendations of the second report. Indeed this second report considers community based alternatives to detention and examines the conditions and support for release into the community, including appropriate options for community based alternatives to secure detention. The Joint Standing Committee on Migration’s second report inquired into the international experience, considered the manner in which such alternatives may be utilised in Australia to broaden the options available within the current immigration detention framework, and evaluated the cost effectiveness of these alternatives compared to current options.

In our second report we looked into the practicality of releasing people from immigration detention into the community. The committee drew on evidence received in written and oral submissions, by visiting asylum centres and organisations who deal directly with refugees, by talking directly with refugees and by listening to their personal stories. The recommendations we have made take a humane approach to those people who seek protection and, as such, the committee recommends that the government utilise the reformed bridging visa framework in lieu of community detention until a person’s immigration status is resolved.

There are basic rights such as housing and access to health care that all people should have, regardless of their immigration status. We recommend that, where needed, the government provide basic income assistance, access to health care, support and assistance in finding appropriate accommodation and support with appropriate community orientation, and of course all children should be provided with the basic necessities of adequate food and shelter, along with access to education. Safe and appropriate accommodation with parents and/or guardians is very important, and the committee recommends that the Australian government have a stock of community based housing, as access to the private rental market is often difficult to obtain. I reiterate: such recommendations are about basic rights—to health care, housing, education and income. Such recommenda-
tions will build on the new immigration detention values and help us meet our obligations to people coming to Australia but will also still protect the Australian community.

It is both unfortunate and disappointing that the committee was unable to adopt a bipartisan approach to the committee’s second report, with the four Liberals unfortunately taking four different viewpoints. What those opposite really stand for is anyone’s guess. Having supported the government’s reform in December, political game playing has again come to the fore, with the opposition spokesperson happy to kick the immigration issue around. The only problem is that the team she is playing on is not aware they are a team. In the game of political expediency, they are all over the ground in backing away from the committee’s recommendations.

They did not oppose the closure of the Pacific solution in December 2007, after we came to government, and they did not oppose us in August last year when we introduced recommendations to abolish temporary protection visas. But now the coalition has a problem with Labor’s reforms. Now, without any proof whatsoever, the opposition spokesperson claims that the changes they supported are encouraging asylum seekers. I have read some of the opposition spokesperson’s claims. It is a complete misrepresentation to state that the committee recommends the release of asylum seekers prior to health, identity and security checks. This is not the case and is not the intent of the report. ‘Immigration status’ refers to whether a person meets the refugee or asylum seeker criteria, not whether an individual’s health, security and identity checks have been determined.

The committee clearly recommended that there was no need for community detention. Following the health, identity and risk assessments outlined in the first report, a person should be released into the community. Residential accommodation in the community gives people a safe environment in which to live, work or go to school while still being accessible by departmental staff and other service providers as required. It reduces the psychological burden brought on by long and indefinite periods of detention, of which we heard much evidence. Surely this is an appropriate and humane process, allowing people a reasonable quality of life until the determinations on their applications are made. No evidence I saw made me believe that this was not the appropriate way to move.

In closing, I would like to express my thanks and appreciation to the hardworking and extremely patient secretariat staff; the committee chair, Mr Michael Danby; the deputy chair, Mrs Danna Vale; and the other senators and members on the committee. I commend the report to the Senate.

Question agreed to.

**FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009**

**FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009**

**First Reading**

Bills received from the House of Representatives.

Senator SHERRY (Tasmania—Assistant Treasurer) (4.34 pm)—I move:

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

Question agreed to.

Bills read a first time.

**Second Reading**

Senator SHERRY (Tasmania—Assistant Treasurer) (4.35 pm)—I table a revised ex-
plenary memorandum relating to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

The Fair Work Act 2009, which received Royal Assent on 7 April, delivers on the promise that Labor made at the 2007 election to get rid of the Work Choices laws and to create a new fair and balanced workplace relations system.

The Fair Work Act introduces the new workplace relations system which will allow Australians to meet the challenges of today and grasp the promise of the future without forgetting the commitment to fairness and decency at work that has made us who and what we are.

The new workplace relations system created by the Fair Work Act starts from 1 July 2009 and will be fully operational by 1 January 2010.

This new system will be overseen by a modern, accessible and independent industrial umpire, Fair Work Australia.

This Bill, and the other bill being introduced today—the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009—set out essential changes to ensure a sensible and measured transition by employers and employees into the new system.

Given the impending commencement dates for the new system, the expeditious passage of this legislation is critical.

The new workplace relations system will balance the needs of employees and employers.

This balance reflects the unprecedented degree of consultation conducted by this Government with employee and employer representatives as well as with state and territory governments.

Representatives from these groups provided valuable feedback at meetings of the Committee on Industrial Legislation which examined these two bills as well as having also examined the Fair Work Act itself.

The Deputy Prime Minister, when introducing the then Fair Work Bill 2008 into the Parliament on 25 November 2008, indicated that the Government would introduce separate legislation to set out transitional and consequential changes to ensure a smooth, simple and fair transition to the new system while providing for certainty in employment arrangements.

These transitional and consequential changes are provided for in these two bills which were passed by the House of Representatives on 2 June 2009.

Once enacted by the Parliament, these two bills will operate with the Fair Work Act and will transition employees and employers into the new workplace relations system simply and fairly.

Let me now outline the key provisions of the bills to the Senate.

FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

This Bill repeals the current Workplace Relations Act 1996 other than schedule 1, which deals with registered organisations, and schedule 10, which deals with transitional registered associations.

The Workplace Relations Act will then be renamed the Fair Work (Registered Organisations) Act 2009.

With the abolition of the remainder of that Act, we will see the final removal of the Work Choices system that the Australian electorate rejected at the last election.

The Bill provides for the application of the 10 statutory National Employment Standards and minimum wages to all national system employees from 1 January 2010, including those covered by instruments made before the commencement of the new system.

Employees must receive at least the minimum rate of pay contained in a modern award from 1 January 2010.

The Bill also ensures that employees’ take-home pay is not reduced as a result of any transition to a modern award from 1 January 2010.

Rules are set out in relation to the treatment of existing industrial instruments in the new system.
and includes arrangements to enable bargaining under the new system to commence in an orderly way.

Arrangements are included for the transfer of assets, functions and proceedings from Workplace Relations Act institutions to Fair Work Australia and the Fair Work Ombudsman.

The bill includes rules to enable state-registered associations to participate in the new federal workplace relations system.

There is provision for Fair Work Australia to conduct a bedding-down review of modern awards after two years of their operation—that is, from 1 January 2012—ahead of the regular four-yearly review cycle. This will allow any necessary refinements to modern awards to be made to ensure that they are meeting the modern award objectives and are operating effectively without anomalies or technical problems.

Finally, the Bill also includes consequential amendments to create the fair work divisions of the Federal Court of Australia and the Federal Magistrates Court of Australia.

Amendments to Transitional Provisions and Consequential Amendments Bill

On 19 March 2009 the Senate referred this Bill to the Education, Employment and Workplace Relations Committee, which reported back to the Senate on 7 May 2009.

The Government carefully considered the Senate committee’s report as well as the detailed submissions.

As a result, when the legislation was being considered in the House of Representatives on 2 June 2009 the Government sought and secured approval for a number of technical amendments to improve the Bill.

Among the changes approved by the House of Representatives were amendments which respond to recommendations outlined in the Senate committee report and whose purpose is to:

- ensure that the transitional arrangements in place for outworkers protect their existing terms and conditions and that outworker unions can properly enforce outworker entitlements;
- ensure that registered employee and employer organisations are able to represent their members in the Fair Work Divisions of the Federal Court and the Federal Magistrates Court;
- clarify that Fair Work Australia may make representation orders with respect to threatened, impending or probable disputes between unions about the representation of employees; and
- preserve the existing interaction rules between transitional instruments and state and territory laws.

Other changes to improve the original Bill and ensure that it operates as intended included amendments which:

- ensure continuity and certainty of terms for staff transferring from Workplace Relations Act institutions to the new Fair Work institutions; and
- require the Australian Industrial Relations Commission to take account of the state of the national economy in completing award modernisation.

Some workplace relations stakeholders suggested during the Senate committee processes that Fair Work Australia should be able to commence modernising enterprise instruments prior to January 2010.

The Government agrees that this would be desirable and accordingly amended the Bill in the House of Representatives to enable Fair Work Australia to receive applications to make a modern enterprise award or to terminate an existing enterprise instrument from 1 July 2009.

However, any modern enterprise award or any decision to terminate an existing enterprise instrument will not come into effect until the new modern award system commences on 1 January 2010.

Other changes to the Bill in the House reflect aspects of the agreements reached with Senator
Xenophon and Senator Fielding for the passage of the now Fair Work Act.

These amendments:

- add a further clause to the object of the Fair Work Act that acknowledges the special circumstances of small and medium sized employers; and
- provide for a review of the first three years of operation of the new unfair dismissal system.

Let me conclude this overview of the amendments to the original Bill by reiterating that the Government’s intention, through the extensive consultations with stakeholders and through the Senate and Senate committee process, was to seek and act on their views in order to improve and clarify the Bill.

The amendments that I have just outlined reflect this intention.

**Fair Work (State Referral and Consequential and Other Amendments) Bill 2009**

With the indulgence of the Senate I will now provide an overview of the key provisions of the other related bill being introduced today, the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009.

This Bill marks the next step in the creation of the national workplace relations system for the private sector in Australia, which is a key election commitment of this Government.

Progress in creating the framework for a new national system is good news for Australia because this is a system based on fairness for working people, flexibility for business and the promotion of productivity and economic growth for the future prosperity of our nation.

This Bill will amend the Fair Work Act to enable states to refer matters to the Commonwealth with a view to establishing a uniform national workplace relations system for the private sector.

The Bill in addition makes transitional arrangements for Victorian employees and employers who are currently covered by the Workplace Relations Act.

Further, the Bill will also amend the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work Act to implement a process for the making of State reference public sector modern awards.

In the first instance, these awards will cover public sector employers and employees that are within the scope of Victoria’s reference of power.

On 4 June 2009 the Fair Work (Commonwealth Powers) Bill was introduced into the Victorian Parliament. This bill provides a text based referral of power, to underpin the application of the Fair Work Act to all Victorian employers and their employees.

The Victorian bill has now passed through both chambers and is due to receive royal assent later this month.

This will ensure that there are no interruptions in coverage for the working people and businesses of Victoria.

Victoria is the first state that will be a referring state under this Bill.

I’m very pleased to note, however, that both South Australia and Tasmania have reached in principle agreement with the Australian Government to participate in the new system for the private sector and are now negotiating final details.

I also note that Queensland has indicated in-principle support for joining a national workplace relations system for the private sector, subject to a number of key issues being resolved.

The Bill establishes a framework that can be adapted in future Commonwealth legislation to accommodate anticipated future referrals from other states.

Consistent with Government policy, the Bill enables referring states to decide the extent to which their public sector workforces should be covered by the new system.

The Bill’s amendment reference provisions will enable the Fair Work Act to be amended to apply to all employers and employees in a referring state uniformly.

We are continuing to work cooperatively with all the states to achieve a uniform workplace relations system for the private sector.

Over the coming months, we anticipate that they will choose to become participants in implementing this crucial national reform.
Finally, the Bill also makes transitional and consequential amendments to 67 Commonwealth acts which refer to parts of the Workplace Relations Act that will be repealed by the Transitional Provisions and Consequential Amendments Bill. This Bill replaces references to concepts, institutions and instruments in the Workplace Relations Act with references to corresponding concepts, institutions and instruments in the Fair Work Act. This includes changing references from the Australian Industrial Relations Commission and the Australian Fair Pay Commission to Fair Work Australia.

**Conclusion**

The arrangements set out in the Fair Work (Transitional Provisions and Consequential Amendment Bill and in the related bill being introduced today will ensure that the transition to the new workplace relations system created by the Fair Work Act is seamless. The sensible and practical measures in this Bill will ensure an orderly and fair transition to the balanced, modern workplace relations system for Australia that the Government promised in 2007. As the Deputy Prime Minister announced in the House of Representatives debate on these two bills, the death rites of Work Choices are now being administered and we are getting ready to see the Fair Work Act and Fair Work Australia spring into life starting on 1 July 2009. Given that the Australian people voted for new workplace relations laws at the last election, the Government continues to hope that Opposition Senators do not seek to hang on to Work Choices through procedural delays but will instead unequivocally heed and respond to the voice of the Australian people by expediting passage of this legislation so that the new system can commence on time on 1 July this year.

I commend this Bill to the Senate.

FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009

A few minutes ago I provided the Senate with an overview of the rationale and key features of this Bill.
SOCIAL SECURITY LEGISLATION AMENDMENT (IMPROVED SUPPORT FOR CARERS) BILL 2009
TAX LAWS AMENDMENT (2009 BUDGET MEASURES No. 1) BILL 2009
TAX LAWS AMENDMENT (2009 MEASURES No. 2) BILL 2009
TAX LAWS AMENDMENT (2009 MEASURES No. 3) BILL 2009
THERAPEUTIC GOODS AMENDMENT (2009 MEASURES No. 1) BILL 2009
CARBON POLLUTION REDUCTION SCHEME BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009
AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-CUSTOMS) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-EXCISE) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CHARGES-GENERAL) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2009
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) (CONSEQUENTIAL AMENDMENTS) BILL 2009
EXCISE TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009
CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009

CARBON POLLUTION REDUCTION SCHEME AMENDMENT (HOUSEHOLD ASSISTANCE) BILL 2009
FAIRER PRIVATE HEALTH INSURANCE INCENTIVES BILL 2009
FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE) BILL 2009
FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE—FRINGE BENEFITS) BILL 2009

First Reading
Bills received from the House of Representatives.

Senator FAULKNER (New South Wales—Minister for Defence) (4.36 pm)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second readings has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator FAULKNER (New South Wales—Minister for Defence) (4.39 pm)—I table revised explanatory memoranda relating to the Carbon Pollution Reduction Scheme Bill 2009 and the Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009 and move:

That these bills be now read a second time.

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

Leave granted.
The speeches read as follows—

CAR DEALERSHIP FINANCING GUARANTEE BILL 2009

On 5 December 2008, the Prime Minister and I announced the establishment of a Special Purpose Vehicle (SPV) with the support of leading Australian banks, to provide liquidity to eligible car dealers who had been left without wholesale floor plan financing as a result of the departure of GE Money Motor Solutions and GMAC from the Australian market following the onset of the global financial crisis.

The SPV – otherwise known as ‘OzCar’ – was legally established as a Trust on 2 January 2009. Under the agreements negotiated with the four major Australian banks, i.e. the ANZ, Commonwealth Bank of Australia, the National Australia Bank and Westpac – the four major banks will provide liquidity to OzCar through the purchase of ‘AAA’ rated OzCar securities.

Most of these OzCar securities will require a Commonwealth Guarantee so that they qualify as ‘AAA’ rated securities thereby allowing the four major banks to purchase them.

Having raised funds through the sale of securities, OzCar will make available funding for 12 months to those dealers who need it and to those who qualify.

It is very pleasing that, since the 5 December announcement that the Prime Minister and I made, most of the former GE and GMAC dealerships have managed to secure alternative wholesale floorplan financing, primarily through the remaining lenders.

This, and the commendable commitment by both GE and GMAC to wind down their loan books in an orderly manner, has meant that it has not yet been necessary for the OzCar SPV to issue securities and lend funds.

There is no doubt that the establishment of the OzCar facility so quickly after GE and GMAC announced their planned exit from the Australian market provided a critical boost to confidence when it was needed most.

This and the work of Treasury and Credit Suisse with GE and GMAC resulted in a much better outcome than what otherwise would have been the case if we had just sat back and done nothing.

As a result of the success of this initiative, the financing task now confronting us is much less than initial expectations.

Last December, it was expected that OzCar would need to finance around $2 billion worth of loans.

That has come down to around $850 million. The final figure will probably be much less.

Commonwealth Guarantee of OzCar Securities

It will soon be necessary to activate the OzCar facility given the exit plans of GMAC and GE.

As I announced last week, the Government has decided to make the OzCar facility available to Ford Credit for the next 12 months so that Ford Credit’s network of almost 200 Ford dealers can continue to access wholesale floorplan finance.

This decision has been necessary in light of the immense pressures the global financial crisis has placed on Ford Credit’s ability to continue to raise the liquidity it needs to support the Ford dealer network and through that network, the manufacturing operations of Ford Australia.

In order to allow for the activation of the OzCar facility, this bill seeks to enact a standing appropriation to support the Commonwealth Guarantee that will apply to around $550 million of the securities issued by the OzCar facility.

The major banks will need the certainty of a Commonwealth Guarantee with legislative backing before they will purchase the necessary volume of OzCar securities.

This Bill is therefore a very important legislative underpinning to the OzCar SPV facility.

Transparency and Accountability Mechanisms

The OzCar SPV is a complex trust facility. To ensure transparency and accountability, the Treasury has published the relevant Trust Deeds and supporting material on the Treasury website – www.treasury.gov.au

Treasury has also entered into a contractual arrangement with Credit Suisse, the OzCar Program Manager, and a range of service providers, on the operation and administration of the OzCar SPV facility.
Treasury will be providing me with regular reports on the operation and performance of the OzCar facility and will prepare quarterly reports on the operation of the SPV that will be made available to the Parliament.

These reports will identify the overall amount of securities issued, the proportion of securities covered by the Commonwealth Guarantee and the overall financial performance of the OzCar SPV.

Moving Forward
The OzCar SPV is designed to advance loans until 30 June 2010. The standing appropriation that this bill puts in place will support any securities issued by the SPV until that date for the term of their maturity, which will not exceed 3 years.

There is no doubt that the next 12 months will be a very challenging time for Australian industry – none more so than for the Australian car industry.

It is critically important that initiatives such as the OzCar facility are put in place not only to provide material support – but also to help provide confidence at a time when confidence is so badly needed.

I urge the parliament to support what to date has been a highly successful initiative – and which should become even more important in the weeks and months ahead.

I commend the bill to the Senate.

EVIDENCE AMENDMENT
(JOURNALISTS’ PRIVILEGE) BILL 2009

This bill implements an important reform to the Commonwealth Evidence Act 1995 by amending the existing privilege provisions which are available to protect confidential communications between journalists and their sources, in appropriate circumstances. It forms part of the Rudd government’s commitment to enhancing open and accountable government. It also delivers on the Rudd government’s election commitment to strengthen protection for journalists’ sources.

This Bill recognises the important role that journalists play in informing the public on matters of public interest and, in my view, appropriately balances that against the public interest in the administration of justice. It does this by inserting an objects clause into the Division to ensure that the court keeps both of these factors firmly in mind when exercising its discretion in the particular case.

In doing so, the Bill improves on the version of the privilege introduced by the former Coalition government in 2007. That was a version I described at the time as a ‘quick fix to a somewhat complex issue’.

While this Bill just deals with journalist shield, the government is also committed to enhancing our mechanisms to allow public interest disclosures and Freedom of Information laws. The government is currently considering the report of the House of Representatives Legal and Constitutional Affairs Committee on whistleblowers and is committed to introducing legislation this term.

My colleague the Special Minister of State is looking to release an exposure draft Freedom of Information legislation as soon as practicable. Together with the measures in this Bill, those measures will improve the openness, transparency and accountability of government and the public service.

The value of a well informed community was highlighted by the Commonwealth Ombudsman in its 1994-95 Annual Report, where it stated:

‘Information is the currency that we all require to participate in the life and governance of our society. The greater the access we have to information, the greater will be the responsiveness of our governments to community needs, wants, ideas and creativity…’

Protection of journalists’ sources is one of the basic conditions of press freedom. As recognised by the European Court of Human Rights in 1996, without such protection, sources may be deterred from assisting the press in informing the public on matters of public interest.

The bill strengthens protections for journalists’ sources by changing the way in which a court is able to address communications which have been made to a journalist. The bill will require the court to consider whether a communication was made contrary to law in determining whether to direct that the evidence not be given. The current law has operated too severely in mandating the loss of privilege in these circumstances. Clearly, the court will weigh the competing objects.
greater the gravity of the relevant misconduct, the greater the weight the court will be expected to give that factor.

The bill will also require the court to consider not only any potential harm to the source but also to the journalist if the evidence is given. This gives specific recognition to the fact that journalists can also suffer harm, such as harm to their reputation and their ability to obtain information, if they are required to disclose a source. Where a likelihood of harm has been established to the journalist or the source or both, and the court is satisfied that the nature and extent of this harm outweighs the desirability of the evidence being given, the court must uphold the privilege.

I want to make it very clear that these amendments are not designed to prevent or frustrate legal action being taken against a person who makes an illegal disclosure. Nor are the amendments intended to encourage such disclosures. And I don’t anticipate they will do so. What these amendments do is to clarify the circumstances in which a journalist should be required to provide evidence to a court about the confidential communication or its source.

As I said earlier, the Rudd government is also currently developing whistleblower protections which have the capacity to complement journalist shield laws by providing avenues other than the media for public interest disclosures. The court has the ability under the existing Evidence Act provisions to consider whether the source could have utilised, where available, laws protecting public interest disclosures. Failure by a source to access the protections provided by these laws would be a relevant consideration in the court’s determination of whether the confidential communication between a journalist and their source should be privileged.

The bill specifies that the court in exercising its discretion must consider potential prejudice to national security. But the factors that are listed are not weighted one above the other. The amendment will provide greater flexibility for the court by allowing it to determine the weight to be given to a particular risk of prejudice to national security based on the evidence before it. Clearly, again, the greater the risk of prejudice to national security and the greater the gravity of that prejudice, the greater the weight the court would give to this factor.

The bill will extend the application of the new journalists’ privilege beyond proceedings in federal and ACT courts, to all proceedings in any other Australian court for an offence against a law of the Commonwealth. This provision will ensure that the Rudd government’s commitment to enhancing transparency and accountability in the Australian government is effectively implemented by these reforms. In practice, the prosecution of an Australian government official charged with disclosing confidential government information is usually conducted in a state or territory court rather than a federal court. It is in these proceedings that journalists are often called upon to reveal their sources. This amendment will enable the new journalists’ privilege to apply to all prosecutions for Commonwealth offences.

There will be some that will say this bill does not go far enough. They will point to laws in New Zealand and the United Kingdom which contain a presumption in favour of protecting journalists. But let me say in answer to those critics – this legislation enables an appropriate balance to be struck between the public interest in free press and the public interest in the administration of justice. It provides a guided discretion but leaves the balancing of competing interests and particular facts in each case to the court. As I said in 2007 when the opposition introduced its flawed legislation, judicial discretion in these matters is not something to be afraid of. Indeed, no other profession – not even lawyers – has the benefit of an absolute privilege to protect confidential information.

A broader judicial discretion to maintain confidentiality between a journalist and their source in court proceedings is not just about protecting journalists. The bill aims to benefit the wider community by facilitating the free flow of public interest information in cases where courts find journalists’ privilege should be upheld.

I believe that this bill finds the appropriate balance between the desirability of protecting confidential communications between journalists and their sources and the public interest in ensuring that all relevant evidence is before our courts.
I started this speech by saying that the media has an important role to play in our democracy. Let me finish by saying, Mr President, that this role comes with significant responsibilities; responsibilities of fairness and, most importantly, accuracy. It is not a mere platitude to say that a well informed, well functioning and responsible media is a vital cog in the democratic wheel.

FAMILY ASSISTANCE AND OTHER LEGISLATION AMENDMENT (2008 BUDGET AND OTHER MEASURES) BILL 2009

This bill introduces one measure from the 2008 Budget on family tax benefit and two further non-Budget measures from the Families, Housing, Community Services and Indigenous Affairs portfolio.

The Budget measure is part of the Better Targeting and Delivery of Family Tax Benefit package. The measure will streamline the administration of family tax benefit by removing from 1 July 2009 the option of claiming payments through the tax system.

Only around seven per cent of current family tax benefit customers claim through the Australian Taxation Office. Removing the tax system option for delivery of family tax benefit payments will simplify the system, reduce duplication in delivery of the payments, and improve consistency for claimants.

The choice of payment in fortnightly instalments (including end-of-year top-ups if applicable), or in an annual lump sum, will remain through Centrelink and Medicare. Furthermore, there will be no change in payment rates from this change in delivery arrangements.

Information will still be exchanged between the Australian Taxation Office and Centrelink to ensure entitlements are as accurate as possible. Adjusted taxable income will continue to be used for family tax benefit income testing and end-of-year reconciliation processes. Tax refunds will also continue to be available to offset family tax benefit debts, and vice versa. In most of these administrative respects, the family tax benefit system will continue to work in the way customers are familiar with.

This bill includes an important non-Budget measure foreshadowed by the government in its announcement on 23 October 2008 in response to the recommendations of the Northern Territory Emergency Response Review Board. This measure will ensure people subject to the Northern Territory income management regime have access to the Social Security Appeals Tribunal and Administrative Appeals Tribunal appeal mechanisms afforded to other Australians in relation to their income support and family payments.

Further measures from the same response will be introduced in the 2009 Spring sittings, as announced.

Lastly, the bill makes amendments to implement part of the government’s announced reforms to the Community Development Employment Projects (CDEP) program, which aim to improve employment participation for Indigenous Australians.

The amendments will provide new CDEP participants commencing on or after 1 July 2009 with access to the CDEP program while receiving income support payments, instead of CDEP wages from CDEP providers.

The amendments will mean that new CDEP participants will not receive the CDEP Scheme Participant Supplement as such participants will be able to claim other additional benefits through the income support system. The amendments will allow continuing CDEP participants to receive CDEP wages from CDEP providers, and the CDEP Scheme Participant Supplement, until 30 June 2011, when continuing participants will transfer to income support.

FAMILY ASSISTANCE LEGISLATION AMENDMENT (CHILD CARE) BILL 2009

The Family Assistance Legislation Amendment (Child Care) Bill 2009 marks another step along this government’s unswerving path to accessible, affordable, high-quality child care for Australian children, their parents and carers.

This government has already made an enormous investment in early education and child care—$3.7 billion in new funding between now and 2013—and rightly so.
That’s because this government understands how crucial the early years are in a child’s life and education.

That’s why parents now get a Child Care Tax Rebate of 50 per cent of their out of pocket child care costs rather than 30 per cent.

That’s why parents can now get the rebate paid to them quarterly, to ensure the assistance is there for them, closer to the time they incur their child care expenses.

This government is on a mission to expand the accessibility of child care.

As a government we understand that families’ situations change, particularly in this uncertain time ahead of us.

This is why we are making some technical changes in this bill which will improve the administration and accessibility of child care entitlements.

One of these changes is to allow the final quarterly payment of the Child Care Tax Rebate to be withheld until a carer’s taxable income is determined for that financial year.

This will help reduce the amount of under- and overpayments, and the need for subsequent payments or debt recovery.

Where there is overpayment these amendments will allow the debt to be recovered in a way that will minimise the impact on families.

Sometimes families have to deal with the most difficult of circumstances, when a parent or carer who is entitled to the Child Care Tax Rebate dies.

In these circumstances, changes in this bill will allow for the substitution of the entitlement to the person who is taking over guardianship of the child.

In other cases carers may receive a ‘zero rate’ for the Child Care Benefit.

Again this government understands that people’s situations and income change.

Amendments in this bill will allow those assessed at a ‘zero rate’ of CCB to request a review of their entitlements within two years of the relevant year they received the zero rating.

All of these changes focus on improving the administration of child care and squaring the ledger with parents in a timely manner.

All of them build on changes such as the quarterly Child Care Tax Rebate payment system the government has already implemented.

I mentioned earlier the government’s considerable investment in child care, and we are committed to safeguarding this investment through the proper administration of child care payments and services.

Given the events of last year with the collapse of ABC Learning, we are especially mindful that Australian families need to have the greatest possible certainty around continuity of care.

Last year the Rudd government extended civil penalties to a broad range of child care service obligations.

In this bill we will take compliance a step further by allowing the imposition of civil penalties through regulations.

We will tighten the requirements on operators around when and how they notify their intention to cease operations. A civil penalty will apply where a service fails to meet this requirement.

The bill will also clarify the link between a service and an operator by ensuring that operators are held liable for the obligations imposed on the service they maintain.

We acknowledge of course that the majority of child care providers are doing the right thing when it comes to compliance.

But we want to ensure that those who are negligent are pressed to do the right thing.

Another consequential change is the renaming of the Child Care Tax Rebate which will now be called the Child Care Rebate, as it is paid through the Family Assistance Office, not through the Australian Taxation Office.

To sum it in three words, this bill is about administration, accessibility and accountability—which I suppose you could call our own ‘Triple A’ rating.

With the government’s landmark commitment this week to a Paid Parental Leave scheme I am proud to say that in the future we will be helping deliver children, as we continue to deliver for
them in early childhood, from cradle to crèche and beyond.

FINANCIAL SECTOR LEGISLATION AMENDMENT (ENHANCING SUPERVISION AND ENFORCEMENT) BILL 2009

The Financial Sector Legislation Amendment (Enhancing Supervision and Enforcement) Bill 2009 introduces measures to regulate the non-operating holding companies (NOHCs) of life insurers, and harmonise the injunctions that may be issued in respect of prudentially regulated entities.

This Bill removes a gap in Australia’s prudential regulation framework by ensuring that the Australian Prudential Regulation Authority (APRA) supervises life insurance NOHCs, which can have a significant impact on the conduct and financial health of life insurance companies. This measure is consistent with the Insurance Core Principle ICP17 of the International Association of Insurance Supervisors on Group-wide supervision, which is that ‘[t]he supervisory authority supervises its insurers on a solo and a group-wide basis.’

This Bill also ensures that the injunctions that may be issued under the prudential legislation are effective tools to enforce financial entities’ compliance with prudential requirements.

Non-operating holding companies of life insurers

Schedule 1 of this bill introduces a prudential regulation framework for the NOHCs of life insurers, and brings the prudential supervision of such companies into line with the prudential supervision of the NOHCs of general insurers and authorised deposit-taking institutions.

The prudential requirements that will apply to life insurance NOHCs are consistent with those that apply to life insurers. The scope of the prudential regulation regime introduced by this Schedule is closely modelled on the existing regulation of the NOHCs of general insurers and authorised deposit-taking institutions.

This approach will minimise compliance costs for industry and ensure a smooth transition.

The main elements of the prudential regulation regime for life insurance NOHCs are as follows.

Life insurance NOHCs will be required to be registered under the Life Insurance Act 1995 and be subject to APRA’s supervision. They will be required to comply with prudential standards, reporting obligations, directions issued by APRA and investigations authorised by the Act. APRA will be able to seek the disqualification of persons in specified positions in the body corporate. Registered NOHCs may also be liable to pay a financial institutions levy.

Where appropriate, prudential standards and reporting obligations will also apply to the subsidiaries of NOHCs and life insurers. Again, this is in line with the treatment of the subsidiaries of general insurers, ADIs and their holding companies. APRA is expected to consult with industry before determining or amending prudential standards. The auditors of NOHCs and the subsidiaries of NOHCs and life insurers will also have obligations to report significant prudential breaches to APRA.

International experience has demonstrated the interconnection between companies in a corporate conglomerate, including between prudentially regulated entities and unregulated entities. This measure will strengthen the prudential regulation of life insurance conglomerates in line with the regulation of other financial conglomerates.

Injunctions in prudential legislation


The amendments will give APRA flexibility to respond to a range of circumstances relating to the financial health of an entity in a timely and appropriate way.

APRA will be able to seek an injunction where a person engages, or proposes to engage, in contravention of the prudential Acts, fails to comply with a requirement of these Acts, fails to comply with a direction issued by APRA or breaches a
condition on the authorisation or registration of a prudentially regulated entity. The Federal Court of Australia may issue restraining, performance, consent and interim injunctions.

Under the SIS Act, affected persons such as superannuation beneficiaries retain their existing ability to seek an injunction.

The amendments to the SIS Act will apply to the conduct of superannuation trustees that offer first home saver accounts. This is because the First Home Saver Accounts Act 2008 applies relevant provisions of the SIS Act to superannuation trustees that provide first home saver accounts.

**Conclusion**

The government is bringing these measures forward because they remove a gap in the prudential regulation framework for the life insurance industry and enhance APRA’s ability to use injunctions to respond to emerging prudential concerns in a timely and appropriate way.

Full details of the amendments are contained in the explanatory memorandum. I commend the Bill to the Senate.

**FUEL QUALITY STANDARDS AMENDMENT BILL 2009**

The Fuel Quality Standards Act 2000 is designed to regulate the quality of fuel supplied in Australia to reduce harmful emissions from vehicles, facilitate the adoption of better engine and emission control technology, and allow the more effective operation of engines. The Act also ensures that information on fuels is provided for consumers, where necessary.

The Fuel Quality Standards Amendment Bill 2009 will amend the Act to implement recommendations from the first statutory review of the Act and to address a number of issues that have arisen from the practical application of the Act and its subordinate legislation. The Act provides that an independent review of its operation be undertaken every five years. The first review reported in April 2005.

The bill will improve the efficiency and effectiveness of the Act. In particular, these amendments are needed to improve the development and enforcement of fuel standards which in turn benefit the public and the environment through cleaner fuels and reduced vehicle emissions.

The Act currently allows for approval for the variation of fuel standards and imposition of conditions to the approval. However, such conditions must relate to the supply of fuel. The bill will broaden the scope for imposing conditions so that, for example, the adverse impacts of the supply of sub-standard fuel could be offset. This means that a company that supplied petrol with a higher benzene content under an approval could be required to fund an air quality monitoring program that monitored benzene levels in the atmosphere in the region where the fuel was to be supplied.

The bill also includes a streamlined process for certain variations of approvals. If the variation is of a minor nature, or only adds regulated persons to an approval, the Minister need only notify, rather than consult, the Fuel Standards Consultative Committee. The bill also provides for the Secretary to be able to initiate a variation to an approval, for example, to correct an error in an approval. In each case a notice of the variation would still need to be published in the *Gazette*.

The bill will also establish a process for granting an emergency approval to avoid a potential fuel supply shortfall in exceptional circumstances. An emergency approval will be able to be granted for a maximum period of 14 days with the Fuel Standards Consultative Committee only notified of the decision, rather than needing to be consulted before a decision can be made. The bill will also allow for the period of an emergency approval to be extended but only after consultation with the committee.

The bill will allow delegation of powers to grant approvals to the secretary or an SES officer, except in relation to emergency approvals which will only be delegated to the secretary. This will allow the more routine approvals, such as those relating to racing fuels, to be handled by the department. It will also provide some flexibility for the department in those situations where an emergency approval is required to address a potential fuel supply.

The bill will also allow consideration of the circumstances in which fuel is supplied as one of the matters that constitute a fuel standard. This provi-
sion will allow the inclusion or exclusion of certain end uses, where appropriate, from the application of fuel standards and it will assist in addressing issues relating to the complexity of defining fuels used for different purposes and the management of blends, for example, diesel blended with biodiesel. Existing fuel standards will continue in effect as if they had been made under the provisions of the bill. This will clarify that the fuel standard for petrol does not cover supplies of leaded petrol for use in aircraft. This is intended but not achieved under the current law because fuel standards do not relate to end use.

The Act contains criminal offences for breaches of the legislation. The bill will introduce a more comprehensive range of enforcement measures, including a civil penalties regime so that there will be, for each offence, an equivalent civil penalty provision. Other enforcement measures include the ability to issue an infringement notice and, if appropriate, accept an enforceable undertaking. These measures will ensure that appropriate action can be taken in respect of breaches of the Act.

The bill also extends the type of courts that have jurisdiction for various matters under the Act. For example, an application for an injunction will be able to be made to the Supreme Court of a State or Territory and not just the Federal Court of Australia. This change recognises that state and territory courts already have a role in prosecutions for offences against the Act and allows them to deal with other matters.

Unless a warrant is obtained, the Act requires inspectors to obtain the consent of a fuel retailer before exercising monitoring powers which are quite broad. The bill will allow inspectors to enter the public area of business premises during normal hours of operation and exercise a limited range of monitoring powers without the consent of the retailer or without a warrant. The retailer’s right to refuse to allow an inspector to enter, or remain on, the premises, as is the case with any member of the public, will not be affected.

The bill will expand current information sharing powers to allow the Secretary to share information obtained under the Act to assist in the administration or enforcement of various laws, for example, the Energy Grants (Cleaner Fuels) Scheme Act 2004 and state and territory fair trading laws. This will facilitate communication with other regulators to increase the intelligence base on potential offenders. It will also assist in addressing gaps in the Act’s coverage of the industry.

There is only one new offence in the bill. A new section 65D provides that the secretary can require a person, other than the person who is suspected of contravening a civil penalty provision, who may have information relevant to an application for a civil penalty order, to provide all reasonable assistance in connection with the application. An offence applies for failure to give assistance as required. While this offence is a new offence under this Act, it is a procedural offence common to other Commonwealth legislation.

The Act as currently written is difficult to enforce. This bill will make the legislation much more robust in ensuring that the quality of fuel supplied in Australia is of the high standard required for new advanced engine technology in vehicles. This will be important to enable us to respond to new fuels and vehicle technologies as they emerge.

HEALTH WORKFORCE AUSTRALIA BILL 2009

There can be no doubting that Australians enjoy one of the best health systems in the world. One of the reasons we have such good health outcomes is because of the quality of our health workforce.

Our doctors, nurses, midwives, allied health professionals, paramedics and researchers are the backbone of our health system. It is absolutely essential that we do all we can to support our health workforce in their work.

Unfortunately, we are currently dealing with the legacy of an historic underinvestment in our health workforce. The end result of this neglect by the previous government is there are now chronic shortages in general practice, various medical specialities,
dentistry, nursing and certain allied health professions. These shortages are particularly acute in rural and remote communities around the country and some communities having limited access to health services and state and territory health departments spending vast sums of money to send health professionals to work in understaffed facilities.

Workforce shortages and inflexibilities and inefficiencies in training and service delivery can contribute to poor health outcomes, particularly in certain regions such as our rural and remote areas and for certain population groups such as Indigenous Australians.

We also currently have very poor national data on the health workforce which further inhibits our ability to better plan for the health workforce needs of the community.

In addition to existing shortages, a number of imminent supply and demand issues will exacerbate pressures on Australia’s health system and its workforce in the near future. These factors include:

- population and workforce ageing;
- lower average working hours;
- potential decreases in availability of the overseas supply of health workers;
- changes to population health and patterns of disease burden;
- increasing community expectations for health care; and
- broader labour market issues.

For instance, the ageing of the population will have significant implications for the health workforce in terms of demand, with the over 55s being the heaviest consumers of medical services, and supply, with increasing numbers of health professional expected to retire in the near future. Increasing levels of chronic disease are expected to increase the demand for services even further in coming years.

The Productivity Commission’s ‘Australia’s Health Workforce’ report concluded that the workforce is a fundamental enabler in ensuring all Australians have access to high quality, effective, efficient and financially viable health services. Long term planning and policy development are needed now and are needed on a national level.

Without action, access to appropriately trained health workers will be further reduced, ultimately affecting the health outcomes of the Australian population.

Although all jurisdictions are now investing more heavily in training of the health workforce, increased university and TAFE training places have resulted in a significant increase in the requirement for effective clinical training, which is essential to the development of practical skills and the quality of future health professionals. Training of health professionals is further hampered by the current split in clinical training responsibility between education providers and the health sector.

Improvements to clinical training arrangements, including funding and supervision, are urgently needed. There is also a clear need for greater effort and more effective governance arrangements around health workforce training, planning and policy development that can work across and with jurisdictions and the health and education sectors.

For too long the previous government ignored the warning signs and chose to do nothing, and play the blame game with the states. But the Rudd government has chosen to Act, and work with the states on solutions.

That’s why in November 2008 the Council of Australia Governments (COAG) signed off on an historic $1.6 billion health workforce package. The package forms part of the National Partnership Agreement on Hospital and Health Workforce Reform, signed by all states and territories in March 2009. The package, comprising $1.1 billion of Commonwealth funding and $539.2 million from states and territories, is the single largest investment in the health workforce ever made by Australian governments.

This investment will improve health workforce capacity, efficiency and productivity by improving clinical training arrangements, increasing postgraduate training places for medical graduates, improving health workforce planning across Australia and enhancing training infrastructure particularly in regional and rural areas.
A critical component of the COAG package is the establishment of a national health workforce authority—Health Workforce Australia—to produce more effective, streamlined and integrated clinical training arrangements and to support workforce planning and policy.

The Health Workforce Australia Bill 2009 establishes Health Workforce Australia (HWA) and implements a majority of the COAG health workforce initiatives.

The bill specifies the functions, governance and structure of HWA, enables health ministers to provide directions to HWA and requires HWA to report to health ministers.

HWA will be responsible for:
- funding, planning and coordinating undergraduate clinical training across all health disciplines;
- supporting clinical training supervision;
- supporting health workforce research and planning, including through a national workforce planning statistical resource;
- funding simulation training; and
- providing advice to Health Ministers on relevant national workforce issues.

The authority will also ensure best value for money for these workforce initiatives and a more rapid and substantive progression of the necessary policy and planning activities.

Given the functions and level of funding for which the authority will be responsible, it is essential that there is a legislative basis for its operations and governance arrangements that reflect the shared funding and policy interest of all jurisdictions.

HWA will be established as a statutory authority under the *Commonwealth Authorities and Companies Act 1997*.

HWA will be governed by a board comprising a nominee from each state and territory, an independent chair, and may also include up to three other members selected by health ministers. A chief executive officer will be responsible for the day-to-day administration of HWA, and expert committees and consultants will be engaged to assist with HWA functions as required.

HWA is to commence management of undergraduate clinical training from January 2010. The bill is required to establish HWA by July 2009 to ensure it is operational within the timeframes agreed to in the COAG National Partnership Agreement.

The COAG health workforce package is a major investment to making the necessary improvements to the health workforce through effective planning and policy development.

HWA, which will work with and across jurisdictions and the education and health sectors, is pivotal to the success of the COAG package.

For the first time, there will be one single body responsible for the delivery, funding, planning and oversight of all clinical training in this country.

I want to our hard working and dedicated health professionals to know that the Rudd government is committed to addressing the chronic shortages which are afflicting our health system.

I am pleased to be able to present the *Health Workforce Australia Bill 2009* which will equip us with the tools we need to help improve the health workforce, and therefore the health system, for the Australian community.
making legal processes more flexible, cheaper and less complicated.

**Cross border amendments**

Most significantly, the bill includes amendments to the Service and Execution of Process Act 1992 to support the operation of the Cross Border Justice Scheme. This scheme will be established to streamline the delivery of justice services and improve public safety in cross border regions in Western Australia, South Australia and the Northern Territory.

Initially the Scheme will operate in the NPY Lands in Australia’s central desert region. People in the NPY lands live and travel throughout this region according to traditional culture and customs, across state and territory borders. This creates particular challenges for the delivery of justice services.

The Cross Border Justice Scheme will take an innovative and cooperative approach to addressing these challenges. It will allow police, magistrates and other officials to deal with offenders from any one of the participating jurisdictions where the offender has a connection to the cross border region.

The scheme will be established under state and territory legislation. However, amendments to the Service and Execution of Process Act are required to enable it to operate as intended. SEPA establishes a cooperative scheme for the service and execution of process and the enforcement of judgments between states and territories.

To support this significant initiative, the Bill will amend SEPA to confirm that the Cross Border Justice Scheme, and similar schemes set up in the future, can operate in parallel with the scheme established under that Act. The bill will also amend SEPA to provide that in any cases of indirect inconsistency, the cross border laws will prevail.

**Ability for prisoners to give evidence by audio and audio visual link**

The bill also contains amendments to SEPA to allow for more flexibility in the way in which evidence can be given in proceedings with an interstate aspect. The bill amends SEPA to enable prisoners to give evidence by audio or audio visual link when subpoenaed to give evidence before an interstate court, tribunal or person.

State and territory legislation already allows a prisoner to give evidence in this way where the proceedings are in the jurisdiction of their imprisonment. However, there is currently no explicit provision under SEPA for a prisoner to give evidence by audio or audio visual link in proceedings in another state or territory. The bill addresses this gap.

**Expansion of Trans-Tasman subpoena scheme to family proceedings**

Finally, the bill amends the Evidence and Procedure (New Zealand) Act 1994 to expand the range of proceedings covered by the cooperative scheme established between Australia and New Zealand for the service of subpoenas across the Tasman. Currently the Act excludes family proceedings from the operation of the scheme.

The amendments will remove this general exclusion, consistent with Australia’s longstanding view that the scheme should apply broadly to civil proceedings, including proceedings involving family law.

**Conclusion**

In conclusion, the amendments in this bill introduce or support measures to make the process for resolving disputes with an interstate or Trans-Tasman connection simpler, quicker, cheaper and more flexible. This is consistent with the government’s broader efforts to improve access to justice for all Australians.

I commend the bill.

_NATION BUILDING PROGRAM (NATIONAL LAND TRANSPORT) AMENDMENT BILL 2009_

I am pleased to introduce the Nation Building Program (National Land Transport) Amendment Bill 2009.

It renames the AusLink (National Land Transport) Act 2005 (the Principal Act), as the Nation Building Program (National Land Transport) Act 2009. This bill is central to the effective delivery of the government’s road and rail infrastructure investment through the Nation Building Program—a program currently worth more than $26 billion.
In New South Wales we are investing over $8.7 billion through the Nation Building Program.

We are making a record investment in the Pacific Highway which will see a range of projects delivered, including: the Ballina Bypass; the upgrade to the Sapphire to Woolgoola section; the Banora Point deviation; the Buladelah bypass; and the Glenugie Upgrade.

We are also investing in the Hume Highway to finalise its duplication by 2012.

The final work on the Hume Highway is the construction of the bypasses at Tarcutta, Woomargama and Holbrook.

Due to the funding the government brought forward in its December 2008 Nation Building Package, the Tarcutta and Woomargama bypasses will commence earlier and be completed in late 2011 - more than six months ahead of schedule.

The Holbrook Bypass is scheduled for completion by 2012.

Further projects in New South Wales include:

- the Alstonville Bypass on NSW’s mid-north coast.
- the duplication of the Great Western Highway from the M4 at Penrith to Katoomba.
- the upgrade of the Great Western Highway between Katoomba to Lithgow.
- a package to improve road and rail access in Port Botany.
- an investment towards freight rail upgrades between Sydney and Newcastle – a future North Sydney Freight Link.

An investment towards a new intermodal facility at Moorebank.

In Queensland we are investing $7.3 billion through the Nation Building Program.

We are investing in the Pacific Motorway, including the Daisy Hill to Springwood South upgrade, the Robina and Varsity Lakes interchanges and the Nerang South Interchange.

We are making a record investment in the Ipswich Motorway, including the upgrade between Dinmore to Goodna and Wacol to Darra and the Logan Interchange.

Our record investment in the Bruce Highway includes:

- The upgrade of the southern approach to Cairns
- The Douglas Arterial duplication
- The Cardwell Range realignment
- The work on the Townsville Port Access Road
- The upgrade of the southern approach to Mackay
- The Calliope Crossroads upgrade
- The upgrading of the southern approaches to Gin Gin
- The Cooroy to Curra project (Section B)
- The upgrade of Caboolture to Caloundra

In Victoria we are investing a record $4.3 billion through the Nation Building Program.

Projects in Victoria include:

- The Western Ring Road upgrade
- The West Gate Bridge Strengthening
- Works on the Princes Highway East (Traralgon to Sale)
- Works on the Geelong Ring Road Stage 4A (Anglesea overpass)
- Works on the Geelong Ring Road Stage 4B (Anglesea Road to Princes Highway)
- Realignment of Anthony’s Cutting on the Western Highway
- Duplication from Ballarat to Stawell on the Western Highway
- Upgrade between Stawell and the South Australian border on the Western Highway
- The Nagambie Bypass on the Goulburn Valley Highway
- The Kings Road Interchange on Calder Freeway
- The rail upgrades at Geelong Port and on the Melbourne-Adelaide Line
- Funding towards the Dandenong Intermodal Terminal
- Funding towards the Somerton Intermodal Terminal
The duplication of the Princes Highway from Waurn Ponds to Winchelsea
The upgrade of the Springvale Road intersection
The Clyde Road upgrade
In West Australia we are investing $2.8 billion through the Nation Building Program.
Projects include:
- Works on the Great Eastern and Roe Highway interchange
- The upgrade of the Great Eastern Highway from Kooyong Road to Tonkin Highway
- Works on the Bunbury Port Access and Outer Ring Road
- The duplication of Dampier Highway
- Works on the Mandurah Entrance Road
- Works on the Reid Highway and Alexander Drive Interchange
- Works on the Esperance Port Access Road
- The Daddo Road Grade Separation
- The extension of Hepburn Avenue
- Works on the Ocean Reef Road
In South Australia we are investing $1.7 billion through the Nation Building Program.
Projects include:
- The Northern Expressway & Port Wakefield Road upgrade
- The Dukes Highway Upgrade
- Work on Victor Harbour, Main South Road and Seaford Road junction
- Work on the Main North Road Gawler to Tarlee
- The Mount Gambier Northern Bypass
- Work on Crystal Brook to Redhill
- Work on Montague Road
- In Tasmania we are investing $800 million through the Nation Building Program.
- The Brighton Bypass
- Rail capacity improvements at Rhyndaston
- Planning for Bagdad Bypass and new Bridgewater Bridge
- Upgrade of the Midland Highway
- Work to improve capacity on the Main North-South Rail Line
- The Kingston bypass
- The upgrade of North East Freight Roads
- The upgrade of Illawarra Link Road
In the Northern Territory we are investing over $580 million through the Nation Building Program.
Projects include:
- Work on the Tiger Brennan Drive
- Improving flood immunity on Port Keats Road
- The upgrade of the Plenty Highway
- The sealing of the Buntine Highway
- The upgrade of the Central Arnhem Road
- The upgrade of the Tanami Road
- A high level bridge over the Macarthur River at Borroloola
- The upgrade of the Maryvale Road and Hughes Stock Route
In the ACT we are investing close to $200 million through the Nation Building Program.
This funding includes the road upgrade in Canberra’s Airport precinct as well as the Tharwa Road - Lanyon Drive upgrade.
Other investments through the Nation Building Program include:
- $1.75 billion in the Roads to Recovery Program
- $500 million in the Black Spots Program
- Our additional investment in this program through our Stimulus packages is seeing an additional 607 black spots addressed across the nation.
- $70 million in the Heavy Vehicle Safety and Productivity Program
- $150 million in the Boom Gates for Level Crossing Program
All states and territories have signed up to deliver the Nation Building Program. It should also be noted that, when in government, it took the Opposition more than a year to get all
states and territories to sign up to their AusLink program.

Our Nation Building Program has the full support of all states and territories and its implementation is underway.

Last night we announced an additional investment of $8.5 billion in rail, roads and ports infrastructure for Australia to lift productivity.

Investing in nation building today to support jobs and provide infrastructure for tomorrow.

The Rudd Labor government will invest $35 billion over 6 years on transport infrastructure.

The Howard government failed to deliver on Australia’s infrastructure needs – and left us with an infrastructure deficit.

In relation to the bill, the amendments to the Act put in place the appropriate provisions to ensure the effective delivery of the suite of initiatives now funded under this program.

The bill proposes changes to ensure:

- more effective provisions for major road and rail infrastructure projects on the National Land Transport Network, as well as for those projects that are off the network; and
- more effective provisions for the Roads to Recovery Program and the Black Spots Program.

Given the transition over the last 18 months from AusLink to the implementation of the Nation Building Program, this Bill changes the references to AusLink in the Act so that it is now referred to as the Nation Building Program.

The bill will also amend the principal Act to make it clear that part 6 can be used to approve funding for projects which are off the National Land Transport Network in both regional and metropolitan areas of Australia.

This bill also makes appropriate provisions to allow sites that are on the National Land Transport Network to become eligible for Black Spot Projects’ funding under the Act. Previously, only off-network black spots were eligible under this part.

This change will facilitate the effective implementation of the additional $150 million investment in Black Spot Projects by the government.

The bill will also provide further flexibility around the Roads to Recovery Program by enabling the amounts of funding to Local Government Authorities to be increased if the minister sees fit.

Previously, no increases could be made to the amounts specified in the Roads to Recovery List after the initial list for a funding period had been determined.

The bill will also enable the minister to exempt a funding recipient from having to call for tenders on a project approved under section 9 of the Act, where the cost of the work will be under an amount prescribed in the regulations.

Finally, an amendment to the Principal Act is being made to ensure the minister can specify a funding condition that a funding recipient adheres to the terms of a matter contained in any other instrument or document as in force or existing from time to time.

The intention of this amendment is to enable the minister to require recipients of federal funds to adhere to the terms of a nominated instrument or document as they are at any given time.

So, if the terms change in any way, the funding recipient is required to adhere to the changed terms, not those which were in force at the time the funding condition was originally made.

This Bill plays an integral part in advancing the government’s Nation Building Program, and deserves the support of the parliament.

NATIVE TITLE AMENDMENT BILL 2009

The Native Title Amendment Bill 2009 will make amendments to the Native Title Act 1993 that will contribute to broader, more flexible and quicker negotiated settlements of native title claims. These changes will result in better outcomes for participants in the native title system.

The Rudd Labor government is committed to a new partnership with the Indigenous community and closing the gap between Indigenous and non-Indigenous Australians. Native title has a role to play in this new partnership; a native title system which delivers real outcomes in a timely and efficient way can provide Indigenous people with an important avenue of economic development.
The government’s key objective for the native title system is to resolve land use and ownership issues through negotiation, where possible, rather than through litigation.

This objective has been a central plank of the Native Title Act since the Keating Labor government introduced it in 1994. The preamble to the Act makes clear that recognition of native title rights should occur where possible by agreement and with due regard to the unique character of those rights.

Regrettably this admirable intention of the Act has not been realised. For over 15 years, millions of dollars have been wasted on unproductive and unnecessary litigation. An opportunity for reconciliation has all too often become an instrument of division. On current estimates, it may take another 30 years to resolve all native title claims. It is a tragedy to see people dying before their peoples’ claims are resolved. Australia’s Indigenous people deserve better.

The key amendments in this bill support the government’s objective of achieving more negotiated native title outcomes in a more timely fashion. They give the Federal Court a central role in managing all native title claims, including deciding who mediates a claim. The government is confident that the court has the necessary skills to actively manage native title claims in a way which will lead to resolution of claims in the shortest possible time frames.

In recent years, the court has achieved strong results in mediating native title matters. The amendments will draw on the court’s significant alternative dispute resolution experience to achieve more negotiated outcomes.

Having one body actively control the direction of each case with the assistance of case management powers means opportunities for resolution can be more easily identified. Parties that are behaving with less than good faith can also be more forcefully pulled into line. Where parties are deadlocked or unwilling to see common ground, the court can bring a discipline and focus on issues through the use of its case management powers to ensure that matters do not languish.

This change is in line with consistent stakeholder feedback. It is also in line with the government’s position in opposition.

Other amendments contained in the Bill aim to facilitate the faster resolution of negotiated settlements. Importantly, outcomes can extend beyond the bare recognition of legal rights. They can include sustainable benefits that deliver improved economic and social outcomes for generations of traditional owners.

To assist in facilitating broader agreements like these, the bill will enable the court to make consent orders concerning matters beyond native title.

The bill also includes specific provisions that confirm the court has discretion to rely on an agreed statement of facts between the parties in making a consent determination, where those parties include at a minimum the native title claim group and the main government party. This is intended to allow for greater efficiency in the native title process, particularly where it is clear that there is no disagreement between the key parties about the facts.

The government recently introduced amendments to the Evidence Act 1995 that, among other things, will make it easier for a court to hear evidence of Aboriginal and Torres Strait Islander law and customs, where appropriate. Of particular relevance to native title matters are amendments to the hearsay and opinion rules, and to the rules relating to narrative evidence. This bill introduces amendments that will allow the recent changes contained in the Evidence Amendment Bill 2008 to apply to native title proceedings which commenced before these amendments came into force. This will ensure that native title claimants receive the fullest possible benefit from these new laws.

This bill also contains a number of amendments to Part 11 of the Act, which deals with representative bodies. One of the aims of these measures is to streamline those parts of the Act dealing with the recognition processes for native title representative bodies. The bill’s provisions will allow for a very simple application process for the re-recognition of current representative bodies, saving significant time and paperwork.
At the moment, the Act deals with extension, variation and reduction of areas as three separate processes, which essentially have the same elements. The bill amalgamates these into one straightforward variation process but maintains the individual and public notification processes, and makes provision for extensions of time for representative bodies to make submissions if that is required.

The provisions in the bill relating to the minister’s consideration of whether a body is satisfactorily performing its functions will align with those provisions in the Act which set out how a representative body is to perform those functions.

The bill also removes transitional provisions relating to the recognition process for representative bodies which are no longer required.

In addition to the measures in this bill, the government is considering a range of options to make our courts more flexible and improve access to the civil justice system for all Australians. For example, the government recently introduced legislation to allow the court to refer questions arising in a proceeding to an appropriately qualified person for inquiry. The ability to refer questions for expert assistance should lead to faster resolution of native title litigation, as contested matters such as claim overlaps and complex issues such as the existence and extent of native title rights and interests can be referred to experts for inquiry and report.

The amendments in this bill will help to encourage a broader and more flexible approach to the resolution of native title. Importantly, they can help us move away from the traditional adversarial approach which, as we know, has proved costly and slow. No one but the lawyers benefit from costly and time consuming litigation.

The government has consulted widely in relation to these amendments and there is considerable support for the changes among the various participants in the native title system.

Native title is about more than just delivering symbolic recognition. Native title is an opportunity to create sustainable, long-term outcomes for Indigenous Australians. The effect of the amendments contained in this bill, combined with a dedication to behavioural change by all participants in the system, will improve both the operation of the system and the outcomes we can achieve under it.

I commend the bill.

SOCIAL SECURITY LEGISLATION AMENDMENT (DIGITAL TELEVISION SWITCH-OVER) BILL 2009


The government has announced that all free-to-air television broadcasters in Australia will complete the switch from analog transmission to digital-only transmission by the end of 2013.

For viewers, this will require a number of changes to the way in which television broadcasts are received, including obtaining new equipment to receive digital signals.

Switching to digital television will be a straightforward and inexpensive task for the vast majority of Australians. However, some viewers may need practical, in-home assistance to make the switch to digital. To ensure these Australians are not disadvantaged by the switch-over, the Government will implement an assistance program in regions switching from analog to digital transmission between 1 January 2010 and 31 December 2011. These regions are the television licence areas of Mildura/Sunraysia, regional Victoria, regional South Australia and regional Queensland. Lessons learned from switching over these regions will inform the broader switch-over of the rest of Australia.

The amendments in this bill are necessary to enable the implementation of the Digital Switch-over Household Assistance Program to households in regions switching from analog to digital transmission between 1 January 2010 and 31 December 2011. A household will qualify for the assistance program where one or more residents are in receipt of the maximum rate of any of the following payments: age pension; disability support pension; carer payment; or Department of Veterans’ Affairs service pension or income support supplement.
To determine qualification for the Digital Switch-over Household Assistance Program, Centrelink needs legislative authority to be able to use protected information it holds regarding recipients of age pension, disability support pension and carer payment. In addition, Centrelink needs to be able to provide the information about qualified Centrelink customers to the contractors engaged to supply the Digital Switch-over Household Assistance Program. A similar amendment for veterans to participate in the program is not required.

The amendments will authorise a person to obtain, make a record of, disclose and use protected information under the Social Security Administration Act for the purposes of the Digital Switch-over Household Assistance Program.

The amendments will ensure that Centrelink and the Department of Broadband, Communications and the Digital Economy (DBCDE) do not breach the confidentiality provisions of the social security law. They will allow Centrelink to use information currently within their systems to advise customers of their qualification for, and to invite them to participate in, the Digital Switch-over Household Assistance Program.

Information disclosed to contractors and DBCDE will be limited to that strictly necessary for the implementation of the Digital Television Switch-over Household Assistance Program. Contractors will not receive specific information about the customers’ age, payment type, disability or marital status.

DBCDE will also put in place appropriate privacy safeguards with contractors to ensure that Centrelink customers’ personal information is treated appropriately.

SOCIAL SECURITY LEGISLATION AMENDMENT (IMPROVED SUPPORT FOR CARERS) BILL 2009

This bill is the Government’s legislative commitment following the report of the Taskforce for the Carer Payment (child) Review.

The report of the Taskforce, titled Carer Payment (child): A New Approach, was released last year, finding primarily that the qualification criteria for carer payment paid in respect of a child are too restrictive and the assessment process overly rigid and producing inequitable outcomes.

The government is committed to improving significantly the level of assistance for carers of children with disability or severe medical conditions. This bill delivers on that commitment, making substantive changes to be implemented from 1 July 2009.

The changes in this bill are the latest in a series of recent support initiatives that have extended to carers. The 2008 one-off payment legislation delivered $1,000 to carer payment recipients and certain other pensioners with a caring role, and carer allowance recipients were generally paid $600 for each person cared for. Then the economic security strategy legislation of late 2008 provided $1,400 to carer payment recipients and, generally, $1,000 to carer allowance recipients for each person cared for.

These new measures are part of an $822 million package from the 2008 Budget to support and recognise carers. As well as the 2008 one-off payments, and the amendments to the carer legislation included in this bill (worth about $273 million over five years), the Government set aside $100 million for supported accommodation facilities for people with disability whose ageing parents can no longer care for them at home and $20 million for carers who have experienced a catastrophic event involving a young child.

This bill makes amendments in relation to carer payment paid in respect of a child. Carer payment is an income support payment for carers who, because of the demands of their caring role, are unable to support themselves through substantial participation in the workforce.

Due to the narrow set of medical and behavioural criteria currently determining qualification for the payment, the payment is currently received by the parents of just under 7,000 children. The amendments will deliver a new, fairer set of qualification criteria for carer payment paid in respect of a child, based on the level of care required, rather than the rigid medical criteria currently used to assess qualification for the payment. As a result, the department estimates around 19,000 more carers will have access to carer payment from 1 July 2009.
The new assessment will be known as the Disability Care Load Assessment (Child) and it will improve the overall efficiency and effectiveness of assessments even in complex cases such as where children have multiple carers, where carers have multiple care receivers, and where there is care required for an adult with disability at the same time as a child with disability. Administration will be improved, with better claims processing and capacity for the more complex claims to be handled by a dedicated complex claims assessment team.

The Disability Care Load Assessment (Child) will be established by a legislative instrument. The instrument will allow a test, comprising a carer questionnaire and a treating health practitioner questionnaire, that will be used to assess the functional ability, behaviour and special care needs of children under 16, and the level of care provided by their carers. The process will accommodate assessment of eligibility for carer payment across a wide range of household situations, including situations where there is more than one child or more than one carer involved in the qualification process. This test will provide a method for determining a qualifying rating for the carer based on the level of care associated with caring for a child or children with severe disability or a severe medical condition.

For the first time, there will be access to carer payment paid in respect of a child on a short term or episodic basis. Episodic care will cover care required for recurring conditions where the care recipient is aged under 16 years and each episode is expected to last at least three months and less than six months. This could include, for example, treatments for medical conditions such as cancer, brain injury or mental illness.

Short term care will apply if the care recipient is aged under 16 years and has a condition that is expected to be short-term (at least three months and less than six months) from a one-off incident. For example, an accident resulting in multiple broken limbs, a serious illness, or a surgical intervention may necessitate constant care in the short-term, but that care need is not expected to recur. Some short and intensive treatments for childhood cancer may also fit this category.

There will be more generous arrangements for carers of children who are in hospital so the carers can keep their carer payment and, if payable, their carer allowance, while the child is in hospital. This means that the current limit on payment in these circumstances of 63 days in a calendar year will no longer apply and will be replaced by a 12-week review cycle.

The qualification rules will also be relaxed in the tragic situation of a person caring for a child with a terminal illness. The current criteria require a medical professional to certify that the child has a terminal condition and will not live for substantially longer than 12 months. This will be replaced with a process that assesses the average life expectancy for a child with the same or a similar condition and provides for payment on that less intrusive basis.

The bill also amends some of the carer allowance provisions in the social security law. Carer allowance is an income supplement for people who provide daily at-home care and attention to an adult or child who has a physical, intellectual or psychiatric disability that is permanent and likely to affect the person for an extended period. Carer allowance is not means-tested and may be paid in addition to an income support payment.

A person in receipt of carer payment in respect of a child will become automatically eligible for carer allowance.

In conclusion, these measures will provide a more flexible and accessible income support payment for Australians facing some of the toughest circumstances – caring for a child with severe disability or a severe medical condition. Parents providing the extra care and support needed by these children are often restricted in how much time they can be available to perform paid work – the hospitalisation of a child with a serious illness or the diagnosis of a disability can often mean one parent has to stay home to take on the caring role, which can therefore mean the loss of an income. For many single parents in this circumstance, it may be impossible to sustain full-time work and provide the care needed. Parents like these who meet the usual income and assets tests associated with income support payments will now be able to access this payment based on their caring load.
This bill amends various taxation laws to implement a range of improvements to Australia’s tax laws.

Schedule 1 amends section 45-400 of Schedule 1 to the Taxation Administration Act 1953 to provide a 20 per cent reduction of the pay as you go instalment for the quarter that includes 31 December 2008 for certain small business taxpayers.

Section 45-400 sets out how the Commissioner of Taxation determines the amount of the pay as you go instalments on the basis of GDP adjusted notional tax for taxpayers who pay quarterly instalments.

The GDP uplift factor used in the calculation can be unrepresentative of expected profit growth in income years where economic and business conditions change quickly. Consequently, this can require taxpayers to pay too much pay as you go instalments compared with their actual tax liability, with the overpaid tax being refunded to them at the conclusion of the income year when their final tax liability is assessed.

For the 2008-09 income year, the GDP uplift factor is eight per cent while the expected profit growth for the small business sector (as forecast in the recent mid-year economic and fiscal outlook) is two per cent. As such, small business taxpayers who pay their quarterly PAYG instalments on the basis of GDP-adjusted notional tax would be required to pay too much throughout the year towards their annual tax liability.

The 20 per cent PAYG instalment reduction will alleviate small business taxpayers of this cash flow pressure in the current economic environment and provide immediate and much needed cash flow relief to small businesses and encourage small business confidence.

To provide flexibility, a regulation making power will be inserted into the law to allow reductions to be made in the future should that be considered necessary because of changing economic circumstances.

Schedule 2 amends various acts relating to temporary residents’ unclaimed superannuation payments.

The government made amendments to the unclaimed money regime last year, to require superannuation funds to pay the unclaimed superannuation of former temporary residents to the Australian Tax Office. This was done to help reduce the number of lost accounts and unclaimed money in the superannuation system which arises when temporary residents depart Australia without taking their superannuation with them.

Schedule 2 amends various Acts as a consequence of the amendments required to support the temporary resident unclaimed superannuation regime, including the income tax legislation, small superannuation accounts legislation, superannuation guarantee legislation and company contribution legislation.

The amendments also make changes to the broader unclaimed money regime to make the existing unclaimed superannuation provisions more compatible with the provisions for the payment of temporary residents’ unclaimed superannuation to the Australian government. Most of the changes are consistent (in many cases identical) with the requirements for the new temporary residents’ unclaimed superannuation regime.

Without these changes superannuation providers would need to maintain two very different unclaimed money regimes, one for general unclaimed superannuation money, and another for the temporary residents’ unclaimed superannuation.

Apart from the amendments to the company-contribution legislation, the consequential temporary residents’ superannuation amendments will all have effect from the day after Royal Assent. The amendments to the company-contribution will have effect from the 2009-10 income year.

Schedule 3 introduces reforms to income tests which were announced in the 2008-09 budget. The reforms expand income tests used in determining eligibility for a range of government financial assistance programs to include certain salary sacrificed contributions to superannuation, total net investment losses and adjusted fringe benefits.
AFFECTED PROGRAMS INCLUDE STUDENT FINANCIAL ASSISTANCE PROGRAMS, FAMILY ASSISTANCE PAYMENTS, INCOME SUPPORT PAYMENTS FOR INDIVIDUALS BELOW AGE PENSION AGE AND VARIOUS MEANS-TESTED TAX BENEFITS. PARTICULAR DROUGHT ASSISTANCE PAYMENTS ARE SPECIFICALLY EXCLUDED.

THE REFORMS ALSO ALIGN THE INCOME TESTS USED TO DETERMINE ELIGIBILITY FOR THE DEPENDENCY TAX OFFSETS WITH THE INCOME TEST USED FOR FAMILY ASSISTANCE PAYMENT PURPOSES.

THE MEASURES BRING INCOME TESTING UP TO DATE WITH CONTEMPORARY REMUNERATION ARRANGEMENTS. IN PARTICULAR, SUPERANNUATION CONTRIBUTIONS WILL BE ASSESSED INCLUDING ALL DEDUCTIBLE PERSONAL CONTRIBUTIONS MADE BY AN INDIVIDUAL AND ANY EMPLOYER SUPERANNUATION CONTRIBUTIONS MADE ON BEHALF OF AN EMPLOYEE THAT THE EMPLOYEE HAS OR HAS HAD CAPACITY TO INFLUENCE. AN EXAMPLE IS CONTRIBUTIONS MADE UNDER A SALARY SACRIFICE AGREEMENT. THESE CONTRIBUTIONS WILL NEED TO BE REPORTED ON PAYMENT SUMMARIES FROM 1 JULY 2009.

THE REFORMS WILL PROVIDE AN OVERALL SAVING OF $545 MILLION OVER THE FORWARD ESTIMATES PERIOD AND WILL APPLY TO THE 2009-10 AND LATER INCOME YEARS.

FULL DETAILS OF THE MEASURES IN THIS BILL ARE CONTAINED IN THE EXPLANATORY MEMORANDUM.

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TAX LAWS AMENDMENT (2009 MEASURES NO. 2) BILL 2009

This bill amends various taxation laws to implement a range of improvements to Australia’s tax laws.

Schedule 1 ensures there are no inappropriate tax consequences arising from payments made under the financial claims scheme, which this parliament enacted in October last year. Under that scheme, APRA can make payments to account holders in failed financial institutions and to claimants under general insurance policies with failed insurance companies. The specific amendments cover capital gains tax, farm management deposits, retirement savings accounts, first home saver accounts and various withholding and reporting obligations.

Schedule 2 increases access to the small business capital gains tax concessions for taxpayers owning passively held capital gains tax assets. These amendments will extend access to the small business capital gains tax concessions to circumstances that are not currently eligible. Owners of passively held assets will now be able to qualify for the concessions under the small business entity test, which was introduced in 2007 to simplify eligibility requirements for the small business concessions.

This means that a taxpayer that owns a capital gains tax asset used in a business by an affiliate or entity connected with the taxpayer, and partners owning certain capital gains tax assets used in the partnership business, will have access to the small business capital gains tax concessions via the small business entity test from the 2007-08 income year.

The schedule also makes a number of minor amendments to refine and clarify aspects of the existing small business capital gains tax concessions provisions so that they operate flexibly and as intended.

Schedule 3 provides a general exemption from capital gains tax for capital gains or capital losses arising from a right or entitlement to a tax offset, deduction or similar benefit. A highly technical interpretation of the income tax law may result in a capital gain or capital loss arising to taxpayers who have a right to receive an urban water tax offset on the satisfaction of the right. This amendment will put beyond doubt that a capital gain or capital loss would not arise for taxpayers in such circumstances, or in other circumstances where taxpayers have a right or entitlement to a tax offset, deduction or other taxation benefit.

Schedule 4 provides refundable tax offsets for eligible projects under the government’s $1 billion National Urban Water and Desalination Plan. Under the plan, eligible projects may receive assistance at a rate of 10 per cent of eligible capital costs, up to a maximum of $100 million per project.

This schedule implements the refundable tax offset component of the Plan and delivers on the Government’s election commitment.
Schedule 5 amends the list of deductible gift recipients, known as DGRs, in the Income Tax Assessment Act 1997. Subject to conditions, taxpayers can claim income tax deductions for gifts to organisations with DGR status. DGR status will assist the listed organisations to attract public support for their activities. This schedule adds four new organisations to the act:

- Australasian College of Emergency Medicine
- ACT Region Crime Stoppers Limited
- The Grattan Institute, and

This Schedule also extends the time limit on the DGR status of three further organisations:

- Bunbury Diocese Cathedral Rebuilding Fund
- State George’s Cathedral Restoration Fund, and
- Yachad Accelerated Learning Project

Schedule 6 amends the A New Tax System (Australian Business Number) Act 1999, or ABN Act, to allow the Registrar of the Australian Business Register to act as the Multi-agency Registration Authority to enable representatives of businesses to be identified for the purpose of communicating electronically with multiple government agencies on behalf of businesses. This is a part of the government’s Standard Business Reporting program. There are also a number of other amendments to the ABN Act that improve the integrity and efficiency of the Australian Business Register and help position the Registrar to take on the role of the Multi-agency Registration Authority.

Schedule 7 amends the Fuel Tax Act 2006 and related provisions elsewhere in the tax law, to remove the provision that businesses must be a member of the Greenhouse Challenge Plus program to claim more than $3 million of fuel tax credits in a financial year. This amendment to the Fuel Tax Act will have effect from 1 July 2009.

The Greenhouse Challenge Plus program will cease after 30 June 2009. The Greenhouse Challenge Plus program provision in the Fuel Tax Act was originally included so that large fuel users would monitor and take measures to reduce their carbon emissions. This outcome will be better achieved through the government’s Carbon Pollution Reduction Scheme.

Without this amendment, businesses would be unable to claim fuel tax credits in excess of $3 million in a financial year after 30 June 2009. This would be inconsistent with the policy intent of the fuel tax credit system.

Finally, Schedule 8 provides an exemption from tax for the Clean up and Restoration Grants paid to small businesses and primary producers affected by the Victorian bushfires. This measure recognises the extraordinary hardship suffered by small businesses and primary producers in affected areas, and provides certainty for recipients in terms of tax treatment at a time when they should not need to worry about tax matters.

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

TAX LAWS AMENDMENT (2009 MEASURES NO. 3) BILL 2009

This Bill amends various taxation laws to implement a range of improvements to Australia’s tax laws.

Schedule 1 amends the Taxation Administration Act 1953 to set the GDP adjustment for the 2009-10 income year at 2 per cent for taxpayers who pay quarterly pay as you go (PAYG) instalments on the basis of the GDP-adjusted notional tax method.

Without this amendment, the GDP adjustment using the formula in the PAYG instalment provisions of the Tax Administration Act 1953 would be around 9 per cent for the 2009-10 income year. Consequently, many taxpayers may have been required to pay tax instalments that would exceed their actual tax liability, with the overpaid tax being credited to them after the end of the income year when their final tax liability is assessed.

While taxpayers can vary their PAYG instalments, they may be reluctant to do so as penalties may apply for significant under estimation.

The amendment will provide cash flow benefits to small businesses, self-funded retirees and other eligible taxpayers by ensuring that their PAYG instalment amounts more closely approximate
their actual income tax liability for the 2009-10 income year.

This is an important part of the Government’s efforts to assist business through the global recession.

Schedule 2 amends the Taxation Administration Act 1953 to allow taxpayers who are voluntarily registered for goods and services tax (GST) and who choose to remit GST annually to also choose to make their PAYG instalments annually, if they satisfy the other eligibility tests for annual PAYG instalments.

The introduction of annual GST payments in 2004 without changing the annual PAYG instalment conditions at that time has created a misalignment between the PAYG and GST instalment systems. In some cases this prevents annual GST payers from making annual PAYG instalments solely because of their voluntary GST registration. This imposes unnecessary compliance costs on these taxpayers.

The amendments introduced by this Bill will reduce compliance costs for eligible taxpayers.

Schedule 3 of the Bill amends the Petroleum Resources Rent Tax Assessment Act 1987 to implement four minor measures.

The first measure involves introducing a functional currency rule into the Petroleum Resources Rent Tax (or PRRT), similar to the functional currency rule in income tax although adapted to the different features of the PRRT. This will allow PRRT taxpayers the option of electing to work out their PRRT position in a functional currency (or foreign currency) which in turn is converted to Australian dollars.

The functional currency measure is expected to reduce compliance costs for those PRRT taxpayers who keep their financial accounts in a foreign currency.

The second PRRT measure deals with exploration expenditure related to a production licence derived from an exploration permit or a retention lease. This measure ensures that all exploration expenditure in an exploration permit area, or retention lease area, is deductible for PRRT purposes against the appropriate area’s production licence.

The third PRRT measure introduces internal petroleum provisions into the PRRT to deal with the case where one participant in a petroleum project processes another participant’s petroleum prior to the PRRT taxing point. A project is currently under construction where this scenario may apply. The measure will provide consistency with the external petroleum provisions, which deal with the circumstance where a petroleum project sources petroleum for processing from outside its production area.

The fourth PRRT measure extends the offshore exploration designated frontier area incentive by one year. The incentive allows a 150 per cent uplift on PRRT deductions for exploration expenditure incurred in designated offshore frontier areas. This will enable this incentive to apply to the 2009 annual offshore acreage release. Any assistance provided beyond 2009 will be considered in light of the final report of the Australia’s Future Tax System review and the Energy White Paper, which are both scheduled to be completed by the end of 2009.

Finally, Schedule 4 amends the list of deductible gift recipients (DGRs) in the Income Tax Assessment Act 1997. Taxpayers can claim income tax deductions for certain gifts to organisations with DGR status. DGR status will assist the listed organisations to attract public support for their activities. This Schedule adds three new organisations to the Act, namely the Diplomacy Training Program Limited, the Royal Institution of Australia Incorporated and the Leeuwin Ocean Adventure Foundation Limited.

The Royal Institute based in Adelaide promotes science and scientific applications in the community and is the first international affiliate of the Royal Institute of Great Britain.

Diplomacy Training Program affiliated with UNSW provides training for representatives of non-government organisations in the Asia Pacific region focusing on human rights and good governance.

Leeuwin Ocean Adventure Foundation based in Fremantle provides educational and self development training for young people to stimulate personal development, self reliance, teamwork, confidence, responsibility and community spirit.
I wish these organisations well.
Full details of the measures in this Bill are contained in the explanatory memorandum.

THERAPEUTIC GOODS AMENDMENT
(2009 MEASURES NO. 1) BILL 2009

This Bill represents the next step in the Government’s move to introduce much needed amendments to the Therapeutic Goods Act 1989.

Many of these amendments were to have been adopted as part of the legislation underpinning the proposed Australia New Zealand Therapeutic Products Authority, or ANZTPA.

The Rudd Government has now decided to proceed to implement these amendments as changes to the Australian legislation.

The first change is to introduce into the Act a power for the Secretary to suspend the registration or listing on the Australian Register of Therapeutic Goods (ARTG) of a medicine if there are concerns about its safety.

Under the Act as it currently stands, medical devices can be suspended from the ARTG for up to six months if there are concerns about the safety of the device that could be addressed by corrective action during the period of suspension.

However, such action is not possible with medicines. If serious concerns emerge about the safety of a medicine, the Secretary’s only option is to cancel the registration or listing, even if the problems are such that they could be quickly addressed by the manufacturer.

If the registration or listing is cancelled, once the problem has been addressed the sponsor of the medicine must apply to have the medicine re-registered or re-listed, and pay the relevant application fees. This is inefficient and costly.

The proposed amendments in Schedule 1 of the Bill will address this problem.

The second set of changes relate to manufacturing licences. At present a number of licences cover more than one site, and licences do not clearly indicate the steps in manufacture or the range of goods that may be produced under the licence.

There is no ability for manufacturers to apply to vary their licences, and no ability to transfer licences from one manufacturer to another.

The proposed amendments in Schedule 2 of the Bill address these issues by providing that a licence may only cover one site, and must specify the manufacturing processes and the range of goods that it covers.

However, the amendments provide for guidelines to be made allowing the Secretary to consider applications covering more than one site. These will allow warehouses or mobile blood collection facilities to be added to a manufacturing licence covering another site.

Schedule 2 also provides for licensees to apply to vary their licences, and for regulations to be made setting out a process for transferring licences.

Thirdly, the Act presently contains a number of provisions empowering authorised officers to enter premises and take samples of therapeutic goods regulated under the Act.

However, these powers do not allow samples to be taken of related material, such as ingredients intended for use in therapeutic goods, even though the quality of these ingredients is directly relevant to the quality and safety of the finished product.

And these powers are limited to the therapeutic goods that are expected to be on the premises. For example, listing of goods on the ARTG is subject to the condition that the person in relation to whom the goods are listed will allow an authorised officer to enter premises where the person deals in the goods and take samples of those goods. If the officer found other, potentially unapproved, goods on the premises he or she would not be empowered to take samples of them.

The amendments in Schedule 3 of the Bill address this problem by extending the power to sample any therapeutic goods or anything related to therapeutic goods on the premises.

It also updates the kind of records authorised persons are allowed to take of premises by replacing references to photographs or sketches, with references to any still or moving image or recording.

The fourth set of amendments put in place a regulatory framework for homoeopathic and anthroposophic medicines.

Under current arrangements the regulations exempt many of these medicines from the need to
be listed on the ARTG and from the manufacturing quality requirements of the Act.

The Expert Committee on Complementary Medicine in the Health System recommended, in 2003, that:

- homoeopathic medicines and related remedies making therapeutic claims be regulated to ensure they meet appropriate standards of safety, quality and efficacy.

The Government has consulted extensively with homoeopathic and anthroposophic practitioners and suppliers on an appropriate level of regulation for these substances.

The amendments proposed in Schedule 4 of the Bill put in place a framework allowing standards for these medicines to be set by reference to various pharmacopoeias from July 2011. This delayed commencement date is intended to allow time for this industry sector to prepare to comply with the framework, and to allow time for further consultation on changes to the regulations to give effect to details of the new scheme.

Schedule 5 of the Bill relates to the ingredients that are permitted to be included in medicines, and gives a clear legislative backing for current practice.

At present the TGA’s Electronic Listing Facility has built into it a list of permitted ingredients. This list is based on schedules included in the regulations to the Act, but includes many substances that were ‘grandfathered’ into the scheme when the Act came into effect in 1991 and are not identified in the regulations. The list is published on the TGA website.

Persons wishing to add substances to the list of permitted ingredients currently apply to the TGA and, if the application is accepted, the new ingredient is notified in the Gazette.

As a result there is no single legal source for the ingredients which may be included in medicines.

The proposed amendments will address this by empowering the Minister to make a legislative instrument setting out lists of permitted ingredients and prohibited ingredients for different classes of medicines. Persons wishing to list a medicine for domestic use must certify that it contains only permitted ingredients and no prohibited ones, and the Secretary, in considering an application to list a medicine for export purposes, must have regard to whether it complies with the list.

A person may apply to include a new ingredient on the permitted ingredients list, and the Minister must consider this application.

At present there is no right of review under the Act of applications to the TGA to list new ingredients, and the Government does not propose to include one for the new provision allowing persons to apply to the Minister.

There are two reasons for this. Firstly, the making of the list is a legislative decision – the inclusion of an ingredient on the list will allow general use, rather than use only by the applicant. As a legislative decision the list will be subject to Parliamentary scrutiny. Second, the Minister, in considering the application, will have regard to expert advice from the TGA and its advisory committees.

The sixth group of amendments, made by Schedule 6 of the Bill, change various references to orders published in the Gazette, and to disallowable instruments, to references to legislative instruments, to clarify that these orders and instruments are legislative instruments and subject to the Legislative Instruments Act 2003.

Schedule 7 contains a range of miscellaneous amendments intended to improve the operation of the Act and clarify its operation. I will briefly outline the most significant of these.

Since 2003 the TGA has operated an electronic system to permit sponsors to list low-risk medicines containing pre-approved ingredients on the ARTG without prior scrutiny by the TGA. As part of the listing process sponsors must certify a range of matters relating to the safety and quality of the medicines, and are subject to prosecution under section 21A of the Act for providing incorrect certifications. A similar system has recently been introduced for including low-risk medical devices on the ARTG.

The proposed new section 7C regularises this process by providing for computer programs to make decisions that could be made by the Secretary, and allowing the Secretary to substitute her or his own decision within 60 days of the day on
which the decision is made by the computer program in case an error is made.

Under section 30 of the Act, sponsors can apply to the Secretary to cancel the registration or listing of medicines. However, sometimes sponsors incorrectly apply for cancellation. The proposed new section 30A allows them to apply to the Secretary within 90 days to revoke the cancellation.

Section 28 of the Act allows the Secretary to impose conditions on the registration or listing of individual medicines on the ARTG. However, in practice, the same standard set of conditions are imposed on every product as it is listed or registered, together with a very limited number of product-specific conditions.

To improve transparency and scrutiny the Bill will amend section 28 to enable the Minister, by legislative instrument, to determine the standard conditions to apply in relation to categories of medicine.

The Secretary would retain the power to impose specific conditions on particular goods that are to be included on the ARTG.

Section 28 will also be amended to add to important conditions to apply to all registered or listed medicines:
- that they are not to be supplied or exported after their expiry date; and
- that they are not to be advertised for any indication other than that accepted for the listing or registration on the ARTG.

Finally, Schedule 7 includes provisions intended to strengthen scrutiny of overseas manufacturing of listed medicines.

Under current provisions, applicants seeking to list a medicine under section 26A of the Act and proposing to manufacture the medicines overseas must have obtained prior certification from the Secretary that the manufacturing and quality control procedures at the overseas manufacturer are acceptable.

However, after listing has occurred, a sponsor can move the manufacture of a medicine to an overseas manufacturer and simply notify the TGA of the change. The move can be either from a previously approved Australian or overseas manufacturer. As a matter of administrative practice the TGA then reviews the quality of the new overseas manufacturer.

The proposed amendments will underpin this process by imposing a statutory condition on listed medicines that any overseas manufacture must be subject to a certification from the Secretary that the manufacturing and quality control procedures are acceptable, and establishing a procedure for a person to apply to the Secretary for such a certification.

The Government intends to make further changes to the therapeutic goods regulatory regime later in the year.

In particular, we intend to introduce further legislation to give effect to a new framework for the regulation of human cellular and tissue-based therapies, foreshadowed as part of the ANZTPA process.

We will also be introducing legislation to give effect to the recommendations of the 2001 Galbally Report on scheduling of medicines and poisons.

The Council of Australian Governments agreed in 2008 to support reforms to the national decision-making mechanism for scheduling of medicines and poisons suggested by the Productivity Commission. I expect that the National Coordinating Committee on Therapeutic Goods, a subcommittee of the Australian Health Ministers’ Advisory Council, will soon be releasing a discussion paper on the detailed model to be adopted.

As I said when introducing the Therapeutic Goods Amendment (Medical Devices and Other Measures) Bill 2008 in the Spring sittings last year, Australia has been served well by the TGA in the past.

It is important that the regulatory regime the TGA implements is kept up to date so that the TGA and the industry it regulates can operate as efficiently as possible, and so that Australian consumers can continue to have timely access to safe and effective therapeutic goods.
CARBON POLLUTION REDUCTION BILL 2009

The Carbon Pollution Reduction Scheme (CPRS) is one of the most significant environmental and economic reforms in the history of our nation.

The Rudd Government accepts the science on the issue of climate change – increasing concentrations of carbon pollution in our atmosphere are causing global warming.

Global action is needed to reduce carbon pollution to avoid the dangerous impacts of climate change.

Australia must play its part in this international action. Tackling the challenge of climate change is one of the Government’s highest priorities.

To achieve this the Rudd Government is committed to three pillars of action on climate change; reducing Australia’s emissions, adapting to the effects of climate change we cannot avoid, and playing a strong role in the global effort.

As part of the first pillar of action the Government is committed to achieving a targeted reduction in our emissions through the implementation of a ‘cap and trade’ emissions trading scheme.

The CPRS will reduce Australia’s emissions by placing a market price on carbon pollution, and link our efforts with those of other countries.

Through the CPRS Australia will address the need to reduce carbon pollution and the environmental impact of climate change, and at the same time support the transition in our economy to a low pollution future.

The need for action

Mainstream scientific opinion is clear. Climate change is real and there is a high probability of serious consequences if greenhouse gas emissions are not restrained.

The science tells us that unmitigated climate change is very likely to result in environmental and social disruption, including significant species extinctions around the globe, threats to food production and severe health impacts, with dramatic increases in morbidity and mortality occurring from heatwaves, floods and droughts.

Australia is highly exposed to the impacts of climate change. The effects on Australia’s environment – and economy – will be serious. The health of our population, the security of our water and energy supplies, and impacts on coastal communities and infrastructure all face unprecedented tests.

If we don’t act, average temperatures across Australia are expected to rise by just over 5°C (compared to 1990) by 2100. To put this in perspective, a 1°C rise in temperature risks a 15 per cent reduction in stream flow in the Murray-Darling Basin, Australia’s biggest river system.

The Government accepts the advice of the Garnaut Report that it is in Australia’s national interest to achieve a global agreement that will stabilise greenhouse gases in the atmosphere at a concentration of 450 parts per million carbon dioxide equivalent or lower. This is the level above which we face significant risk of dangerous climate change – that is, significant damage to our environment, our economy and our way of life.

That is why the Government has said it will commit to a national target to reduce net greenhouse emissions 25 per cent by 2020 over 2000 levels if there is an ambitious global agreement to achieve the 450 parts per million goal.

Australia can play its part in reducing greenhouse gas emissions while continuing to grow the economy.

Last year, the Treasury conducted one of the largest and most sophisticated economic modelling projects ever undertaken in Australia.

Like the Stern Report, this modelling concluded that responsible action now is less expensive than later action. The modelling found that under a variety of scenarios, significant cuts could be made to emissions at a cost to potential annual average economic growth of around one tenth of a percentage point. And this doesn’t take account of the benefits of avoided climate change - that is minimising costs such as lower agricultural productivity, damaged infrastructure, impacts on health and so on.

This modelling shows that all major employment sectors in the Australian economy continue to grow out to 2020 as we reduce our emissions through cap and trade, including the most emissions intensive trade-exposed industries.

The Government is of course very conscious of the global recession, and has been careful to en-
sure that the Carbon Pollution Reduction Scheme is economically responsible.

There will be a phased introduction to the Scheme. Mandatory obligations will commence one year later than originally proposed, on 1 July 2011.

A fixed price phase will apply between 1 July 2011 and 30 June 2012. During the fixed price phase, each carbon pollution permit will cost $10. Substantial assistance will be provided to emissions-intensive trade-exposed industries – including a Global Recession Buffer of additional assistance for the first 5 years of the scheme.

In addition, eligible businesses will receive funding to undertake energy efficiency measures in 2009-10 as part of a $200 million tranche of the Climate Change Action Fund. This is part of nearly $13 billion in a range of programs to increase energy efficiency and to research, develop, commercialise and deploy low carbon transport and energy solutions, and renewable sources of energy production.

These and other features of the Scheme ensure that it will set Australia on the path to a low-carbon economy in an economically responsible way.

The Government recognises that Australians should have the opportunity to do their bit to reduce Australia’s emissions. This Bill will ensure the Government is able to take account of the individual Australians’ voluntary reductions in carbon pollution when setting Scheme caps.

It is important that the bills to enact the Scheme be passed this year – both to maximise the chances of a global deal at Copenhagen in December, and to provide business certainty.

For Copenhagen, passage of this bill would ensure that Australia has a mechanism in place to meet its international commitments. The Government could agree to a target at Copenhagen, knowing that the country has the capacity to deliver on that target in an economically responsible way.

To major developing countries, it would send the signal that Australia is serious about delivering the emissions reductions to which we have committed – and therefore encourage action from them.

For all nations, it will help build confidence that, even in one of the world’s most resource-intensive economies, we can start to reduce our emissions while continuing to grow our economy.

For the business community investment certainty is essential if we are to foster continuing investment and growth in our economy and jobs. The CPRS will provide that.

For example, our energy and resources sectors engage in investment decisions with a horizon of anywhere from 15 to 30 years – a time period in which there can be no doubt carbon pricing of some form will be introduced into the domestic and international economy.

Uncertainty about the passage of the CPRS generates uncertainty over these long term investments. Some of these investments are worth billions of dollars and will result in thousands of new jobs – provided that certainty can be delivered. The converse, as Heather Ridout of the Australian Industry Group has said, is that ‘uncertainty is death for business’.

The need for investment certainty is the reason why the Business Council of Australia, among others, has called for a bipartisan approach and the passage of these bills this year. Indeed, the CEO of the BCA, Katie Lahey, said last week: ‘To drag on the debate whilst we have got this global financial crisis is just one more complexity that business has got to factor into its planning cycle, and for some businesses it could be the straw that breaks the camel’s back.’

Objective of the CPRS

The main policy objective of the CPRS is to reduce greenhouse gas emissions, and to do so at the least cost to the Australian economy.

There is a key reason why a cap and trade scheme delivers emissions reductions at least cost, and that is the flexibility it gives to individual firms.

It is important to appreciate that a cap and trade scheme works by reducing pollution across the economy rather than dictating exactly where and when this occurs. An economy-wide emissions cap is set by regulations and an independent regulator – in this case, the Australian Climate Change
Regulatory Authority – auctions or allocates emissions units up to that cap. Liable firms must obtain, and surrender to the Authority, emissions units equal to their emissions in each financial year.

This model provides flexibility and minimises costs. The government does not dictate to individual firms how emissions should be reduced, or by how much. That judgment is left to individual firms, taking into account the price of permits and their assessment of emissions reductions opportunities.

In short, this is an incentives-based model rather than one based on prescriptive directions. There is an economy-wide incentive to reduce emissions, which over time drives the uptake of low carbon technologies. This will place the economy in a better position over the longer term and avoid the need for large and sudden adjustments in the carbon intensity of the economy.

We should not ignore the international trend towards cap and trade schemes. By introducing the Carbon Pollution Reduction Scheme, Australia will join other developed nations in the fight to reduce carbon pollution. Emissions trading is already underway in 27 European countries. New Zealand has passed legislation to introduce a cap and trade scheme. In the United States, President Obama has reinforced his election commitments to mid and long term carbon pollution reduction goals and has called on Congress to send him legislation to establish a cap and trade system, similar to that we are establishing with the CPRS.

Key features of the Bill

I would like to outline some of the main features of the bill.

Caps and gateways

As I have said, the CPRS is a ‘cap and trade’ scheme. This involves setting a greenhouse gas emissions cap for a particular year and issuing units, equal to one tonne of carbon pollution, within that cap.

Scheme caps will be lower than the emissions path required to meet the national targets because some emissions sources – emissions from agriculture and deforestation – are not covered by the Scheme, and because direct emissions from facilities are only covered if they exceed specified thresholds.

To provide certainty, the Minister will be required to take all reasonable steps to ensure that regulations to specify scheme cap numbers for 2012-13, 2013-14 and 2014-15 are made before 1 July 2010. Caps beyond this point will be set annually to provide certainty over a five-year horizon at all times.

To provide further guidance to liable entities and participants in the carbon market more generally, national scheme gateways may be prescribed for years beginning on and after 1 July 2015. A gateway is a range, comprising an upper bound and a lower bound of emissions, expressed in terms of tonnes of carbon dioxide equivalent, for a particular year. The Minister is required to take all reasonable steps to ensure that the scheme caps are within the range specified for the relevant year.

The Rudd Government has listened to Australian households who have raised concerns that their individual efforts to reduce emissions will not be adequately taken into account under the CPRS. The bill provides for the Minister to take into account voluntary action in the setting of caps and gateways. As a matter of policy, the Government is committed to taking account of uptake of GreenPower in setting caps. The Government will take additional GreenPower purchases, above 2009 levels, into account in setting future scheme caps. A range of other indicators of voluntary action may also be taken into account. The Explanatory Memorandum to this bill outlines in detail how the Government intends to implement this policy.

The Minister is required to report annually to Parliament on reasons for her recommendations in relation to caps and gateways, and as a matter of policy will set out how voluntary action has been taken into account.

Liable entities

The Scheme applies liability in two main ways.

First, liability generally arises where the greenhouse gases emitted from the operation of a facility has a carbon dioxide equivalence of 25,000 tonnes or more per year.

In relation to landfill facilities, there has been an important change from the exposure draft bill...
released for public comment. The Government has accepted the argument from the waste sector that ‘legacy waste’ emissions – that is, emissions from waste that was placed in landfill prior to the start of the Scheme – should not be covered by the Scheme. Also, where a landfill facility is within a prescribed distance from a landfill facility that has a carbon dioxide equivalence of 25,000 tonnes or more, and is accepting similar classifications of waste, the threshold is 10,000 tonnes carbon dioxide equivalent. This is to prevent potential avoidance of waste related liability under the Scheme. The prescribed distance will be set in regulations following consultation with industry.

Secondly, where there are large numbers of small emitters, it is more practical to cover emissions by applying liability at another point along the supply chain. For example, to avoid imposing a compliance burden on many individual suppliers or users of fossil fuels and synthetic greenhouse gases, while sending the same price signal, the Scheme applies liability at the earliest point of the fuel supply chain within Australia, for example the importer or manufacturer of the fuel or synthetic greenhouse gas.

In some situations, entities that purchase fuel from that ‘upstream’ entity will be required or allowed to quote an ‘obligation transfer number’ and to take responsibility for emissions that would result from the combustion of the purchased fuel.

Obligations of liable entities

Persons liable under the Scheme have two main obligations: to calculate their emissions for each financial year, and to transfer a corresponding number of emissions units to the Authority.

When the Scheme is in full operation, most liable persons will purchase emissions units through regular auctions conducted by the Authority, or through private transactions. However, for the first year of the Scheme, in 2011-12, permits will be available from the Authority for a fixed price of $10. This one-year fixed price phase will allow the Australian economy more time to recover from the impacts of the global recession.

The Government has been consulting with industry on whether amendments can be made to resolve some contract pass through issues using the liability transfer certificate mechanism. The Government will continue to consult industry and legal experts on this issue and may introduce amendments should there be a satisfactory policy outcome.

Transitional industry assistance

Free emissions permits will be issued to our emissions-intensive, trade-exposed industries to reduce the risk of ‘carbon leakage’. Carbon leakage occurs when industries move from Australia to elsewhere, with no benefit in terms of global emissions reductions, upon introduction of a carbon price in Australia. This risk occurs when Australia imposes a carbon price on our trade exposed industries ahead of competitor economies. Transitional industry assistance is designed to reduce this risk. Regulations will provide the detail of eligible industries and rates of assistance, but the key parameters have been elaborated in significant detail in the White Paper and the Prime Minister’s announcement of 4 May 2009.

As announced on 4 May 2009, a Global Recession Buffer will be provided for emissions-intensive trade-exposed (EITE) industries for the first five years of the Scheme, in addition to previously announced rates of assistance.

This Buffer will provide an additional 5 per cent free permits for EITE activities eligible for 90 per cent assistance, giving an effective rate of assistance of almost 95 per cent to these highly emissions-intensive trade-exposed activities in the first year of the scheme.

The Buffer will provide an additional 10 per cent free permits for EITE activities eligible for 60 per cent assistance, giving an effective rate of assistance of 66 per cent to these moderately emissions-intensive trade-exposed activities in the first year of the scheme.

Rates of assistance will decline at a rate of 1.3 per cent per year, in line with the Carbon Productivity Contribution set out in the White Paper.

Free permits will also be issued, on a once-off basis over the first 5 years of the Scheme, to investors who purchased or constructed coal-fired generation assets prior to the Commonwealth Government’s announcement of its support for an emissions trading scheme.
While such a policy change could have been foreseen prior to this announcement, the Government considers it appropriate to partially recognise significant losses of asset value experienced by investors that were committed to such investments prior to a clear announcement by the Commonwealth Government of its support for such a scheme.

International linking
The Scheme has been designed to be able to link with international carbon markets. Linking allows the import of emissions units from other schemes, which will reduce global and Australian abatement costs by ensuring that the cheapest abatement opportunities are pursued first, regardless of where they occur in the world. If emissions units are robust – and only such units will be accepted – it should not matter where abatement occurs.

This is not only a matter of minimizing costs to business. Trade in international emissions units helps developing countries move to a low emissions pathway. And the more that trade in emissions rights can lower the overall cost of abatement, the more likely it is that governments around the world will be able to commit to more stringent targets in future.

Use of permit revenue
Revenue raised by sale of emissions permits will be used to help householders adjust to a carbon price. A further bill will be introduced in the 2009 Winter sittings to deliver a household assistance package under the Carbon Pollution Reduction Scheme. This package of cash assistance, tax offsets and other measures will be provided by the Government to help low- and middle-income households in adjusting to a low pollution future.

Reforestation
To encourage reductions in carbon pollution before the scheme starts, reforestation will be eligible to voluntarily generate emission units for increases in carbon sequestration from 1 July 2010, creating economic opportunities in regional Australia. It should be noted that, in response to stakeholder feedback, the Government will be introducing amendments to the reforestation provisions in the bill.

Commencement
While mandatory obligations under the Scheme will start from 1 July 2011, a number of elements of the Scheme will be activated before that date. Regulations, including regulations setting the rates of assistance for emissions-intensive, trade exposed industries, will be progressively made after stakeholder consultation.

The Australian Climate Change Regulatory Authority will be established from enactment. This will give time for ACCRA to develop a good working relationship with industry and ensure that the Scheme is implemented efficiently. ACCRA will undertake important preparatory work, such as testing auction systems and publishing guidelines on the practical operation of the Scheme.

As noted above, scheme caps and gateways will be set before 1 July 2010 – after the Copenhagen conference but well before the full commencement of the scheme.

From 1 July 2010, landholders will be able to earn permits from increased carbon stored in forests – ensuring that the CPRS will encourage action to reduce carbon pollution from that date. Auctions for permits will commence in 2010-11, for emissions units that can be used to meet obligations in the 2012-13 and following financial years.

This timetable underlines the practical advantages of passage of the bill this year.

Legislative package
The Carbon Pollution Reduction Scheme Bill 2009 is part of a package of related bills, including:

- The Australian Climate Change Regulatory Authority Bill 2009;
- The Carbon Pollution Reduction Scheme (Charges – Customs) Bill 2009, Carbon Pollution Reduction Scheme (Charges – Excise) Bill 2009 and Carbon Pollution Reduction Scheme (Charges – General) Bill 2009;
- Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009;
- Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009 and Customs Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009; and
• Carbon Pollution Reduction Scheme (CPRS Fuel Credits) Bill 2009 and Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009.

Conclusion
There has been more than ten years of discussion in Australia on the introduction of an emissions trading scheme.

In the late 1990s the Australian Greenhouse Office published a series of papers setting out how such a scheme might work and invited submissions in response.

In 2004 state and territory governments formed the National Emissions Trading Task Force, and in 2006 that task force published a discussion paper on the possible design of a national greenhouse gas emissions trading system, which was the subject of extensive public consultation.

In December 2006 the former government established its task group on emissions trading, which reported in May 2007. Again, an extensive public consultation process followed and that task group recommended that an emission trading scheme should be implemented in Australia.

From April 2007 Professor Garnaut, conducted his important review of climate change issues, which also included extensive consultation.

The Government’s Carbon Pollution Reduction Scheme Green Paper was then released for public consultation in June 2008. The Department of Climate Change undertook extensive stakeholder consultation in developing the Green Paper, including meetings with more than 260 organisations in technical workshops and bilateral meetings. To inform consultation, the department released 16 papers on different aspects of scheme design.

Final policy positions were set out in the Carbon Pollution Scheme White Paper, released in December 2008. In developing these policy positions, the Government considered 1026 submissions on the Green Paper, the final report of the Garnaut Climate Change Review, feedback from meetings, workshops and one-on-one stakeholder consultation and outcomes from a number of industry workshops.

In March 2009, the Government released for consultation draft legislation to implement the Carbon Pollution Reduction Scheme. In finalising the legislation, the Government has considered approximately 160 non-campaign submissions on the draft legislation, the outcomes of workshops with industry, technical and legal experts and review of the legislation by the Solicitor-General.

In April 2009, the Government also released the exposure draft legislation and commentary for the Carbon Pollution Reduction Scheme Fuel Tax Adjustment Arrangements. The Treasury conducted consultations with stakeholders on the draft legislation in Melbourne and Sydney.

I would also like to take the opportunity to acknowledge the huge amount of work that has gone into this legislation by the very smart and professional officials within the Department of Climate Change. They have played a key role in the design of this fundamental environmental and economic reform.

It is nearly two years since the now Leader of the Opposition, then Minister for Environment stood in this place and introduced the National Greenhouse and Energy Reporting Bill 2007. At the time he said:

‘This Bill is the first major step in the establishing the Australian emissions trading scheme.’

With this Bill, Mr Turnbull has the chance to see it through. There have been ten years of talk about establishing an emissions trading scheme. Now is the time for action.

The time has come to rise to the challenge, provide business certainty and to act on climate change.

The Government is determined to meet this challenge and protect our way of life.

The Government’s scheme will combat climate change, sustain our society and protect our economy now and into the future.

The Government is determined to have the scheme enacted and I urge all parties to support the bill.
CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009

The Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009 contains consequential and transitional provisions relating to the Carbon Pollution Reduction Scheme.

The Bill seeks to amend 11 Acts and one set of regulations.

National Greenhouse and Energy Reporting

The most significant amendments relate to the National Greenhouse and Energy Reporting Act 2007.

This Act provides the existing national framework for the reporting of information on greenhouse gas emissions, energy consumption and energy production. To maintain the Government’s commitment to the streamlining of reporting of greenhouse and energy data, the Act will be the starting framework for monitoring, reporting and assurance under the Carbon Pollution Reduction Scheme.

A number of changes are proposed to strengthen the Act and align it with the requirements of the Scheme, as outlined in the Government’s White Paper titled Carbon Pollution Reduction Scheme: Australia’s Low Pollution Future, which was released on 15 December 2008. Under the amendments, one report will satisfy an entity’s reporting requirements for the Scheme and current reporting requirements under the National Greenhouse and Energy Reporting Act 2007.

Coverage of synthetic greenhouse gases

The Carbon Pollution Reduction Scheme covers synthetic greenhouse gases. As some of these gases are already regulated under the Ozone Protection and Synthetic Greenhouse Gas Management Act 1989, amendments will be made to that Act to align it with the Scheme.

Establishment of the Australian Climate Change Regulatory Authority

The bill contains a number of consequential amendments relating to the establishment of the Australian Climate Change Regulatory Authority. As well as administering the Carbon Pollution Reduction Scheme, the new Authority will take over administration of both greenhouse and energy reporting and the renewable energy target. This necessitates a number of legislative amendments to replace two existing statutory bodies – the Office of the Renewable Energy Regulator and the Greenhouse and Energy Data Officer – and transfer their functions to the Authority.

The creation of the Australian Climate Change Regulatory Authority also gives rise to a number of other consequential amendments – for example, to apply financial management and accountability requirements to the Authority.

Measures to prevent market manipulation and misconduct

Australian emissions units and eligible international emissions units are to be financial products for the purposes of the Chapter 7 of the Corporations Act 2001 and Division 2, Part 2 of the Australian Securities and Investments Commission Act 2001. The bill amends these Acts accordingly.

These amendments will provide a strong regulatory regime to reduce the risk of market manipulation and misconduct relating to emissions units. Appropriate adjustments to the regime to fit the characteristics of units and avoid unnecessary compliance costs will be made. The Government has committed to consulting further on those adjustments and recently released a discussion paper on this issue.

As required by the Corporations Agreement between the Commonwealth, States and Territories, the Ministerial Council for Corporations has been consulted about the amendments to the corporations legislation and, to the extent necessary, has approved those amendments.

Taxation treatment of emissions units

Schedule 2 of the bill amends various taxation laws to clarify the income tax and Goods and Services Tax treatment of emissions units.

The main consideration in designing the tax treatment of units is that the tax treatment should not compromise the main objectives of the Scheme. This means that tax should not influence decisions between purchasing, trading and surrendering units or alternatively reducing emissions. The preferred tax treatment will help implement the Scheme and reduce compliance and administration costs for taxpayers and the Australian Government.
For income tax, the amendments establish a rolling balance treatment of registered emissions units which is similar to that for trading stock. The result of the treatment is that the cost of a unit is deductible, with the effect of the deduction generally being deferred through the rolling balance until the sale or surrender of the unit.

The proceeds of selling a unit are assessable income with any difference in the value of units held at the beginning of an income year and at the end of that year being reflected in taxable income. Any increase in value is included in assessable income and any decrease in value allowed as a deduction.

The Bill also amends the Goods and Services Tax law. It characterises a supply of an eligible emissions unit or a Kyoto unit specifically as a supply of a personal property right and not a supply of or directly connected with real property. The amendments will promote certainty about the application of the normal GST rules to Scheme transactions.

Conclusion

The consequential amendments contained in this bill are important for the efficient and effective operation of the Carbon Pollution Reduction Scheme. The amendments seek, where possible, to streamline institutional and regulatory arrangements and minimise administrative costs with the Scheme.

AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009

This bill would establish the Australian Climate Change Regulatory Authority – a new statutory authority that would be responsible for administering the Carbon Pollution Reduction Scheme. It is one of a package of bills to establish the Scheme.

The Authority will be responsible for auctioning and allocating emissions units, maintaining a national registry of emissions units and ensuring that firms comply with their obligations under the Scheme.

The Government’s intention is to establish an effective, efficient and independent regulator.
of abundant caution, with the charges bills providing safeguards in case a court reaches a different view on this question.

Section 55 of the Constitution provides:

- Laws imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.
- Laws imposing taxation, except laws imposing duties of customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only.

This bill caters for the possibility that the charges I have mentioned are, in whole or part, both a tax and a duty of customs by providing for the imposition of such a charge under this bill.

CARBON POLLUTION REDUCTION SCHEME (CHARGES - EXCISE) BILL 2009

This bill, which is part of the legislative package to establish the Carbon Pollution Reduction Scheme, is one of three technical bills which anticipate the possibility that the charge payable by a person to the Commonwealth for issue of an Australian emissions unit as the result of an auction, or for a fixed charge, is a tax within the meaning of section 55 of the Constitution.

The Commonwealth does not consider that these charges are taxes for constitutional purposes. However, the Government has taken an approach of abundant caution, with the charges bills providing safeguards in case a court reaches a different view on this question.

Section 55 of the Constitution provides:

Laws imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

Laws imposing taxation, except laws imposing duties of customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only.

This bill caters for the possibility that the charges I have mentioned are, in whole or part, both a tax and a duty of excise by providing for the imposition of such a charge under this bill.

CARBON POLLUTION REDUCTION SCHEME (CHARGES - GENERAL) BILL 2009

This bill, which is part of the legislative package to establish the Carbon Pollution Reduction Scheme, is one of three technical bills which anticipate the possibility that the charge payable by a person to the Commonwealth for issue of an Australian emissions unit as the result of an auction, or for a fixed charge, is a tax within the meaning of section 55 of the Constitution.

The Commonwealth does not consider that these charges are taxes for constitutional purposes. However, the Government has taken an approach of abundant caution, with the charges bills providing safeguards in case a court reaches a different view on this question.

Section 55 of the Constitution provides:

Laws imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

Laws imposing taxation, except laws imposing duties of customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only.

This bill caters for the possibility that the charges I have mentioned are, in whole or part, a tax. In those circumstances, this bill imposes the charge, but only to the extent the charge is neither a duty of customs nor a duty of excise.

CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2009

The Bill that I am introducing today seeks to establish in legislation the ‘CPRS fuel credit’ measure. It will provide transitional assistance to eligible industries and fuels that will not benefit from the cent-for-cent fuel tax reduction made under the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009.
The CPRS fuel credit will offset the increase in eligible fuel prices by an amount equal to the reduction in the fuel tax rate. CPRS fuel credit amounts will be adjusted automatically with adjustments to the fuel tax made under the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009.

The CPRS fuel credit program will give transitional assistance to the agriculture (excluding forestry) and fishing industries for the period 1 July 2011 to 30 June 2014. For the period the Government has fixed the emissions unit charge at $10 per tonne, based on current taxation arrangements, this credit will equal 2.455 cents per litre.

Activities incidental to the agriculture and fishing industries currently receive 50 per cent of the fuel tax credit under the Fuel Tax Act until 30 June 2012 after which they will be entitled to a full fuel tax credit. As these incidental activities will therefore receive a partial benefit from the reduction in fuel tax until 30 June 2012, they will be entitled to a partial CPRS fuel credit until that date. This CPRS fuel credit will be 50 per cent of the full CPRS fuel credit while the reduced fuel tax credit rate applies, and the full CPRS fuel credit thereafter until 30 June 2014.

CPRS fuel credits will also provide transitional assistance to heavy on-road transport users for the period 1 July 2011 to 30 June 2012. The industry will be entitled to a CPRS fuel credit of 2.455 cents per litre based on current taxation arrangements and the introduction of a emissions unit charge fixed at $10 per tonne.

Liquid petroleum gas (LPG), liquid natural gas (Leave not granted.) and compressed natural gas (CNG) are alternative transport fuels and will face a Carbon Pollution Reduction Scheme emissions unit obligation. However, as LPG, Leave not granted. and CNG are currently outside the fuel excise system they will not benefit from the fuel tax reductions applying to other fuels. The CPRS fuel credit program will therefore be extended to these fuels.

To be eligible for a CPRS fuel credit for the supply of gaseous fuels, an entity must be the liable entity for that fuel under the Carbon Pollution Reduction Scheme Bill 2009.

Suppliers will benefit from a CPRS fuel credit for differing transitional periods depending on the fuel.

The CPRS fuel credit will be provided to LPG suppliers for the period 1 July 2011 to 30 June 2014 as it is predominantly used for private motoring as an alternative to petrol.

The CPRS fuel credit will be provided to Leave not granted. and CNG suppliers for the period 1 July 2011 to 30 June 2012. This treatment is the same as for heavy on-road transport as Leave not granted. and CNG are predominantly used for this purpose.

The Government will review these measures upon their conclusion.

As the volume of emissions from these fuels is substantially lower than the volume from petrol and diesel, the Australian emissions unit auction charge impact on them will be lower. To reflect this, these fuels will receive less than the full amount of the CPRS fuel credit.

From 1 July 2011, based on current taxation arrangements and the introduction of the emissions unit charge fixed at $10 per tonne for one year, CNG will receive a CPRS fuel credit of 1.91 cents per litre which is 78 per cent of the full credit, Leave not granted. will receive a credit of 1.23 cents per litre which is 50 per cent of the full CPRS fuel credit. LPG, which has the three year assistance period, will receive a credit of 1.64 cents per litre, which is 67 per cent on the full CPRS fuel credit, for the first year after which the credit will be adjusted in accordance with increases in the emissions unit charge.

The CPRS fuel credit program will be administered by the Australian Taxation Office and claims will be made in the Business Activity Statement in the same manner as fuel tax credits.

Full details of the Carbon Pollution Reduction Scheme (CPRS Fuel Credits) Bill 2009 are contained in the Explanatory Memorandum.

The measures in the CPRS Fuel Credits (Consequential Amendments) Bill are mechanical in nature. For example the existing formula in the Fuel Tax Act for determining the net fuel amount, which is the amount either owed to the Commissioner of the Commissioner owes, is being replaced. The new formula includes the CPRS fuel credit and increasing or decreasing adjustments for CPRS fuel credits.

Full details of the Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009 are contained in the Explanatory Memorandum.

I am introducing today a Bill to amend the Excise Tariff Act 1921 to confirm in legislation the Government’s commitment in the Carbon Pollution Reduction Scheme: Australia’s Low Pollution Future White Paper. The Government will cut fuel taxes on a ‘cent for cent’ basis to offset the initial price impact on fuel of introducing the Carbon Pollution Reduction Scheme.

The Government recognises that people have limited flexibility to respond quickly to changes in fuel prices but that, over time, transport choices can respond to price changes.

To give households and businesses time to adjust to the Scheme, this legislation introduces a mechanism to automatically adjust the rate of fuel tax on all fuels that are currently subject to the 38.143 cents per litre rate of excise.

Fuel tax consists of excise duty on domestically manufactured fuels and excise-equivalent customs duty on imported fuels. Fuel tax is predominantly applied at a rate of 38.143 cents per litre across the range of fuels including petrol, diesel, kerosene, fuel oil, heating oil, biodiesel and fuel ethanol.

Different fuels emit different amounts of carbon when they burn and their prices will increase according to the volume of their emissions. To minimise compliance costs, the fuel tax cut will be made ‘across the board’ to currently taxed fuels. The fuel excise adjustment will be based on the expected rise in the price of diesel resulting from the introduction of the Scheme. This will ensure there is ‘cent for cent’ assistance for diesel users.

Diesel emits more carbon than petrol on a per litre basis so the fuel tax cut will provide more than ‘cent for cent’ assistance for petrol users, which make up the majority of motorists. However, diesel use is becoming more common as fuel and vehicle standards improve. Basing the fuel tax cut on diesel will therefore ensure that the Government’s ‘cent for cent’ commitment is delivered for the most common fuels used by households.

Any reductions will take place on 1 January and 1 July of each year, to harmonise with the Business Activity Statement reporting period.

The first fuel tax reduction will occur on 1 July 2011 with the commencement of the Carbon Pollution Reduction Scheme. On 1 July 2011, based on current taxation arrangements and that the emissions unit charge will be fixed at $10 per tonne, the fuel tax will be reduced by 2.455 cents per litre to 35.688 cents per litre.

After the fixed emission unit price of $10 per tonne lapses on 30 June 2012, the need for further reductions, and the amount, will be assessed based on the average Australian emissions unit auction charge over the preceding six month period. If the average unit charge at the time of the assessment is greater than the average unit charge that formed the basis of the previous reduction, then the fuel tax rate will be further reduced. This approach will apply to adjustments that occur from 1 July 2012.
If the current average unit charge amount is less than the previous average unit charge amount then the rate of fuel tax will remain the same—the fuel tax rate will not be increased if the emissions charge has fallen.

Information on the six-month average Australian emissions unit auction charge will be published by the Australian Climate Change Regulatory Authority in accordance with section 271 of the CPRS Bill.

The final reduction will be made, if necessary, on 1 July 2014. The fuel tax rate at that date will be the ongoing rate, that is, the fuel tax rate will not revert to the 38.143 cents per litre rate. At this time the Government will review the mechanism introduced by these amendments.

The amendments to the Excise Tariff Act will commence on 1 July 2011 assuming that the Carbon Pollution Reduction Scheme commences on that date.

Full details of the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009 are contained in the Explanatory Memorandum.

CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009

I am introducing today a Bill to amend the Customs Tariff Act 1995 to confirm in legislation the Government’s commitment in the Carbon Pollution Reduction Scheme: Australia’s Low Pollution Future White Paper. The commitment is to cut fuel taxes on a ‘cent for cent’ basis to offset the initial price impact on fuel of introducing the Carbon Pollution Reduction Scheme.

This amendment will introduce a new section into the Customs Tariff Act to ensure that the reductions made to the excise rates on fuels due to the introduction of the Scheme also apply to the relevant imported products.

Where a relevant excise rate, as defined in the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009, is reduced, this amendment will substitute the same rate to the excise-equivalent customs duty rates. The substitution will apply to the subheadings in Schedules 3, 5, 6, 7 and item 50(1A) in Schedule 4 to the Customs Tariff Act.

Only the rate of excise-equivalent duty - that is, the non-ad valorem - component of the duty will be substituted.

The amendments to the Customs Tariff Act will commence on 1 July 2011 assuming the Carbon Pollution Reduction Scheme Bill 2009 commences on that date.

Full details of the Customs Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009 are contained in the Explanatory Memorandum.

CARBON POLLUTION REDUCTION SCHEME (HOUSEHOLD ASSISTANCE) BILL 2009

This bill delivers on the Government’s commitment to assist low and middle-income households with the expected increases in the cost of living arising from the introduction of the Carbon Pollution Reduction Scheme.

Climate change threatens Australia’s way of life and our future prosperity. Australians want action on climate change. That’s why the Government has moved to introduce the Carbon Pollution Reduction Scheme.

It will allow economic growth without growth in emissions. However, the introduction of the Scheme will have a modest impact on the cost of living for households.

That is why the Government is providing low and middle-income households with upfront assistance to adjust to the impacts of the scheme. Through a package of cash assistance, tax offsets and other measures, the Government will help these households maintain their standard of living while moving to a low pollution future.

This bill delivers on the Government’s commitments given in the Carbon Pollution Reduction Scheme White Paper that:

- pensioners, seniors, carers, veterans, people with disability, the unemployed, students and other allowees will receive additional support, above indexation, to fully meet the ex-
pected overall increase in the cost of living flowing from the scheme;

- low-income households will receive additional support, above indexation, to fully meet the expected overall increase in the cost of living flowing from the scheme; and

- middle-income households will receive additional support, above indexation, to help meet the expected overall increase in the cost of living flowing from the scheme.

The assistance in this bill delivers on these commitments.

This bill takes account of changes to the Carbon Pollution Reduction Scheme announced on 4 May 2009 that introduces an initial $10 per tonne fixed carbon price in 2011-12 and a flexible carbon price in 2012-13. The composition of the Household Assistance package reflects this staged approach.

The Bill also takes account of other policy changes in the Budget, principally the Government’s Secure and Sustainable Pension Reform, which will affect how assistance is paid.

The Carbon Pollution Reduction Scheme will see a modest increase in the overall cost of living as we start to recognise the costs of carbon pollution in our everyday lives.

It is anticipated that the Carbon Pollution Reduction Scheme will result in increases in the cost of living of 0.4 per cent in 2011-12 and 0.8 per cent in 2012-13, resulting from an initial $10 per tonne fixed carbon price in 2011-12 and a flexible carbon price in 2012-13.

For many households government payments only represent a share of their income. Therefore increasing payments in line with headline Consumer Price Index impacts alone will not fully restore their standard of living following the introduction of the Carbon Pollution Reduction Scheme.

To adequately compensate these households, compensation needs to go beyond the average household Consumer Price Index impact.

To ensure fairness, household composition has also been taken into account in designing the assistance.

This household assistance will be funded from the sale of carbon pollution permits. The Government has committed to use every cent raised from the introduction of the scheme and the sale of carbon pollution permits to help households and businesses adjust and move Australia to the low pollution economy of the future.

Increases to pension, benefit and allowance payments

The measures contained in this bill will increase the amount of certain social security and Veterans’ Affairs pension and allowance payments by 2.8 per cent over two years. This includes a 1 per cent increase from 1 July 2011 and a further 1.8 per cent increase on 1 July 2012, including upfront indexation.

These payment increases include the bring forward of the expected Consumer Price Index related indexation increases that will automatically flow from the Scheme’s introduction. These indexation increases are expected to be 0.4 per cent in 2011-12 and 0.8 per cent in 2012-13. The 0.4 per cent expected indexation increase for 2011-12 will be brought forward and paid from 1 July 2011. The 0.8 per cent increase in the expected indexation increase will be brought forward and paid from 1 July 2012.

Because assistance for the cost of living increase provided through certain payments will be brought forward, subsequent indexation arrangements will be adjusted to avoid duplicate assistance.

These increases will apply to a range of income support payments including the age pension, carer payment, veteran service pensions, disability support pension, Newstart allowance, Youth Allowance, parenting payments and the special benefit. A list of affected payments is included in the bill.

Increases to family tax benefit

Similar to pension and allowance increases, family tax benefit will be increased to help low and middle-income families meet the expected overall increase in the cost of living flowing from the Carbon Pollution Reduction Scheme. The increases to family tax benefit will include the upfront payment of the expected automatic indexation increases that will flow from the scheme’s introduction. These automatic increases are ex-
pected to be 0.4 per cent in 2011-12 and 0.8 per cent in 2012-13. Subsequent indexation points for family tax benefit payments will be adjusted to avoid the duplication of assistance.

The per-child maximum standard rates of family tax benefit Part A for under 16 year olds and the family tax benefit Part A supplement will be increased by 2.8 per cent over two years, in line with changes to pensions and allowances.

Per-family standard rates of family tax benefit Part B and the Part B supplement will also be increased by 2.8 per cent over two years.

Additional increases are also being made to the base rate of family tax benefit Part A to assist recipients of these payments.

Adjustments will be made to indexation of family tax benefit Part A and Part B rates on 1 July 2012 and 1 July 2013 (and over further indexation points if necessary) to prevent duplication of the amounts brought forward on 1 July 2011 and 1 July 2012.

A new family tax benefit combined end-of-financial-year supplement will be created for families eligible for both family tax benefit Part A and Part B, where the main income earner has income above $60,000 per year. The value of the supplement will be up to $240 per family in 2011-12 and up to $680 per family in 2012-13 and later years. The supplement will phase in at four cents in the dollar when the primary earner’s income reaches $60,000 until the supplement reaches the maximum amount. The entitlement to this supplement will cease when a family’s entitlement to family tax benefit Part A or Part B ceases.

Measures delivered through the tax system Assistance is also being provided through the tax system. These measures provide additional assistance to eligible low and middle-income households through increases to the low income tax offset and various tax offsets for taxpayers who maintain a dependant.

Low income tax offset From 1 July 2011, the low income tax offset will increase by $150 from $1,500 to $1,650. From 1 July 2012, it will increase a further $280 to $1,930. This will increase the taxable income up to which a taxpayer is entitled to an amount of low income tax offset to $71,250 for the 2011-12 income year and to $78,250 for the 2012-13 income year and later income years.

Senior Australians tax offset These increases in the low income tax offset will increase the income level above which senior Australians eligible for the senior Australians tax offset begin to pay tax. From 1 July 2011, eligible senior Australians will have no tax liability until their income reaches $31,474 for singles and $27,680 for each member of a couple. From 1 July 2012, eligible senior Australians will have no tax liability until their income reaches $32,948 for singles and $29,547 for each member of a couple. Adjustments will also be made to the Medicare levy thresholds for senior Australians.

Dependency tax offsets Measures for households include assistance to eligible adults who maintain a dependant. These increases will apply to the dependent spouse offset, the child-housekeeper offset, the invalid-relative offset, the parent/parent-in-law offset and the housekeeper offset.

From 1 July 2011, these dependency offsets will increase by $60 while, from 1 July 2012, they will increase by $105. These increases will be in addition to the annual increases in these offsets that occur due to automatic indexation.

Transitional payments A carbon pollution reduction transitional payment will be payable for each of the 2011-12 and 2012-13 income years to independent adults in low-income households who can show they have not been assisted in line with the Government’s commitments.

The amount of the carbon pollution reduction transitional payment for the 2011-12 income year will be $200 per claimant and $550 per claimant in 2013.

The carbon pollution reduction transitional payment will become payable to qualifying individuals for the first year from 1 July 2012 and will be assessed with reference to the individual’s income in the 2011-12 financial year. The person will have until 30 June 2014 to lodge a claim for the
2012 carbon pollution reduction transitional payment.
The second year of carbon pollution reduction transitional payment will be assessed with reference to the individual’s income in the 2012-13 financial year and will become payable from 1 July 2013. A person will have until 30 June 2015 to lodge a claim to receive the 2013 carbon pollution reduction transitional payment.

Interaction with pension reform legislation
The bill includes several provisions that enable legislative instruments to be made, providing for increases of payment rates and adjustments of subsequent indexation factors beyond those explicitly included in the bill.

These provisions have been included because of the interaction between this bill and forthcoming amendments to the social security and Repatriation systems flowing from the Government’s Secure and Sustainable Pension Reform.

The Government proposes to pay Carbon Pollution Reduction Scheme household assistance to pensioners through the new Pension Supplement, announced in the Budget as part of the pension reform package. As this supplement does not yet exist in law, this bill cannot pre-empt its existence. The legislative instrument provisions allow this timing discrepancy to be addressed.

In practice, the Government intends that the legislative instruments are only a transition measure. It is proposed instead that a bill implementing the pension reforms will make substantive amendments to the current bill (when enacted) to reflect the structure of the new pension system following the Government’s pension reforms and pay the household assistance to pensioners via the new Pension Supplement.

In the meantime, the legislative instrument provisions included in this bill will ensure that the Government’s commitments as set out in the White Paper for the Carbon Pollution Reduction Scheme can be implemented regardless of Parliament’s consideration of the pension reform legislation, when that is introduced. The Government intends the pension reform legislation to remove the relevant powers to create legislative instruments regarding payment amounts and mechanisms for pensioners, and these details are to be included in the primary legislation.

Any legislative instrument that may possibly be made under these provisions will be subject to full Parliamentary scrutiny in accordance with normal arrangements.

Conclusion
Through the measures introduced by this bill, the Government will provide upfront support to low and middle-income households to help in adjusting to a low pollution future.

The Government will update the household assistance package on the basis of any new information on the estimated carbon price before the scheme starts. Each year, the adequacy of this assistance will be reviewed in the context of the Budget.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES BILL 2009
The Fairer Private Health Insurance Incentives Bill 2009 will amend various Acts to give effect to the recent Budget measure to introduce three new ‘Private Health Insurance Incentives Tiers’.

The new arrangements will commence on the later of 1 July 2010; or the day on which the Fairer Private Health Insurance Incentives (Medicare Levy Surcharges) Act 2009 receives the Royal Assent; or the day on which the Fairer Private Health Insurance Incentives (Medicare Levy Surcharges—Fringe Benefits) Act 2009 receives the Royal Assent. However, they will not commence at all unless both the Fairer Private Health Insurance Incentives (Medicare Levy Surcharges) Act 2009 and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharges—Fringe Benefits) Act 2009 also receive Royal Assent.

The Government supports a mixed model of balanced private and public health services.

The Government is also committed to a sustainable private health system, and to ensure it remains sustainable, the Government will rebalance support for private health insurance to provide a fairer distribution of benefits.

The new arrangements will make the private health rebates fairer. Firstly, singles earning
$75,000 or less and couples and families earning $150,000 or less will receive the same rebate as they currently enjoy and will not be adversely affected.

Currently, approximately 14 per cent of single taxpayers who have incomes above $75,000 receive about 28 per cent of the total PHI rebate paid to singles – or twice their population share. Under the Government’s reforms, these singles will receive about 12 per cent of the total PHI rebate paid to singles.

Similarly, approximately 12 per cent of couple taxpayers who have incomes above $150,000 receive about 21 per cent of the total PHI rebate paid to couples – almost twice their population share. Under the Government’s reforms, these couple taxpayers will receive about 9 per cent of total PHI rebate paid to couples.

These reforms will bring Government support for private health insurance in line with the principle underpinning the Australian tax-transfer system – that the largest benefits are provided to those on lower incomes.

Spending on the current private health insurance rebate is growing rapidly and is expected to double as a proportion of health expenditure within the next 40 years.

Clearly this presents challenges in this fiscal environment. These reforms will result in a saving to Government expenditure of $1.9 billion over four years which will help ensure that Government support for private health insurance remains fair and sustainable.

From 1 July 2010 the Government proposes to introduce three new ‘Private Health Insurance Incentive Tiers’. The tiers will mean high income earners receive less Government payments for private health insurance but will face an increase in costs if they opt out of private health cover.

The Government’s commitment to retaining the private health insurance rebate remains. Rebates for eight million low and middle income earners will be unchanged with the Government continuing to pay 30 per cent of the premium cost for a person earning $75,000 or less and couples and families earning $150,000 or less. The existing higher rebates for older Australians will remain in place for people earning below these thresholds:

- 35 per cent for people aged 65 to 69 years and 40 percent for people aged 70 years and over.

These people will continue to have no surcharge liability if they decide not to take out appropriate private health insurance.

The new tiered system will be introduced for higher income earners and will set three different rebate levels and surcharge levels based on income and age. The purpose of this is to reduce the carrot but increase the stick and ensure those who can afford to contribute more for their health insurance do so. The Government doesn’t believe it is appropriate for low income earners to subsidise the private health insurance of high income earners.

The first incentive tier will apply to singles with an income of more than $75,000 and couples and families with an income of more than $150,000. For these people the Private Health Insurance Rebate will be 20 per cent for those up to 65 years, 25 per cent for those aged 65 - 69, and 30 per cent for those aged 70 and over. The Medicare Levy Surcharge for people in this tier who do not hold appropriate private health insurance will remain at one per cent.

Tier 2 applies to singles earning more than $90,000 and couples and families earning more than $180,000. The rebate will be 10 per cent for those up to 65 years, 15 per cent for those aged 65 - 69, and 20 per cent for those aged 70 and over. The surcharge for people in this tier who do not have appropriate private health insurance will be increased to 1.25 per cent of income.

Tier 3 affects singles earning more than $120,000 and couples and families earning more than $240,000. No private health insurance rebate will be provided for people who fall within the third tier and the surcharge for avoiding private health insurance will be increased to 1.5 per cent of income for these people.

Annual indexation to average weekly earnings of the tiers will ensure that these changes remain equitable and can be maintained into the future.

The increased surcharge for people on higher incomes will help ensure that about 99.7 per cent of insured people remain in private health insurance. This is because those high income earners
who receive a lower rebate will face a higher tax penalty for avoiding private health insurance.

By retaining this system of carrots and sticks the reforms are unlikely to affect private health insurance premiums.

It is estimated that approximately 25,000 people may no longer be covered by private health insurance hospital cover, and that it might therefore result in 8,000 additional public hospital admissions over two years. When considered against the fact that public hospitals have around 4.7 million admissions per year, the impact of the measure will be insignificant.

And the measure will be particularly insignificant for public hospitals given the Government’s investment under the new $64 billion COAG agreement, where hospitals receive 50 per cent over and above the old Australian Health Care Agreements.

Further, the historic $872 million investment in preventative health will assist in keeping people out of hospitals in the first place.

In summary, this measure will make private health fairer and more balanced, more sustainable into the long term, and by maintaining a carefully designed system of carrots and sticks, have a negligible effect on both premiums and the public hospital system.

At the same time, 8 million low and middle income earners who chose to have private health insurance will continue to enjoy the benefit of a significant government rebate.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE) BILL 2009

The Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 will amend the Medicare Levy Act 1986 to give effect to the Budget measure to introduce three new ‘Private Health Insurance Incentives Tiers’.

The Bill will commence immediately after the commencement of the Fairer Private Health Insurance Incentives Act 2009.

The Medicare Levy Act 1986 determines whether an individual is liable to pay the Medicare levy surcharge in respect of their taxable income or that of their spouse. The individual’s income for surcharge purposes determines whether a person must pay the surcharge. If the individual’s income exceeds prescribed income thresholds they will need to pay the appropriate level of surcharge.

This Bill inserts the new tier system in order to determine which level of surcharge a person must pay where they do not hold appropriate private health insurance.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE – FRINGE BENEFITS) BILL 2009

The Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 will amend the A New Tax System (Medicare Levy Surcharge – Fringe Benefits) Act 1999 to give effect to the recent Budget measure to introduce three new ‘Private Health Insurance Incentives Tiers’.

The Bill will commence immediately after the commencement of the Fairer Private Health Insurance Incentives Act 2009.

The A New Tax System (Medicare Levy Surcharge – Fringe Benefits) Act 1999 determines whether an individual is liable to pay the Medicare levy surcharge in respect of a reportable fringe benefits total they or their spouse may have. The individual’s income for surcharge purposes determines whether a person must pay the surcharge. If the individual’s income exceeds prescribed income thresholds they will need to pay the appropriate level of surcharge.

This Bill inserts the new tier system in order to determine which level of surcharge a person must pay where they do not hold appropriate private health insurance.

Debate (on motion by Senator Faulkner) adjourned.

Ordered that:

(a) the Carbon Pollution Reduction Scheme Bill 2009, the Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009, the Australian Climate Change Regulatory Authority Bill 2009,
the Carbon Pollution Reduction Scheme (Charges—Customs) Bill 2009, the Carbon Pollution Reduction Scheme (Charges—Excise) Bill 2009, the Carbon Pollution Reduction Scheme (Charges—General) Bill 2009, the Carbon Pollution Reduction Scheme (CPRS Fuel Credits) Bill 2009, the Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009, the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009, the Customs Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009 and the Carbon Pollution Reduction Scheme Amendment (Household Assistance) Bill 2009; and

(b) the Fairer Private Health Insurance Incentives Bill 2009, the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009,

be listed on the Notice Paper as two orders of the day and the remaining bills be listed as separate orders of the day.

EMPLOYMENT AND WORKPLACE RELATIONS AMENDMENT BILL 2009
Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bill.

THERAPEUTIC GOODS AMENDMENT (MEDICAL DEVICES AND OTHER MEASURES) BILL 2008 [2009]

Returned from the House of Representatives

Message received from the House of Representatives returning the bill without amendment.

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

TELECOMMUNICATIONS INTERCEPTION LEGISLATION AMENDMENT BILL (No. 1) 2009

CUSTOMS LEGISLATION AMENDMENT (NAME CHANGE) BILL 2009

CUSTOMS AMENDMENT (ENHANCED BORDER CONTROLS AND OTHER MEASURES) BILL 2009

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

FINANCIAL ASSISTANCE LEGISLATION AMENDMENT BILL 2009

EMPLOYMENT AND WORKPLACE RELATIONS AMENDMENT BILL 2009

Assent

Messages from the Governor-General reported informing the Senate of assent to the bills.

PLEBISCITE FOR AN AUSTRALIAN REPUBLIC BILL 2008

Report of Finance and Public Administration Legislation Committee

Senator O’BRIEN (Tasmania) (4.41 pm)—On behalf of the Chair of the Finance and Public Administration Legislation Committee, Senator Polley, I present the report of the committee on the Plebiscite for an Australian Republic Bill 2008, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.43 pm)—by leave—This is an important report on the Plebiscite for an Australian Republic
Bill 2008 from the Finance and Public Administration Legislation Committee, which heard evidence from a wide spectrum of Australians who are for and against the proposal that Australia should have an Australian as head of state. As shown by the strength of opinion polls that we are seeing, the feeling in this nation is that we should be moving towards a republic, and that was indeed the outcome of the Prime Minister’s 2020 gathering of Australians. It was the one proposal that was greeted with general acclamation last year. We have a Prime Minister who is a republican and a Leader of the Opposition who is a republican, and I think this is a great time—because the country has other problems—to be looking at moving forward on this matter.

The proposal in my legislation, which I do not want to pre-empt but which as soon as I can will be brought before the chamber for debate, is that there be a plebiscite held with the election next year, which is the cheapest option, simply to ask people whether or not Australia should become a republic with an Australian as its head of state. The committee proceedings lead to the inevitable conclusion, I believe, that the answer to that is yes. A lot of public thought has gone into this. The question may be adjusted, but it is the obvious next question to ask and the obvious time to ask it is at the next available opportunity. That opportunity is with the next election. If there is some fault in that reasoning, I do not know what it is. We should proceed.

Senator O’BRIEN (Tasmania) (4.46 pm)—I move:

That the Senate take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

BUSINESS

Rearrangement

Senator O’BRIEN (Tasmania) (4.46 pm)—by leave—I move:

That the following business of the Senate orders of the day be postponed till a later hour:

(a) no. 3, relating to the presentation of the report of the Select Committee on Climate Policy;

(b) no. 4, relating to the presentation of the report of the Economics Legislation Committee on the provisions of the Australian Climate Change Regulatory Authority Bill 2009 and related bills; and

(c) no. 6, relating to the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the provisions of the Nation Building Program (National Land Transport) Amendment Bill 2009.

Question agreed to.

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

Second Reading

Debate resumed.

Senator CORMANN (Western Australia) (4.46 pm)—Before question time, I was reflecting on how the views of the Minister for Health and Ageing, Nicola Roxon, had changed from before the election, when she was the opposition spokesperson on health, to now, when she is the minister. Before the election, she was opposed to and could not see any justification for a system of cost recovery for PBS listings, in fact raising the prospect of the risk that cost recovery would pose to the independence of the PBAC. Cost recovery, as I was saying before question time, has been implemented successfully in the TGA process, which has been able to maintain its independence, but of course the TGA and the PBAC have very different
roles. The TGA decides whether a drug or a medical device can be marketed in Australia, whereas the PBAC advises the minister on which drugs should be approved for a public subsidy.

The Productivity Commission has made the point that cost recovery arrangements should only be introduced to improve efficiency and should not be implemented where they are inconsistent with policy objectives. Whilst cost recovery may improve efficiency, if it leads to higher drug prices and delays PBS listings it would be inconsistent with the objectives of the PBS, which are to provide timely and affordable access to pharmaceuticals.

The industry has pointed out quite vigorously a number of concerns. The first of those is that this is a global first. It is indeed unprecedented around the world that cost recovery principles, in terms of the listing process of pharmaceuticals, be implemented in this fashion. The measures do not adhere to the principles of cost recovery from the industry’s point of view, in that there is no service to the seller. Recovery is being made for a purchaser’s function and could, from the industry’s point of view, take the cost of listing to over $1 million. That presents a risk to patients across Australia in getting access to new medicines which might not be listed in Australia as a result of what the government is proposing through the National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 [No. 2]. It could well impact on small patient population groups. The real risk is that some companies may decide that it is not worth listing some drugs for those groups.

Finally, there is a real concern that this measure will deter innovation and investment in the Australian pharmaceutical industry because it is in fact a tax. It should be acknowledged as such, and there is no proper comparison to the TGA process, where payment is made for registration. The government is reintroducing this measure at a time when the industry is already dealing with a substantial four-year reform process, which was initiated in 2007. It comes at a time when the budget is already imposing a further $175 million in price cuts on the industry, and, of course, it comes at a time of a significant global economic downturn.

The minister’s views on this have changed, as I have noted. Rather than agreeing with the proposition that she put before the election that this measure would threaten the independence of the PBS, she is now actively pursuing it on behalf of the Rudd government. I do note that the Chairman of the PBAC suggested that there were no concerns about cost recovery impacting on the recommendations or independence of the PBAC.

The PBS does give Australia one of the best pharmaceutical delivery systems in the world. It gives Australians access to the best available medicines that are safe and of the highest quality. We fully support the charter of the PBS to provide timely and affordable access to subsidised medications for the Australian community. We are very concerned about the impact of the measures in this legislation. We understand that the government have given indications to the Greens that they will agree to an amendment that the Greens will move later. We will also support that amendment by the Greens to have a review of the impact of these cost recovery measures. If that amendment is passed by the Senate, as it seems that it will be, the opposition will be supporting this legislation. However, we continue to have very grave concerns about the impacts that it is likely to have into the future.

Senator SIEWERT (Western Australia) (4.51 pm)—We made our position clear on
this bill the first time we considered it. I am not going to go through all the comments that I made last time but I do want to reiterate a number of our points and put the reasoning behind the Greens position on this National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 [No. 2]. In principle we support the cost recovery mechanism. The pharmaceutical industry makes a great deal of money from the PBS. We believe that, in general, cost recovery makes sense given the large amount of money the industry makes out of the PBS and the large cost of the scheme to the taxpayer. The Greens strongly support the PBS. We think that it is appropriate that the industry pays for cost recovery.

When we originally looked at this bill, we were concerned about the independence of the PABC. As a result of the two inquiries we had, our questions to government and our looking at the legislation in detail, we were somewhat assured that it did not undermine the independence of the PABC. We had particular concern about non-orphan drugs—those specialised drugs that are used for purposes for which they are not listed. Those drugs include some used in specialist and rare cancer treatment and some that are used in Aboriginal communities. A number of drugs have proved to be very beneficial for palliative care. These drugs are often used in low volumes but it is quite an expensive process to list them. So we were concerned to ensure that those drugs were protected in any cost recovery scheme.

The other issue we were concerned about at the time was the fact that the regulations, if I can remind the chamber, were made public the day that the Senate Standing Committee on Community Affairs was due to report on this legislation. We were extremely disappointed about that. We did not think it was a good process given that this particular piece of legislation was going to significantly impact not only the industry but also stakeholders. There was a particular level of concern around those non-orphan drugs, particularly from people involved in palliative care. In fact, we had a number of submissions to the Senate inquiry about that specific issue. Following that, the government referred the regulations to committee. So the community affairs committee has had two inquiries into this bill: one into the bill itself and the second into the regulations. Once we had had a look at the legislation, it helped to allay a lot of the concerns of the Greens, but there were terms in the legislation that were confusing and not adequately defined. When we go into committee, I will seek government assurance around some of those definitions.

There has been a lot of concern in the industry and amongst those that rely on non-orphan drugs as to the impact of this legislation. Although a lot of the issues have been dealt with, we think it is appropriate that there be a review around its impact. We believe it would increase transparency and accountability to look at the application of the cost recovery processes, so we will be moving an amendment to the legislation. I understand that it has support from the government and that the opposition, as we just heard, will be supporting it. In fact, the amendment incorporates amendments put by the opposition in terms of annual reporting. I will go through those amendments in more detail in the committee stage. Whilst the government has made further attempts to improve the regulations, this is a substantive change. We are not sure whether this legislation and the cost recovery process is going to have the impact that people are worried about in terms of making it impossible for non-orphan drugs to go through the process, even with fees waived or reduced.

Senator Fielding has circulated some amendments around the minister retaining discretion to waive fees. I signal right now
that the Greens have very strong concerns about those particular amendments. Again, I will go into more detail in committee, but we are very concerned that those amendments go way beyond what is already in the regulations and that they could introduce an element that undermines the independence of the PABC. The legislation has been at pains not to do that. We are very concerned that these amendments may do just what we have all been trying to avoid.

The Greens will be supporting this legislation provided the amendment is accepted. We believe the amendment provides the safeguards to ensure that this legislation is not adversely impacting those groups that everybody in this chamber, from my recollection from the previous debate, was at pains to protect. Those are the small groups who use the non-orphan drugs, those drugs that are low volume and that are too expensive to put through the process if there is not a fee waiver process. We will obviously make our decision once we see what the government does with the amendments that the Greens are proposing.

Senator FAULKNER (New South Wales—Minister for Defence) (4.58 pm)—The National Health Amendment (Pharmaceutical and Other Benefits—Cost Recovery) Bill 2008 [No. 2] amends the National Health Act 1953 to provide authority for the cost recovery of services provided by the Commonwealth in relation to the exercise of powers for listing medicines, vaccines and other products or services on the Pharmaceutical Benefits Scheme and the designation of vaccines for the National Immunisation Program. The aim of the PBS is to ensure that Australians have affordable access to high-quality medicines in the community. An initiative of a Labor government 60 years ago, the PBS is now accepted by both sides of politics as a success story. Access to high-quality medicines is maintained by subsidising the cost of the PBS medicines and limiting the amount that people pay for prescriptions at the point of sale. Medicines that are listed on the PBS are assessed by experts to be clinically safe and cost effective. The PBS serves Australians well and is justifiably regarded as one of the best systems of its kind in the world.

Similarly, the government is dedicated to ensuring that all Australians can continue to receive fully funded vaccines under the NIP. The NIP is a joint program of Commonwealth and state and territory governments which provides fully funded vaccines for major preventable diseases. The states and territories provide vaccines free of charge to health providers for them to administer to the community.

The cost of providing subsidised medicines and fully funded vaccines to the Australian community is a significant financial outlay to the Commonwealth and taxpayers. In 2007-08 the Commonwealth paid around $7 billion to approved pharmacists, hospitals and medical practitioners for the subsidised supply of medicines under the PBS. A further $543 million was provided by the Commonwealth to the states and territories for the fully funded supply of vaccines under the NIP within their respective jurisdictions.

In implementing a cost recovery fee for Commonwealth services, it is important to note that patient co-payments will not be affected. They are administered separately to the PBS and subject to annual review and indexation adjustment. In 2009 these co-payments are $5.30 for concession card holders and up to $32.90 for general patients.

Cost recovery is not a new policy. Cost recovery arrangements have been applied with success to many departments and agencies at state and federal level including, for example, the Therapeutic Goods Administration, TGA, the Civil Aviation Safety Author-
ity and the Australian Prudential Regulatory Authority. The pharmaceutical industry is familiar with cost recovery—the industry has been paying for the pre-market evaluation of products by the TGA since 1991.

The trigger for fees will be the lodgement of a submission, which in the case of pharmaceutical companies is a purely commercial decision. Pharmaceutical companies are free to market their products in Australia independently of the PBS or NIP subsidies. However, financial returns from the PBS and NIP, especially in relation to high sales ‘prescription only’ items, are significantly increased by PBS listing.

The government first announced its intention to introduce cost recovery of the PBS listing process in the 2008-09 Budget and it is scheduled to start from 1 July 2008. It has, however, been delayed previously in this place and been subject to intense parliamentary scrutiny, including two inquiries in 2008 by the Senate Standing Committee on Community Affairs. The interest taken by stakeholders in the inquiries demonstrates how the PBS is valued by the Australian community. The government appreciates and values the contributions made during those inquiries, particularly concerns about access to medicines targeted for small patient populations groups such as medicines for palliative care and paediatric patients and medicines specifically listed to assist people from the Aboriginal and Torres Strait Islander communities.

The government will ensure that cost recovery is not a barrier to the continued listing of orphan and niche products within the PBS and that they will not be adversely affected by the introduction of fees. Applications relating to drugs designated orphan drugs under the Therapeutic Goods Regulations 1990 will be exempt from fees. The subordinate regulations will allow for the applicant to request a waiver of the fees when lodging their submission, where the application involves the public interest test and where payment of the required fee would make the application financially unviable.

After consideration of the committee’s findings and evidence presented to the committee, the government is re-presenting the bill. The delay in passing the bill has led to a loss of expected revenue to the government—at least $9.4 million in 2008-09. The government is pleased that the opposition now supports the thrust of the bill and has negotiated in good faith on amendments suggested by both the opposition and the Australian Greens. The government accepts the suggested amendments that will provide for an independent review of the operation of the cost recovery regime after it has been up and running for two years and for the report of that review to be tabled in Parliament. In addition the minister will be required to table an annual report on the processes leading up to the Pharmaceutical Benefits Advisory Committee’s, PBAC’s, consideration of applications.

The government guarantees the continued independence of the PBAC. The government will continue to directly fund all the activities of the PBAC and its subcommittees. The PBAC will have no role in setting fees and it will not receive any revenue from industry. All revenue collected from cost recovery will be paid directly into consolidated revenue. I would like to emphasise that the expertise, integrity and sense of propriety that PBAC members bring to their task will not change as a result of cost recovery.

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. It is time for the pharmaceutical companies to contribute something back to the system.

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.

The Department of Health and Ageing has continued to consult with key stakeholders, including peak industry, consumer and healthcare provider bodies. The department has met with industry and agreed to establish a consultative mechanism with industry on cost recovery. In addition, a cost recovery impact statement will be finalised, reporting on compliance and consultations within the government’s cost recovery policy. In accordance with the cost recovery guidelines, the department will introduce ongoing monitoring mechanisms to ensure fees remain based on efficient costs and it will continue to liaise closely with key stakeholders.

Revenue from cost recovery will depend on the number and type of submissions brought to the PBAC for consideration. As a general rule, the more complex and time consuming the evaluation and price negotiation the higher the fees. Once fully operational, annual revenue from fees is expected to total about $14 million a year. In addition to the legislative reviews agreed to, a full review will be undertaken within five years, in accordance with the cost recovery guidelines.

The government has asked the Department of Health and Ageing to liaise with industry before finalising an implementation date. The minister will announce that date as soon as practicable to allow industry time to prepare. That said, the government does not anticipate that the implementation of these arrangements will be unduly delayed, and on passage of this bill the Department of Health and Ageing will work quickly to submit the proposed regulations to the federal Executive Council for the Governor-General’s consideration.

Cost recovery will be a simple system, recovering costs from parties that are in a position to gain financial benefit from the listing of their drugs or changes to listings within the PBS subsidy framework and from the designation of their vaccines for funding under the NIP. It is all about ensuring that the PBS continues to be able to provide reliable, timely and affordable access to a wide range of medicines for all Australians. I thank those who have contributed to the debate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator SIEWERT (Western Australia) (5.09 pm)—by leave—I move Greens amendments (1) and (2) on sheet 5823 together:

(1) Schedule 1, item 1, page 3 (after line 19), at the end of section 99YB, add:

Subdivision D provides that the Minister must cause a review to be undertaken of the impact of cost-recovery measures provided for under this Division and any regulations made under this Division, and must table an annual report on related processes.

(2) Schedule 1, item 1, page 5 (after line 5), at the end of Division 4C, add:
Subdivision D—Review of cost-recovery measures

99YBC Review of impact of cost-recovery measures

Review

(1) The Minister must cause an independent review of the impact of cost-recovery measures provided for under this Division and any regulations made under this Division to be undertaken as soon as possible after the second anniversary of the commencement of this Division and completed within 4 months of that anniversary.

(2) The review must report on:

(a) the average number of times a submission is presented before gaining approval and the reasons provided for requiring applicants to resubmit;
(b) the average fee for submissions by type of submission (major/minor/generic according to Department of Health and Ageing classifications);
(c) the number of applications where the population is likely to be small and utilisation of the drug, medicinal preparation or vaccine is likely to be highly targeted;
(d) the number of reviews requested by applicants;
(e) the number of fee waivers given to applicants and the reasons why waivers were given;
(f) the length of time taken for submissions to be approved;
(g) the number of applications that fail to gain a listing, the reasons why and the types of drugs concerned;
(h) any increase in operating costs of the Pharmaceutical Benefits Advisory Committee;
(i) any increase in the cost of pharmaceutical benefits scheme medications to patients;
(j) any other matters considered relevant.

(3) The review must be conducted by a panel which must comprise not less than 5 persons, including:

(a) a medical professional nominated by the Minister;
(b) a nominee of the Consumers Health Forum of Australia;
(c) three other persons nominated by the Minister, each of whom must have relevant professional qualifications and must not be employed within the pharmaceuticals industry.

(4) The panel must give the Minister a written report of the review, and the Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of receiving the report.

Annual report on processes

(5) The Secretary must, as soon as practicable after 30 June in each year, prepare and give to the Minister a report on processes leading up to the Pharmaceutical Benefits Advisory Committee consideration, including:

(a) the extent and timeliness with which responsible persons are provided copies of documents relevant to their submission to the Pharmaceutical Benefits Advisory Committee;
(b) the extent to which responsible persons exercise their right to comment on these documents, including appearing at hearings before the Pharmaceutical Benefits Advisory Committee;
(c) the number of responsible persons seeking a review of a Pharmaceutical Benefits Advisory Committee recommendation.

(6) The Minister must cause a copy of each report prepared under subsection (5) to be tabled in each House of the Parliament within 15 sitting days of receiving the report.
These two amendments—as I touched on in my speech in the second reading debate—relate to an increase in the transparency and accountability of the application of the cost recovery process. The amendments will establish an independent review of the impacts of the cost recovery measures, to take place two years after the commencement of this process and to be completed within four months. They set out the composition of the independent panel, which will include a medical professional nominated by the minister, a representative of the Consumers Health Forum and three other persons, nominated by the minister, who must have appropriate professional qualifications and not be associated with the pharmaceutical industry. The minister must table the report of the review in the House within 15 days of its receipt.

The purpose of the review is to ensure that the introduction of a cost recovery process is subject to thorough transparency and accountability and to provide detailed information on the submissions made for approval under the new regime. This information will include the level of fees imposed, the number of fee waivers, the type of submission, the length of time for approval and the number of times a submission has been presented before gaining approval, and it will provide important data on the effectiveness of the process. Importantly, the review will also provide information about the impacts of the cost recovery measure on the production and cost of low-volume, low-population drugs—in other words, those non-orphan drugs in particular. The review will investigate the impact on the operating cost of the Pharmaceutical Benefits Advisory Committee and whether there is a flow-on effect in terms of increased cost of Pharmaceutical Benefits Scheme medications to patients. That is the first set of amendments.

The other set of amendments—as I also highlighted previously—we discussed with the opposition. It relates to the tabling of an annual report by the secretary of the department. That will detail the processes leading up to the PBAC consideration of submissions and will document the timeliness of the provision of documents, the commentary on the applications to the PBAC and the number of requests for review of the PBAC recommendations.

These reporting measures will again increase the transparency of the process through which pharmaceuticals are included on the PBS and the introduction of the cost recovery mechanism. We believe these are sensible and reasonable measures which will increase the transparency and accountability of this process and, hopefully, provide very useful information to determine whether the cost recovery process is having an adverse impact. As you can see, they have been very tightly written to enable full review of the process and there are very strict timelines around when the review is to be done, how long it is to take and when it is to be tabled in parliament. Again, this is designed to increase transparency and accountability.

We think these amendments enhance the bill and will provide useful information for future decision making around cost recovery and around the PBS, which, as Senator Faulkner rightly pointed out, is a very important scheme in this country—one of the best in the world. We want to make sure that that scheme is protected and is enhanced and ensure that the measures in this bill are not in some way undermining the effectiveness and efficiency of the PBS. I commend the amendments to the chamber.

Senator CORMANN (Western Australia) (5.13 pm)—I state for the benefit of the chamber that the opposition will be supporting the Greens amendments. In fact, they are
very similar to amendments that the coalition pursued with the government. The context is that we remain concerned about some of the risks that are inherent in the legislation pursued by the government here today. They are risks that the minister herself identified in opposition—risks to the independence of the PBAC, among other things.

The coalition are great supporters of the PBS, just as we are great supporters of Medicare and great supporters of private health insurance. In fact, under the Howard government, expenditure on pharmaceutical benefits increased from $2.2 billion in 1996-97 to $6.4 billion in 2006-07. Whilst we have given an indication that we will support the bill, we do think that these amendments moved by the Greens are necessary to give proper reassurance to the industry and to the Australian community that the integrity of the PBS is not being compromised.

We support the proposition of a review after the second anniversary of the commencement of this bill and for the review to be completed within four months of that anniversary. We support the amendments around the annual report on processes. We commend the Greens, we commend Senator Siewert, who has moved these amendments on behalf of the Greens, and we commend the amendments to the chamber.

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (5.15 pm)—I indicate that the government has been swayed and convinced by Senator Siewert’s advocacy and on this occasion we will be voting for the amendments.

Question agreed to.

Bill agreed to.

Bill reported with amendments; report adopted.

Third Reading

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (5.16 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009

FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

Second Reading

Debate resumed.

Senator ABETZ (Tasmania) (5.17 pm)—We are considering the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. This bill creates a legislative bridge from the existing industrial relations system, underpinned by the Workplace Relations Act 1996, to Labor’s new system, underpinned by the Fair Work Act 2009. The bill is necessary as some parts of the existing system remain ongoing under the new system. Some parts will remain ongoing for a limited period, which is called the bridging period, and other parts are abolished completely. The attitude that we as a coalition will be taking to this legislation is, I must say, still a matter of some reflection. We understand that the Labor Party, despite having moved 120 amendments to their own legislation in the House of Representatives, are still going to be introducing into this chamber another tranche of three lots of amendments to this legislation. They have asked us to engage in the second reading debate on this legislation without having seen the amendments.

I have a funny feeling—and I might be able to predict—that there will be a requirement for a definition in this legislation along
the lines that Senator Fielding negotiated with Ms Gillard in that shameful episode in the Senate where Senator Fielding joined with Labor to pass the Fair Work Bill 2009. That was the occasion when this Senate had unanimously, in the previous third reading debate, buried Work Choices good and thorough, but Ms Gillard and Senator Fielding went back to the grave site, unearthed it, threw in jobs, threw in small business and then covered it over again. That was the effect of the amendments that unfortunately Senator Fielding was able to effect with Labor and the Greens on the last occasion.

The very small deal that Senator Fielding was able to achieve—might I add, at great expense to small business overall—was that the definition of ‘small business’ would be addressed in a transitional sense. As I read the current legislation before us, those definitions have still not been presented to the Senate and to this parliament. So that is one lot of amendments that Labor still have to move. I understand that Labor will have to move some further amendments dealing with the rules of state registered unions, and regulations will need to be allowed for to prescribe how state based unions can become part of the federal system. I would have thought that these matters were well and truly on the agenda, like the definition of small business, which should have been dealt with previously.

It is not often that I would agree with the National Tertiary Education Union, but they have made a sensible submission to us—which I assume the government is willing to accept as well—which is that industrial action and secret ballots which have already taken place before 1 July 2009 should be allowed to continue to clothe with legality industrial action that takes place after 1 July 2009. That seems to me to be a sensible amendment to make to the legislation. I understand that the government is interested in it and, in fairness to everybody, it seems a sensible course of action.

But why is this not in the raft of legislation that is before us? I am holding this legislation here, and it really is a huge amount of legislation. I remember, when Work Choices came in, Senator Wong condemning the amount of paperwork involved in relation to that legislation. For consistency’s sake. I trust that Senator Wong will have a look at the Fair Work Australia Bill and the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and tell us if there is more paperwork involved in the approach that the current government is taking to industrial relations. I dare say we all know what the answer will be to that challenge: she will not take it up, because she already knows the answer. Can I, in general terms, indicate that we the coalition, despite not being provided with all the information, are minded to be supportive of this legislation and will be supportive of the three areas of amendment that I have been able to identify as clearly the government’s responsibility. Can I flag, however, that in the committee stage I will be moving, on behalf of the coalition, nine amendments dealing with a range of issues but concerned with protecting small businesses in particular. We said in relation to the Fair Work Australia Bill—and I say on behalf of the coalition yet again in relation to this transition legislation—that jobs, small business and excessive union power are the three criteria on which we will judge the legislation. Once again small businesses will be hard-hit if some of the amendments that we are seeking are not made.

Can I point out in particular the huge cost to business in relation to the issue of award modernisation. Reality has finally mugged Ms Gillard in relation to restaurants and catering. She has now advised the Australian Industrial Relations Commission, I under-
stand, that there are certain factors—in fact she wrote to the Hon. Justice Giudice on 29 May 2009—indicating that data from the Australian Bureau of Statistics show that cafes, restaurants and catering services are characterised by comparatively low profit margins and high labour costs as a proportion of total expenses. That, of course, is part of her rationalisation for doing a backflip for restaurants and caterers. It is a welcome backflip, but we are not sure that it is actually going to pay dividends. But if that is the rationale, the consideration, that Ms Gillard has applied in relation to restaurants and caterers—namely, that the Australian Bureau of Statistics shows that cafes, restaurants and catering services are characterised by comparatively low profit margins and high labour costs as a proportion of total expenses—I would invite Ms Gillard to put on a pair of gumboots—and it is raining in some areas of rural and regional Australia, thank goodness—and visit some of the horticultural pursuits, like the ones in my home state of Tasmania; for example, the stone fruit industry and the berry fruit industry.

In these industries the fruit has to be picked not on the day that Ms Gillard determines but on the day that nature or God determines. We know that Ms Gillard has delusions of grandeur, but can I say to her and to those who are so busily pushing this nonsensical one-size-fits-all approach to industrial relations: if you put a 30 per cent weighting on the cost of picking fruit on a Saturday or Sunday, it will no longer be viable for those businesses to pick fruit on those days and, as a result, market supplies will be adversely impacted. Fruit that starts rotting will impact on unripened fruit and the consequences will be huge. The consequences will be substantial. Knowing some of the berry farmers and stone fruit farmers as I do, I know that they fit into the category that Ms Gillard told Justice Giudice about on 29 May 2009—that is, they are 'characterised by comparatively low profit margins and high labour costs as a proportion of total expenses'.

In fairness, the pharmacy sector might be seen—and I note that I am wearing their tie today, albeit by coincidence—to be a bit more profitable than other sectors. Interestingly enough, with award modernisation they too will be severely impacted. But do you know who will really be impacted? It will not be the pharmacists; it will be the students and casual workers. You see, a lot of the pharmacists engage university students to do those pill packets that are done up especially for aged-care facilities, where older people are provided with a morning, noon and night schedule of tablets for the day of the week. This is all set out for them and delivered once a week. You need careful workers to do that. I know pharmacies that employ university students and that say, ‘We don’t care when you do it, as long as they are ready for delivery Monday morning.’ Most university students say, ‘We study, have lectures, tutorials et cetera nine to five, Monday to Friday, so can we work Saturday and Sunday?’ It suits the students, it suits the pharmacies and it gets the job done. But all of a sudden there will be a cost impost for students to work on a Saturday and Sunday, which will price them out of the market.

So who are the people who are going to suffer? Not the pharmacists; I am sure they will get around it. It will be the university students, who of course are already being attacked by this government through their attempts to get rid of the opportunity of a gap year. But these are the real on-the-ground impacts of this Labor government’s legislation. If you are a pharmacist you are not exempt. If you are a farmer or a horticulturist you are not exempt. If you are a restaurant caterer you are not exempt. Senator Arbib, in a most undistinguished first question time today, when asked about what was unique
about restaurants and caterers as opposed to all these other areas, was unable to give an answer.

Senator Ronaldson—He had no idea.

Senator ABETZ—I think Senator Ronaldson is right: he had no idea. He thought he was on Sky News again and could just talk his way out of the issue rather than abide by standing orders, which in fact require direct relevance to be provided to the questions asked.

So what we have here is once again policy on the run. There are three lots of amendments that I am predicting Labor will need to introduce to have this legislation in some sort of shape, but we cannot address that in our second readers because we do not see the actual amendments—and that was after a raft of 120 amendments that had to be moved in the other place. We are concerned about award modernisation impacting on small businesses, and I trust that I have outlined that. I can indicate that we will be moving amendments in relation to the no-detriment rule, relief from increased labour costs, default superannuation, state based differences in modern awards and also the union representation orders.

It is important that we get the workplace relations regime right in this country, especially at this time. If there is any disincentive to employ, guess what? Employers will not employ. Employers are actually called employers for a very simple reason: they employ people. The Labor Party often forget that. And the more difficult you make it for employers, the less likely they are to employ. That is why we have already seen a substantial increase in the unemployment rate in this country. Sure, the global financial crisis is having an impact, but can I tell you from anecdotal evidence all around the country that it is obvious that a lot of businesses are shedding workers already in anticipation of the new regime that is going to come into place on 1 July.

As I have said on a number of previous occasions in this debate, Work Choices is dead, and we as a coalition and as an opposition acknowledge it. But one thing we do say to the Australian people is that we were motivated by one thing, and that was to try to make it easier for employers to employ people. We dared to dream at the time that unemployment could have a four in front of it, and people told us we were mad; you would never get unemployment below five per cent. When we did put in Work Choices, unemployment fell. Yes, we did fail to have a four in front of it at the end. You know why we failed? Because it had a three in front of it; we got unemployment down to 3.9 per cent. When you think of the social good and the social benefit that does for a community, to see unemployment fall by a full one percentage figure or more down to 3.9 per cent, that was our motivation.

We accept that we got it wrong because some elements of Work Choices were too harsh and that needed to be addressed, and the people spoke. But one thing I would say to those opposite is that what you are doing now is swinging the pendulum back not only pre Work Choices, not only pre Howard, Costello and Kernot changes of the early years of the Howard government but even further back to before the Hawke-Keating reforms. This is really the revenge of the dinosaurs in the Labor Party and trade union movement, those who would not have truck of Work Choices—and I accept that—but also never had truck with the Howard-Costello reforms or the Hawke-Keating reforms. In a time when people are desperate to keep their jobs, when employers are finding it difficult to keep employees, the Labor Party and those that manipulate it from behind from trades halls around the country are now swinging the pendulum back way, way
beyond pre Work Choices to pre Hawke-Keating, and that is going to have flow-on consequences for employment levels. I know that Labor will say that it is the global financial crisis. They will hide behind it. But they will know in their heart of hearts that that is not the full picture. It is their industrial relations changes that will be part of the driver of the ever-increasing number of unemployed. This is Labor’s legislation and Labor will bear the responsibility of it.

Having said that, I flagged the areas where we will be moving amendments in the committee stage. I would be interested if the minister could confirm in the summing-up speech that there will be further amendments moved by the government and, if so, whether the three areas I have indicated are to be the subject of amendment. If not, we might be minded to move amendments, and of course there may be other areas of amendment above and beyond their 120 amendments that have already been moved in the other place.

In general we will be supporting the passage of the legislation but can indicate that we have very grave concerns about certain areas of this legislation, in particular how it builds on the unfortunate events when the Fair Work Bill was passed by the Senate where the grave on Work Choices was reopened and jobs and small business were thrown in as well, which will be of great detriment to our economy, to the workforce and to small business, who after all are the engine room of job creation in this country.

Senator SIEWERT (Western Australia) (5.37 pm)—I rise tonight to speak on both the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. I will refer to these bills as the ‘fair work transition bill’ and the ‘fair work referral bill’ respectively.

With the passing of Fair Work Act in March this year, Australia is moving away from what we believed was the profoundly unjust Work Choices regime of the Howard government. The Greens have consistently argued for a fair, just and sustainable industrial relations system to replace Work Choices. We are not satisfied that the government has moved far enough from and truly repudiated all the unjust elements of Work Choices, but the Fair Work Act is now here and today we are focusing on the process of transitioning away from those elements of Work Choices that the act amended.

The fair work transition bill is important as it deals with the most immediate effects of changing from Work Choices to the Fair Work Act. The Greens are generally supportive of the approach taken by the government in this fair work transition bill. We do, however, have a number of concerns that we believe should be addressed in the interests of working Australians.

We are particularly concerned about unfair Work Choices agreements. The biggest problem in the government’s approach to transitioning from Work Choices is that the government is leaving thousands of employees stuck on unfair Work Choices agreements, including AWAs. This chamber has heard time and again about the travesty of AWAs: how they ripped away working people’s conditions, made them vulnerable to their employer and undermined collective bargaining. AWAs were at the forefront of the union movement’s Your Rights at Work campaign against Work Choices, which assisted the ALP into government. AWAs are at the forefront of the ALP’s promise to abolish Work Choices. As the Deputy Prime Minister said in her second reading speech on the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008 in March last year:
All last year, every member now sitting on this side of the House campaigned in electorates all over this country on our commitment to abolish Australian workplace agreements and to introduce Labor’s new system.

When the Australian people read our policy documents, or heard the Prime Minister speak, including at our campaign launch, or listened to me debate the previous Minister for Employment and Workplace Relations they were left without a doubt that central to our workplace relations policy was a commitment to rid Australia of all statutory individual employment agreements...

We believe that there is no need for AWAs or any statutory individual employment agreement. The essence of such agreements is that they override the safety net.

These are the sentiments that the Greens agree with. We too campaigned vigorously against AWAs. We also passionately believe that the safety net should be there for all workers and should not be able to be undermined by individual agreements. Yet, despite the ALP’s promises, AWAs are still with us and will be for many more years to come. Work Choices will not be dead until the last AWA is terminated. Work Choices is having a slow and—for those stuck on unfair AWAs—painful death. The Greens have held a consistent position since before the last election that substandard agreements—individual or collective—should be able to be terminated and the employee employed on the more favourable conditions of the award or superior collective agreement that covers the employer.

We moved amendments to the Workplace Relations Amendment (Transition to Forward with Fairness) Bill in 2008 to provide a mechanism for employees to terminate unfair AWAs. These amendments were not supported by the government and many workers have unfortunately stayed on unfair AWAs ever since. We are going to try again with this bill. We will be moving an amendment to give Fair Work Australia the power to terminate or vary unfair workplace instruments where they disadvantage the employee compared to the new safety net. The substance of this amendment was recommended by the ALP senators in their report on the Senate inquiry into this bill. We will also move another amendment, recommended by Professor Andrew Stewart and adopted by the majority report of the inquiry into this bill, that a new enterprise agreement will automatically replace an AWA or ITEA without the need for conditional termination provisions. The conditional termination provisions do not address the problem of employees stuck on unfair AWAs or ITEAs. Neither employers nor unions believe that they will be used effectively. The requirement that an employer must agree to a transition termination prior to the nominal expiry date of the AWA or ITEA renders them useless for the workers who are most in need of relief from AWAs.

Too many workers have been subject to inherently unfair workplace agreements due to the aberration that was Work Choices. In providing a fairer safety net comprising the National Employment Standards and modern awards, the ALP government has an obligation to ensure that workers cannot continue to be employed on conditions that fall below this safety net. The ALP government is failing to meet this most basic of obligations to the workers who suffered under Work Choices.

Another area of concern to us is the award modernisation process. It always makes me shudder when I agree with the opposition on IR, although I think we have different perspectives of award modernisation. Award modernisation has been attracting a great deal of criticism recently from both employers and some unions. The Greens voiced our concerns about the process right from the
very beginning. We were concerned that the process would result in a watered-down safety net, to the detriment of workers. While we agree that awards do need to be modernised, we do not want to see the fundamental value of Australia’s unique award safety net eroded.

The government has set the Australian Industrial Relations Commission a massive undertaking, which was always going to be difficult to achieve in the time frame provided. There were always going to be winners and losers out of this process. The government’s intention that the process would neither disadvantage employees nor increase employer costs was never going to be realised in such an exercise. For the Greens, the success of the award modernisation process is whether or not it results in a comprehensive safety net of wages and conditions that underpin a decent standard of living for workers.

We note and support the intervention by the Minister for Employment and Workplace Relations to ensure that no award can remove from its protection workers who earn less than $100,000 a year. The Greens were very concerned to hear of the Clerks—Private Sector Award and, in particular, the provision exempting employees on as little as $44,000 a year from key award conditions. This decision clearly contradicts the award system envisaged under the Fair Work Act. We also note the minister’s intervention to create a separate clerks and restaurants award. We would be very concerned if the minister makes a habit of undermining her own independent process in the interests of the lobby groups that can shout the loudest.

We support the take-home pay provisions in the bill. They are necessary to ensure workers do not lose pay as a result of the safety net shifting beneath them. We agree with submissions from various unions to the Senate inquiry that Fair Work Australia should be able to take into consideration the loss of significant conditions as well as financial considerations in making these orders. We note too that the majority report of the inquiry from the ALP senators supported this position. Such an extension is vital for many of the most vulnerable award reliant workers, who will face potentially significant changes in their working hours due to the award modernisation process.

We do not support the amendments put forward by the opposition for cost recovery orders for business. We note that the AIRC will be determining transitional arrangements which can last up to five years. The Greens, unlike the Liberal Party, believe in the need for a strong, robust and adequate award safety net. It is an essential part of building a fair society. The opposition’s amendments, we believe, would allow employers to essentially get exemptions from awards that would undermine the safety net.

I also want to specifically note the provisions in the transitional bill for a two-year review of modern awards, which was included as a result of an agreement with the Australian Greens when we were debating the Fair Work Bill. This earlier review was generally supported in submissions to the inquiry from both businesses and unions. The Greens believe an earlier review is important in ensuring that the new award safety net is adequate.

The Australian Greens continue to be concerned about the long-term consequences of the new award system under the Fair Work Act. As we stated in the debate on the Workplace Relations Amendment (Transition to Forward with Fairness) Bill way back in March 2008, we want to see a fair, robust and relevant award system. We believe that awards should provide a comprehensive safety net for workers on an industry or oc-
ocupational level that is flexible enough to allow for industry-specific conditions but secure enough to provide appropriate protections. Awards must be living documents. They must be able to adapt to the changes in community standards. Time will tell if the modern awards system will provide the fairness Australian workers expect.

I want to make a brief comment on a notable inconsistency in the bill, which is the government’s approach to bargaining and industrial action currently underway. Unlike most other processes dealt with in the Fair Work transitional bill, bargaining must begin again from 1 July. This also means that any authorisation for industrial action becomes void and employees will have to start the process again. Given that the regime for taking protected industrial action is very similar under the Fair Work Act to what it was under Work Choices, this seems another unnecessary impediment to the right of workers to take industrial action. I understand there may be a particular problem for employees of Telstra and in some universities who have long-running authorisations in place. We urge the government to address this issue and ensure that parties who are undergoing bargaining now and have industrial action authorisations in place are not disadvantaged by the transition to the Fair Work Act.

I also wish to briefly comment on the low-paid bargaining stream. In the debate on the Low-Paid Workplace Determination, the Australian Greens moved an amendment to delete the requirement that an employer must not have been covered by an enterprise agreement in the past to be subject to a low-paid workplace determination. Our amendment was not supported by the government. The Fair Work transitional bill extends that requirement to any collective agreement made in the past. This means that an employer may be exempt from the low-paid bargaining stream if they made a collective agreement years ago or if they made a non-union collective agreement where actual bargaining may never have occurred. In places such as Western Australia, where we have had unfair statutory individual agreements for many years, in fact, before AWAs, this provision could undermine the intention of the low-paid bargaining stream—a stream which the Greens strongly supported. It is an unnecessary and counterproductive limitation on accessing a low-paid workplace determination.

The Greens support the low-paid bargaining stream provisions. They are vitally important in encouraging and achieving genuine collective bargaining in low-paid industries, which are often female dominated industries. We do not understand why the government initially sought to limit their application. We are pleased to see that the government is partially addressing this issue with its amendments with the effect that collective agreements that have ceased to operate will not exempt an employer from low-paid bargaining. We would prefer a broader amendment, as recommended in the majority committee report, to the effect that Fair Work Australia is given the discretion to decide on a low-paid workplace determination after considering all the circumstances, including past bargaining.

The final part of the transitional bill that the Greens have significant issues with is the new representation orders. In our view this as another example of the government putting the interests of business ahead of the rights of workers. The purported reasoning for these new orders is to deal with the new rules for right of entry and the fears expressed by business that demarcation disputes between unions will increase as a result. We note the new orders are not limited to right-of-entry disputes. Indeed, there need not even be an actual dispute at all. We note the amendments the government moved in the House to clarify that a dispute need only
be threatened, impending or probable. Like the senators in the majority report on this inquiry, we do not believe these provisions are necessary. We believe they will have the potential to breach the rights of workers to freedom of association and will be used by employers to pick and choose the unions they wish to deal with. If this occurs it will be unacceptable.

I now wish to make some brief comments in support of the two sets of amendments moved by the government in the House. Firstly with respect to outworkers, the Greens are pleased the government has been prepared to listen to the needs of these most vulnerable workers and to act to ensure more complete and appropriate award protection for these outworkers. The Greens have a longstanding commitment to ensuring appropriate and robust protections for outworkers. The analysis and recommendations made by the majority report on the inquiry into the transitional bill points to unfinished business, and we note the government has not acted on all the recommendations. The Greens will be keeping a close eye on the operation of the Fair Work Act and the transitional provisions in respect of outworkers to ensure the utmost protection for these workers is assured. Secondly, we note the insertion of a requirement that Fair Work Australia provide a report on the operation of the unfair dismissal system after three years. The Greens support this proposal. We think it is important for accurate and useful data to be collected on the unfair dismissal system to inform the debate on this issue and on the operation of the unfair dismissal system under the Fair Work Act.

I would like to briefly turn now to the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. The Greens support the bill and understand the necessity for Victorian workers to be brought within the ambit of the Fair Work Act. We also note that the Queensland, South Australian and Tasmanian governments have indicated in-principle support for referring powers in respect of private sector employees. This however does not assist non-federal-system employees in my home state of WA.

The Greens have been concerned for some time about the plight of non-federal-system employees, especially those in the community and social services sector. As we discussed in the debate on the Fair Work Bill, many of these employees do not know whether or not they are in the federal system given the technical and complicated determinations of whether their employers are constitutional operations. If they are not in the federal system then while they may be currently covered by transitional instruments these instruments will be terminated in 2011 and the workers will lose important protections. We appreciate that the government is attempting to deal with the jurisdictional mess by negotiating with the states to refer their powers. Unfortunately the Western Australian government has specifically ruled out such a referral. This situation is a consequence of moving away from the conciliation and arbitration power to a reliance on the corporations power. It is an issue that is not going to go away and the government must ensure that those workers caught out by its law under this approach are protected.

The Greens will be moving a number of amendments in the committee stage of this debate, as I indicated, particularly to deal with the issue of unfair AWAs. We will continue to raise this issue because we believe it is an extremely important issue. The government made a commitment that AWAs would cease. That commitment has not been followed through. There are workers around Australia who will continue on unfair AWAs for a good many years. It seems nonsensical to me that the government does not move to address those and to support those workers.
who find themselves on AWAs that are unfair. The government has mechanisms it can use to address this issue and it should take the opportunity to support amendments that get rid of unfair AWAs. I will be going through the details of those amendments once we move to the in-committee stage consideration of amendments.

Senator STERLE (Western Australia) (5.54 pm)—I have great pleasure in rising to speak in support of the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 and the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. These bills contain the necessary transitional and consequential changes to ensure that there is a smooth and fair transition to the new workplace relations system. Importantly, the provisions in these bills will ensure certainty as the new workplace relations system comes into operation. These bills, when they come into law, will operate with the Fair Work Act 2008. This will mark the end of one of the darkest periods in Australia’s industrial relations history.

If there is one thing more than any other that caused Australian electors to drive the Howard government from office, it was Mr Howard’s trashing of the strongly held principle within Australian society that fairness should always be a core element of Australia’s industrial relations system. At the same time as the Howard government was orchestrating a massive deterioration in employee pay and conditions, business was experiencing record profits. In aggregate, company profits were growing at a substantially greater rate than the growth in aggregate wage and salary expenditure. In other words, there was no credible reason that could justify the then federal coalition government’s assault on employee wages and conditions. The whole exercise was a sham from start to finish. Plainly, Mr Howard’s attack on the working conditions of working men and women was driven by ideology together with a pathological and irrational hatred of unions.

Certainly for a while John Howard thought he had got away with the progressive dismantling of the employment conditions. In this endeavour he was lauded, egged on and abetted by extreme elements within the Liberal Party, especially in the Western Australian branch of the Liberal Party. However, at the same time, it was becoming increasingly obvious to the large majority of Australians from direct experience in their workplaces that the spin being peddled by John Howard and his ministers about the marvellous benefits that would flow to working Australians from the coalition government’s workplace policy revolution was shaping up to be a massive hoax.

While many in the workforce knew that the Howard government’s rhetoric did not match the facts, it had become strangely difficult for the broader public to find out the true extent to which standard employment conditions were being downgraded. Fortunately, in May 2006, as a result of Labor questioning at Senate estimates, information came to light about what was being lost by Australians on Australian workplace agreements. What was emerging was that employers had been provided an array of opportunities to manipulate the fine print of the Work Choices legislation to enhance their bargaining strength at the expense, unfortunately, of employees. People in lower paid jobs found that they were encountering more and more a ‘take it or leave it’ response from their employers or potential employers as far as their conditions of employment were concerned. This is why so many employers loved Work Choices.

With John Howard and his ministers crisscrossing the country and saturating the airways and the nation’s letterboxes with
Work Choices propaganda laced with fairy-tales and half truths, employers knew they were being given a nod and a wink to dismantle anything in Australia’s industrial relations system that they did not particularly like. As a result, the pace of the erosion and cutting of employment conditions increased rapidly. Typically this was justified by the often made claim trotted out by many employers that employees had to be much more flexible in today’s workplaces. Workers are well aware that in today’s world we need to adapt and adjust to often rapidly changing circumstances. Families are doing this all the time. Australian workers do not need to be consistently harassed by employers or conservative governments about the need to be more flexible. However, from bitter experience Australian working men and women also knew that all too often in the workplace there can be a very, very fine line between flexibility and exploitation. All too frequently when an employee hears the word ‘flexibility’ being spouted by an employer he or she knows that bad news could be following. You know straight away that in all likelihood your duties and responsibilities are about to increase, and quite possibly your workload is about to get a lot heavier, but there will be no increase in pay—you just have to be ‘more flexible’.

The problem for the Howard government was that employers moved faster than expected in slashing and burning employee conditions and it was becoming more and more obvious to the Australian electorate that it had been badly misled by John Howard and his Work Choices minister. With a federal election looming, the Howard government attempted a number of manoeuvres to get out of the mess it had created, all of which failed miserably. The Howard government’s cover had been blown by the actions of too many employers, and Australia’s voters were not going to have a bar of it.

While there continued to be an information blackout on the effects of Work Choices in workplaces, in April 2007 information was leaked to the media that revealed that 44 per cent of Australian workplace agreements excluded all 11 protected award conditions.

The Howard government’s Work Choices legislation was born in deceit and was clothed in deceit. Nothing demonstrated this more than the claims by Howard government ministers that Work Choices provided individual employees the ability to bargain productively and constructively with their employers. For the vast majority of employees this was simply never the case. In fact, Work Choices did the exact opposite: it destroyed the bargaining power of most Australian employees. The erosion of the bargaining power of employees for fair pay and conditions was a feature of the Howard government’s years in office.

Indeed, one of the most discouraging facets of modern business has been the increasing disconnect between the interests of business and those of the community and of the workforce. Unfortunately, some segments of business have increasingly put short-term gain before the long-term interests of the community. We saw this in the increasing use of outsourcing and contract labour, the deskilling of the workforce and the loss of apprenticeship positions. Despite the rhetoric, rather than building the future the emphasis by many in the private sector had been on ‘screw the present and to hell with the future’.

As well, too many in private enterprise saw that the way to ever-increasing profits was by shifting the risk of doing business from the businesses to the workers and to the community in general. It is not difficult to gain the impression that the making of the current global financial crisis was in major part due to an abrogation by elements in the
private sector of the sector’s broader responsibilities. Let me say also that it is no exaggeration to state that the Howard government encouraged and effectively sponsored an increasing disconnect between businesses and their greater responsibilities to employees and to the community.

As an example of this reality, I would like to draw to the attention of the Senate the situation concerning heavy vehicle drivers and owner-drivers. Having worked previously as a heavy vehicle employee and an owner-driver, I know more than a little about this subject. The major trucking companies and, by implication, the major users of heavy transport services have persistently refused to acknowledge that there is a link between oppressively low rates of pay and return to truck driver employees and owner-drivers and serious heavy vehicle crashes and fatalities. As far as some of the major trucking companies, the Australian Trucking Association and the major users of heavy road transport services are concerned, heavy vehicle road crashes are principally the fault of the drivers.

For a number of years the Transport Workers Union has been advocating on behalf of thousands of heavy vehicle drivers for safe rates of remuneration. This effort by the TWU has been supported by mounting evidence and direct experience of those in the industry that the current payment methods and rates of pay for heavy vehicle drivers are resulting in alarming rates of death and injury from heavy truck road accidents. In the year to June 2008, there were unfortunately no less than 263 fatalities as a result of heavy truck crashes, an increase of approximately 8.7 per cent over the previous year. Over the past three years the average annual number of deaths involving articulated trucks has increased, sadly, by five per cent per year. The truck drivers’ low rates of pay are the direct consequence of the weak bargaining position of owner-drivers and of the many hundreds of small trucking businesses who have little option but to accept poverty rates from the relatively small number of major corporations who make up the bulk of demand for heavy truck transport services.

If air transport companies got up to the same devices in the way they pay their pilots that the major road freight transport companies get up to in the way they pay their truck drivers, there would be a public outcry. In order to make a respectable living, it is now often impossible for drivers to maintain safe work practices. The major trucking companies have remained adamant that nothing should be put in the way of big business to extract even lower transport costs out of the nation’s truck drivers. The result is that most of the benefits of Australia’s highly efficient and competitive heavy vehicle transport sector have been captured by the purchasers of transport services and not the front-line workers in the road transport industry.

In July 2008, Julia Gillard, the Deputy Prime Minister and Minister for Employment and Workplace Relations—together with Anthony Albanese, Minister for Infrastructure, Transport, Regional Development and Local Government, and Dr Craig Emerson, Minister for Small Business, Independent Contractors and the Service Economy—jointly announced that the National Transport Commission, the NTC, would investigate and report on driver remuneration and payment methods in the Australian trucking industry and make recommendations for reform. As the minister’s media release stated:

The trucking industry prides itself on being highly competitive and efficient. However, the industry’s strength can also be its weakness, with truck drivers often finding themselves in a weak bargaining position and unable to maintain safe work practices.

I remind the Senate that this was an issue that the Howard government was happy to
ignore. The results of this independent inquiry were reported by the National Transport Commission in October 2008. In brief, the inquiry, conducted by the Hon. Lance Wright QC and Professor Michael Quinlan of the University of New South Wales, found:

This Review finds that the overwhelming weight of evidence indicates that commercial/industrial practices affecting road transport—and I want to say this very clearly—play a direct and significant role in causing hazardous practices. There is solid survey evidence linking payment levels and systems to crashes, speeding, driving while fatigued and drug use. This evidence has been accepted and indeed confirmed by government inquiries, coronial inquests, courts and industrial tribunal hearings in Australia over a number of years.

In contrast, in its submission to the safe payments inquiry, the Australian Trucking Association had this to say:

… the consensus view of the ATA—being the Australian Trucking Association—is that the most effective and appropriate way to further improve the industry’s on-road safety performance is to implement and enforce the impending Driving Hours and Fatigue Management effectively and that establishing a “Safe Rates” regime is—and listen to this, Mr Acting Deputy President—unnecessary and would be ineffective and unsustainable.

I cannot believe they said that—it is absolutely disgraceful.

Since the release of a report prepared for the National Transport Commission it has become impossible to deny that there is not a link between heavy vehicle crash fatalities and rates of pay received by heavy vehicle truck drivers. It will be interesting to see what action the large trucking companies are willing to take to save lives on Australian roads. I raise this example because it illustrates the double talk that typifies much of what is peddled by the opposition in regard to industrial relations policy. In this example we see how, too often, private sector entities—in this case, the Australian Trucking Association—are adept at muddying the water and denying the obvious when it comes to accepting a responsibility to pay drivers fair rates. This real life example shows that the employee-employer relationship is hardly ever a balanced one, and the odds are generally stacked, unfortunately, in favour of the employer.

To the great relief of Australian working families, the federal election was held on 24 November 2007. We all know the outcome: Labor was swept into power, with John Howard suffering the ultimate indignity for a Prime Minister of not only being tossed out of government but also being spurned by the electorate he had represented for 33 years. These events showed how arrogant and out of step with mainstream Australia the Liberal-National coalition government and John Howard had become during their period of office. John Howard’s Work Choices legislation demonstrated that a Liberal-National coalition—let us not forget The Nationals; let us not forget the doormats—should never again be trusted to enact fair workplace laws.

Nonetheless, it is important for the Australian electorate to remain alert to the fact that, even though the Leader of the Opposition has declared that Work Choices is dead, there is plenty of evidence—plenty of it—that extreme elements of the Liberal Party, particularly in the state of Western Australia, retain an ideological commitment to all that Work Choices stood for. The Liberal Party did not spend 20 years to get its extreme and unfair workplace ideology into law to still not harbour a desire to do it all again. It is important for Australians to take note that Work Choices might be dead, but the Liberal
Party’s extreme industrial relations ideology is still alive and well. I am sure that, if WA Liberal politicians were given half a chance and had their way, Work Choices would be brought back to life as quick as a flash.

John Howard and the Liberal Party unashamedly devalued the human side of employment contract. These bills, together with the Fair Work Act 2008, restore the dignity of the compact between the employer and the employee. That is what hardworking Australian men and women deserve and should rightly expect. The Liberal Party has shown that it does not value the high standards of performance and commitment that Australian workers give to their employers through their work. I commend these bills to the Senate and congratulate the Minister for Employment and Workplace Relations for restoring fairness and dignity to Australia’s system of industrial relations.

Senator FISHER (South Australia) (6.11 pm)—It is with significant concern that I rise to speak and contribute to the debate about the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 and the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. This government promised that the award modernisation process, as part of its workplace relations reforms, would not increase costs for employers and would not disadvantage employees. When this place previously considered another piece of legislation and attempted to prevail upon the government to legislate that promise, government senators voted the promise down. If the government meant that promise at the time that it made that promise then why won’t the government legislate that promise? Unfortunately, the proof is now becoming part of the pudding, and the pudding is before us as part of the transitional legislation and the bill that we are about to consider in this place.

The government’s transitional bill may be seen by some to be legislating about half of the government’s promise, and that, of course, is the ‘about half’ that maybe addresses some of the concerns of workers, the concerns that the government keep its promises to workers that workers will not be disadvantaged by the government’s workplace relations reforms. The so-called fair work transitional bill attempts to reassure workers by making provisions for workers to obtain things like take-home pay orders. On the say-so of the union movement, representing employees, those proposed take-home pay orders are in themselves not only (1) a concession that workers do stand to be disadvantaged by the award modernisation process but (2) inadequate for a range of reasons. One of the most compelling reasons is that take-home pay orders are about cash and supposed loss of financial benefits—in other words, workers being supposedly financially worse off.

The union movement has been very clear in saying that the Labor government’s award modernisation process stands to disadvantage workers in ways well beyond financial disadvantage and that these supposed take-home pay orders spectacularly fail to address the disadvantage to be suffered by workers in ways other than financially. We have the government conceding that, on the face of its workplace reforms, yes, employees do stand to be disadvantaged by the award modernisation process, hence some mechanisms may be in the transitional legislation.

But what about the other side of the promise: that award modernisation will not increase costs for employers? That feeds straight back into the promise about workers, because, if costs are increased for employers, the testimony of employers is that unfortunately the jobs for workers will suffer. What do the government propose with this transitional bill? Oh, they propose a couple of
things. They propose that, in certain circumstances, at the whim of the Australian Industrial Relations Commission or Fair Work Australia, there may be a delay of up to five years in implementing the pain and the increased cost of award modernisation. The very clear and compelling evidence from business is that delayed pain is still pain, and it will still result in death—albeit delayed.

The Deputy Prime Minister, in her second reading speech and in the explanatory memorandum, concedes yet again that the award modernisation will fail to keep part of the government’s promise. She concedes that the award modernisation process will increase costs for employers. In a further and failed attempt to address that, the transitional bill provides that if a business considers that its viability is threatened by the impact of award modernisation then that individual business may have the opportunity to put itself under public scrutiny and argue: ‘If this award modernisation process takes place and applies to me and my business, then the viability of my business will suffer.’ What business worth its financial salt is going to feel free to make a submission in public along those lines? A submission that ‘my viability is threatened’ is little less than sure to bring about the demise of the viability of that business. We have token solutions from the Deputy Prime Minister, token solutions from the government and, most compellingly, a concession that they have failed to keep their promise.

In the last couple of weeks, there has been an interesting development. The Deputy Prime Minister has said that award modernisation is going to have a particularly detrimental effect on some parts of the economy and has decided to vary her administrative request to the President of the Australian Industrial Relations Commission in respect of the restaurant and catering sector. She says in a letter:

I have been provided with material that supports the claims—
from the restaurant and catering sector
that the modern award would result in significant

cost increases for the restaurant, café and catering
sector in many states and that the capacity of that
sector to bear such increases, even with transitional arrangements, is limited.

There is, she continues:

... the potential for the modern award to impact
upon the continuing viability of restaurant and café businesses which operate in an industry
characterised by low profit margins and peak operating times of evenings and weekends.

The letter goes on to list eight grounds upon which she says she is relying in justifying her protection—understandable protection—of the restaurant and catering sector from the brunt of her award overhaul. She talks about things like the spread of businesses to be covered by the hospitality award operating on different business models and typically having streams of revenue from other activities, such as gaming and accommodation. She talks about high labour costs and about high award reliance. It should be little surprise to the government to know that there are many other sectors operating in Australia that consider that they face the same challenges as the restaurant and catering sector. They want the same as what the Deputy Prime Minister has given the restaurant and catering sector, yet the government has steadfastly refused, thus far, to give them the same.

I will illustrate by giving a couple of examples from, in part, my backyard in South Australia. The wine grape growing industry is across states but has a particular part in my home state of South Australia and in my former state of Western Australia. I want to refer to a letter from Mr Neil Delroy, who is Managing Director of Agribusiness Research and Management, which manages a number of vineyards. Mr Delroy has written to me to
express his concern about the government, through the award modernisation process, grouping grape growers, farmers and primary producers in the wine industry award with those who process and pack grapes and retail wine. You would think that, based on the words of the Deputy Prime Minister in her letter to the President of the AIRC in the respect of the restaurant and catering sector, there might be some questions about operating on different business models. You would think that there might be some questions about businesses to be covered by the wine award typically having streams of revenue from other activities. Streams of revenue from wine are going to be a bit different from streams of revenue from flogging your grapes—and properly so. Mr Delroy writes about the proposed inclusion of the grape growing industry in the wine industry award having ‘a significant impact on our industry and an increase in labour costs.’ That sounds a bit like the Deputy Prime Minister’s letter to the president of the AIRC in respect of the restaurant and catering sector. He goes on to say:

None of the vineyards that we manage were profitable last financial year nor will they likely be this financial year. This is due to increasing operational costs ...

He then goes on to say:

Vineyard labour costs currently represent approximately 50% of the total site cost for grape growing.

It sounds to me like labour costs are a significant proportion of the operating cost, as they are in the restaurant and catering sector. He goes on to talk about vineyard operating times that are:

... to a great degree dictated by the elements of weather and optimal harvest times ... governed by climate and agricultural factors that are outside the control of management.

It sounds to me like peak operating times. It sounds to me like penalty hours and penalty rates, not unlike those referred to in the Deputy Prime Minister’s letter to the president of the commission about the restaurant and catering sector. And Mr Delroy says:

Vineyard operations rely heavily on wage and seasonal casual employees hence we have a very high award reliance.

Again, it is the same as the Deputy Prime Minister’s letter to the president of the commission about the restaurant and catering sector.

But that is not all. What about the cleaning services sector? Longford Cleaning is a South Australian based cleaning services business which wrote to the Deputy Prime Minister at the end of May referring to the Deputy Prime Minister’s promise that ‘award modernisation should not leave employees worse off or drive up costs for employers’. They are understandably confused about that promise because Mr Gibbie, a director of the business, says to me that the options for his business, in order to sustain the increases from this overhauled award process, will result in the loss of 75 to 80 per cent of their business if they were to pass on to their customers, or attempt to do so, the increased costs. They see no other end result than that their workers will be worse off:

... our workers will be worse off because they no longer have a job or they have less hours and therefore are no better off.

Mr Gibbie goes on to say:

In our industry, margins are slim, hopefully 5%.

The Deputy Prime Minister, in her letter to the President of the Industrial Relations Commission in respect of the restaurant and catering sector, refers to her own words: ‘comparatively low profit margins and high labour costs as a proportion of total expenses’. She goes on to cite Australian Bureau of Statistics figures, saying that in 2006-07 the average profit margin was 3.8 per cent for cafes and restaurants and 5.3 per cent for
catering services. She goes on to compare that with a 12.7 per cent average for all industries. Well, Mr Gibbie says that in the cleaning services sector, industry margins are slim—hopefully five per cent, and that is if they are lucky. It sounds to me pretty much on a par with the restaurant and catering sector. So there are, understandably, other sectors in Australia that consider they have the same challenges as the restaurant and catering sector, and they reckon they deserve the same concessions that the restaurant and catering sector is apparently about to get. They want to know whether the government will give those concessions to them.

It is pretty clear that the government does not have a process to deal with these concerns from industry. They do not have a policy and they do not have a process. That becomes clear because the Deputy Prime Minister cannot clearly tell other sectors how they might stand a chance to get what the restaurant and catering sector seem to have got—industries like retail, fast food, pharmacy and cleaning services. They reckon they share the same reasons that Ms Gillard gave to support her saving of the restaurant and catering sector from the brunt of her award overhaul. But she cannot reassure those sectors, who reckon they face similar challenges, that they will get similar relief, and they do not know how to convince her that they need it. I asked Senator Arbib in question time today about whether the government would give the same to those other sectors who the government knows deserve it. He attempted to reassure the opposition and those parts of industry—horticulture, pharmacy, retail, cleaning services and fast food—with these concerns:

In the areas you raised—horticulture, pharmacy and retail—there is an examination going on right now by the department and the Deputy Prime Minister. I do not think that is any surprise because there is extensive consultation with the sector going on right now.

The horticulture, cleaning services, retail, pharmacy and fast food sectors deserve to know exactly what examination and extensive consultation with their sectors is supposedly going on right now because if the government is consulting with these sectors, when, where and how is it happening, and do these sectors know about it? Mr Mark McKenzie, Executive Director of Wine Grape Growers Australia, says to me that ‘wine grape production has not been conferred with by the government’ about the government’s decision to parcel it up in the wine industry award. So if there are examinations and extensive consultations supposedly going on with the sectors right now, it might be a good idea to let the sectors know about it.

If the industries facing similar challenges to the restaurant and catering sector actually get what they think the restaurant and catering sector has got and what the restaurant and catering sector thinks it has got, will it make any difference? Let us look at that. In acknowledging the valid concerns of industry, the Deputy Prime Minister says in her varied award modernisation request to the president of the commission:

... the Commission to create a separate modern award covering the restaurant and catering industry, separate from those sectors in the hospitality industry providing hotelier, accommodation or gaming services ...

She says that the commission should create a modern award. The Deputy Prime Minister knows full well that saying something should happen does not guarantee that it will happen. She then goes on to say, in respect of the restaurant and catering sector, the development of such a modern award ‘should establish a penalty rate and overtime regime that takes account of the operational requirements of the industry, including the la-
bour-intensive nature of the industry and the industry’s core trading times’.

Once again the Deputy Prime Minister knows full well that ‘should’ does not guarantee ‘will’.

Sitting suspended from 6.30 pm to 7.30 pm

Debate (on motion by Senator Stephens) adjourned.

COMMITTEES
Economics Legislation Committee
Report
Senator HURLEY (South Australia) (7.31 pm)—I present the report of the Senate Economics Legislation Committee on the provisions of the Australian Climate Change Regulatory Authority Bill 2009 and other related bills that form part of the government’s Carbon Pollution Reduction Scheme, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Climate Policy Committee
Report
Senator COLBECK (Tasmania) (7.31 pm)—I present the report of the Senate Select Committee on Climate Policy, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator O’BRIEN (Tasmania) (7.32 pm)—by leave—I move:

That the total time for debate on the reports of the Economics Legislation Committee and the Select Committee on Climate Policy today shall not exceed 60 minutes.

Question agreed to.

Senator O’BRIEN (Tasmania) (7.32 pm)—by leave—I move:

That the Senate take note of the reports together.

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

Senator HURLEY (South Australia) (7.32 pm)—Both the Senate Economics Legislation Committee and the Senate Select Committee on Climate Policy reported on both the original CPRS legislation and the changes that were announced by the government on 4 May 2009. The CPRS legislation was the result of a very long process of analysis and consultation by successive federal parliaments and governments. The Senate Standing Committee on Industry, Science and Technology started examining the issue over two decades ago. Its report to the Howard government in 1991 concluded:

... the committee supports concerted action to reduce greenhouse gas emissions ... a target of 20% reductions by 2005 ... it is now time for action. That action must be speedy and must be a practical solution in the short term. Setting up committees to further examine greenhouse issues or putting out press releases imploring the community to be more energy conscious does not constitute action that will result in sufficiently significant reductions of greenhouse gas emissions.

They are very strong words indeed from that standing committee over two decades ago. Unfortunately they were not acted upon.

On top of the government’s exhaustive public consultation process, including the green paper, the white paper and exposure draft legislation, the Senate has had extensive opportunity to scrutinise the CPRS. The Senate Economics Committee inquiry into the exposure draft bills held seven days of public hearings around the country, the Senate Select Committee on Fuel and Energy has had 12 days of public hearings around...
the country, the Senate Select Committee on Climate Policy has held 10 days of public hearings around the country and the Senate Economics Legislation Committee inquiry into the legislation held two days of public hearings. After all this, many witnesses indicated to us that they were inquired out.

The parliament has held 13 committee inquiries to look at how we are going to deal with the challenge of climate change, and there have been more than 787 appearances before these committees. Despite this, we are still faced with the absurd proposition from those opposite that we should delay taking action yet again. This follows a moving feast of positions by the opposition on the release of their targets, first after Garnaut’s report, then after the Treasury modelling, then after the white paper, then after the Pearce report they commissioned from the Centre for International Economics, then after the select committee inquiry and then after yet another inquiry from the Productivity Commission. And now they are saying they will make a decision after Copenhagen and after the US laws are finalised. The reality is that they have no united position and so will continue to prevaricate and delay rather than working cooperatively to at last move forward on this critical issue.

It has been increasingly clear that the developing countries are not able to continue using resources at the same rate as in the past, and that the current pollution rate will be unsustainable. This is particularly so as developing nations such as China and India experience rapid growth and utilise resources themselves. There are many countries in Asia, South America and Africa that would also look to be on a growth trajectory. It is therefore important that developed nations take a responsible position.

The CPRS has been designed to enable Australia to effectively make a transition over time to a low-pollution economy. The scheme will include all greenhouse gases under the Kyoto protocol and will include around 75 per cent of Australian emissions. According to estimates in the white paper, companies with mandatory obligations under this scheme comprise approximately 1,000 businesses. The CPRS builds the cost of climate change into all our decisions by attaching a cost to pollution for the first time. It puts a cap on our pollution and creates the financial incentives to find cleaner ways of doing business.

The scheme is also backed up by robust, long-term modelling by the Australian Treasury. This modelling concluded that responsible action now is less expensive than delayed action later. This is a critical point, since it is a significant change to our economy and it is important to achieve as smooth a transition as possible for the sake of our economy and the companies and people who are part of it. The modelling concluded that coordinated global action reduces the economic cost of achieving environmental objectives, reduces distortions in trade-exposed sectors and provides insurance against climate change uncertainty. The modelling showed that we can still reduce our emissions while continuing to grow our economy—it was unequivocal that we would continue to grow the economy even with the introduction of the CPRS—and that acting now to reduce emissions will be cheaper than acting later or, worse, not acting at all.

Crucially, the modelling suggests that real GNP per capita growth slows by one-tenth of one per cent per year as a result of putting a price on emissions. With our economy as it is, we should be able to absorb that slowing of growth. This is one-fifth of the cost of population ageing. Moreover, this does not take into account the costs avoided by successful global action on climate change.
Throughout the inquiries we heard mounting evidence from peak industry groups, the financial and investment sector, international law firms and the renewable energy sector that failure to pass the legislation would have an adverse effect on certainty for business in making capital expenditure decisions. The committee heard that large companies impacted by the scheme have been preparing for its introduction for some time—keeping in mind that the reduction of greenhouse gas emissions has been formally recommended since 1991. Australian businesses know that climate regulation is inevitable, but ongoing uncertainty about what form the legislation will take is imposing real costs today. Uncertainty is the enemy of investment and, therefore, job creation. We need to give investors a clear signal so they can make investment decisions that factor in a carbon price, which will be essential to reducing our pollution.

A crucial aspect of the CPRS legislation and other government policies is that funding will be given to renewable energy sources and industries that will thrive under the new regime. Critical for Australia is carbon capture and storage and geosequestration. These are fledgling technologies that are yet to be fully proven. Without funding and the certainty of a carbon cost, the chances are that these technologies will either never be proved or be proved slowly. It is vitally important for our coal and energy industries that these technologies be developed.

The passing of the CPRS legislation is widely supported by peak industry, environmental and social welfare organisations, including the Australian Industry Group, the World Wildlife Fund and the Australian Council of Social Service. Whilst not all will agree with every aspect of the proposed legislation, there is overwhelming recognition of the need to support the legislation, establish the framework for the operation of the scheme, secure investment certainty and place ourselves in a strong position for the international negotiations in Copenhagen—that is, there is no positive economic, environmental or social value in further delay.

It is unfortunate that those opposite have yet again turned their back on this reality despite the commitment of the previous government to introduce an emissions trading scheme. However, it is not just the Labor Party and the Liberal Party that promised to introduce emissions trading. Family First went to the election with a commitment to introduce emissions trading, Senator Xenophon has made it clear that he believes we need to act on climate change and it goes without saying that the Greens have campaigned on climate change for years. It is difficult, in that context, to understand why they would block laws that would reduce Australia’s carbon pollution by up to 25 per cent. It is baffling to me that some groups choose to stand on an elevated pedestal rather than put in place a scheme that will begin to make a difference.

Without the CPRS in place Australia would need to adopt other measures to meet the targets to which it will agree at Copenhagen. Business-unfriendly regulatory measures would raise the cost of reducing Australia’s emissions, and those costs will be passed on to all Australians through higher prices and lower standards of living. The Senate Standing Committee on Economics concluded that the proposed alternatives are a distant second best and much more costly. The report therefore concludes that now is the time for responsible action and that further delays can only lead to higher costs for both the environment and our long-term prosperity.

I would like to thank the secretariat, particularly the secretary, John Hawkins, who performed that role for both the standing and select committees. It was a busy and very
demanding role. Thanks also to Maya Stewart-Fox, who spent some time with the secretariat as a secondee from the Department of Climate Change. Thanks also to the many submitters and witnesses, especially officers from the Department of Climate Change and from Treasury—and, in particular, Meghan Quinn, who took committee members painstakingly through the economic modelling of the CPRS on many occasions.

Senator COLBECK (Tasmania) (7.42 pm)—It gives me great pleasure to speak on the report of the Senate Select Committee on Climate Policy. This is the inquiry that the Labor Party was not prepared to have. This is the inquiry that Wayne Swan initially set up, but when the political pressure got too hot he decided he had to withdraw it. This is a committee the government could have controlled had it been managed through the House of Representatives committee, where it was initially set up. But I think that in the overall context it was probably better that it was not controlled by the government and that we were able to hear from witnesses across the country in an unfettered way.

A bit over 14,000 representations were made to this inquiry, which gives an indication of how it was viewed in the community. We travelled across the country and went to nearly all states. More than 200 witnesses appeared before the committee over the weeks of hearings. We were prepared to hear from witnesses whom other committees were not prepared to hear from. We placed no restrictions. We allowed industry to come and tell us their story firsthand. We spoke to the environment movement and we spoke to individuals. What we found was that we are being presented with flawed legislation to deal with this important issue—a flawed approach and a flawed scheme. It is a scheme that is designed around the Kyoto protocol, which was determined back in the 1990s, not forwards to the 21st century. In fact, even Wayne Swan admitted last week that the scheme may have to be changed after Copenhagen.

One of the key weaknesses in the approach that the government has taken to this is the modelling, and our reports deal with that quite extensively. One of the key concerns that came up consistently through the inquiry was the transitional approach—the transitional impacts and the regional impacts. The government has done no modelling at all on the regional impacts of this CPRS that it is proposing. It claims that modelling would not be reliable. We know that the New South Wales government have done some research—and we understand that some of the other state governments have too—but they are not prepared to release it. So we do not have the advantage of considering that information. But we do know that there will be significant transitional impacts. Industry has told us that. In fact, even Treasury told us that when they said:

What happens is that there is a shift between industries and that means a movement of capital and labour between industries in response to relative price.

So even Treasury acknowledge that there will be transitional impacts, but nobody knows—least of all the government; it has no idea—where these transitional impacts are going to take place or what kind of effect they are going to have. It is interesting that the government continues to quote the Australian Industry Group. Ms Heather Ridout said to our committee:

… some people think that we will get in the Tardis booth in 2010 and get out in 2020 and everything will be hunky-dory …

Treasury’s modelling acknowledged that they could not fully capture those transition costs. I go back to what I said after the Treasury modelling came out: it is not easy to capture transition costs. And we are not in
a Doctor Who Tardis box. The government has absolutely no idea of what the transitional costs of this scheme will be. They have not been modelled. The government has not done any work. Treasury have admitted that. The Australian Industry Group—one of the groups that the government continues to quote as supporting its scheme—acknowledges that there are severe impacts to be had from the changes to the scheme, and the government has absolutely no idea where they are. There will be jobs lost now—there is no question that that is going to occur—but we have no idea when or where the new jobs will appear.

For my portfolio area, which is agriculture, this scheme is absolutely diabolical. The government say that they will not bring agriculture into the scheme until 2015 and they will not make a decision on that until 2013. But tucked away in the white paper is a clause that says that, even if the 2013 decision excludes agriculture, mitigation measures should still be applied in agriculture which result in costs of emissions similar to those under the scheme. In other words, if the government put agriculture into the scheme or if they do not, the measures will still impact on agriculture.

This scheme—again, a scheme modelled for the 1990s, not for the 21st century, looking backwards, not looking forwards—does not allow the agricultural sector to take advantage of the many opportunities that may be to store carbon. The Leader of the Opposition has indicated his preference for some work on biochar, and we heard in our committee a large number of witnesses talking about soil carbon, but unfortunately under the CPRS as it is designed these are all locked out, because we have a backward-looking scheme.

Then we go to the modelling on agriculture. Late last year, when ABARE released the modelling it had done based on instructions from Treasury, you had to smell a rat. Agriculture was truncated at the farm gate and there was no consideration at all of the impacts on agriculture from the processing sector. New modelling was released in March that indicated that there was an impact, and it was not until June—in the last couple of weeks—that ABARE released information that concurs with what the farmers and the farm groups were telling us: that there will be a significant impact on agriculture from the CPRS.

The minister came out saying, ‘Don’t worry; for dairy in the first year of operation it is only 1.9 per cent’—quite deceptive, given that in the first year of the CPRS the carbon price is capped at $10. The real impact is more like nine per cent, which is where it will be when the carbon price goes up to $28. That is for the dairy industry. There will be a 13.2 per cent reduction in returns for the beef industry when the carbon price gets to $28. There has been no attempt to get this work done at the outset. It is just a disgrace that the agriculture sector has been absolutely left out in the cold in respect of this scheme.

Similarly, in the forestry modelling there are extraordinary impacts on rural lands across the country from what was suggested as reafforestation, and yet now ABARE are starting to resile from their comments on that. They say:

Given the modelling framework and assumptions, ABARE’s projections should be considered as an upper bound for afforestation potential.

Again, there are concerns about the scheme and its design.

There are so many reasons not to pass this legislation now. There are so many weaknesses in it. There are so many elements that are not complete. A large proportion of the bill comes in regulations which we have not
seen. The government have not finished negotiating with industry. In fact, they have not even finished defining some industries. The negotiations on assistance measures are not completed and the government are absolutely nowhere near designing the complementary measures that were a feature of our discussions and that need to be designed to work alongside the scheme. The government are also nowhere near being able to understand the global position on this issue. As I have said repeatedly, this CPRS looks backwards, not forwards past Copenhagen. There are opportunities in complementary measures in the built environment, transport and, as I have discussed, the land and agriculture sector.

In one of our hearings we heard from ERM Power, who talked about the impact on their business. What they told us effectively was that, because there was a question mark around the whole electricity sector, their capacity—as a winner under the CPRS—to attract investment was diminished. That is quite an extraordinary impact. The government does not seem to understand what it is actually doing here.

In the few moments I have left—and I am sure there will be plenty of opportunity to debate this further in coming weeks—I commend the recommendations of the majority report to the Senate. A lot of work has gone into this report. It is vitally important. I thank in particular the secretariat staff, who worked an extraordinary number of hours. I would also like to thank my colleagues on the committee. (Time expired)

Senator MILNE (Tasmania) (7.53 pm)—I would like to comment on the report of the Select Committee on Climate Policy and begin where Senator Colbeck left off and add my thanks to the secretariat who worked assiduously throughout the whole process and put in some incredibly long hours to get us to where we are now. I really want to thank them for that. It was an interesting process, and I would like to thank my Senate colleagues who were part of this committee. I have served on many Senate committees since I came here in 2005, and this committee worked in a very collaborative and respectful way. There were 10 members of the committee, and for the majority of the hearings the 10 members came and actively participated. There was a collaborative atmosphere for the most part in the way that the committee was conducted. I want to thank the chair and members of the committee from all political persuasions. It was a good way of working, because the commitment we made from the start for this inquiry was to try to elicit information. That is what we set out to do.

I would also like to thank the community for their overwhelming response. I do not have the final number in front of me but around 14,000 submissions came to this inquiry from around Australia. People say that the community is now disengaged from the political process, that democracy is not alive and well in Australia and so on. I think that that number of submissions to a policy committee on climate policy shows there is active interest throughout Australia from all perspectives on this particular issue. I would like to thank people who took the trouble to send in submissions.

That having been said, the history of this committee was that the Greens had a proposal for a Senate inquiry into the science of climate change already on the books of the Senate. The coalition had determined that they would like to move for an inquiry along exactly the same lines as the Treasurer had moved in the lower house. So the coalition and the Greens worked together to come up with agreed terms of reference that would look at some of the issues around the CPRS but also at the wider policy debate, because
there had not been a look at the complementary measures that could lead to emissions reductions in addition to the Carbon Pollution Reduction Scheme. We looked at issues pertaining to renewable energy and to energy efficiency on the demand and supply sides but we also looked at the land use side as well as the actual climate science issues.

I would like to start by referring to the climate science issues. There was a degree of inevitability that there would be a degree of disagreement over the extent to which Australia should cut its emissions, and that is no surprise. That is why the Greens have cited in a minority report what we think the science was telling us to do, which was not a conclusion of the committee—that is, that Australia must enter the climate treaty negotiations at the end of 2009 with an unconditional commitment to reduce emissions by at least 25 per cent below 1990 levels by 2020 and a willingness to reduce emissions by 40 per cent in the context of a global agreement.

If you look at the evidence from the scientific roundtable and from scientists such as Dr Graeme Pearman, Professor David Karoly and Mr Andrew Macintosh who were gathered there, it was certainly the view of those climate scientists that we need to go to deep cuts and we need to go quickly in any attempt to stabilise the climate at safe levels. In fact, Dr James Risbey from the CSIRO—although he was appearing in a private capacity—told us that what we should be aiming for is closer to 350 parts per million because that would reduce the risk of exceeding two degrees Celsius to more moderate levels. So that was the fundamental disagreement of the Greens with the report.

Having said that, I would like to concentrate for a few moments on the positive information we were able to elicit in relation to land use, land use change and forestry, and I include in that the agricultural sector. Our committee elicited some very important information about the impacts on the primary industry sector, and in particular on the processing sector, and the perverse incentives to do things such as downsize existing operations, which does not make sense but would be one of the perverse outcomes of the CPRS as it currently stands. What came out very strongly in the land use sector—and we have debated this previously in the House with the carbon sink forests legislation—was the way the current situation is structured. Because of the accounting systems under the Kyoto protocol there is an incentive to take food production land out of food production, there is competition for water and we are not going to be driving the biodiverse plantings that the government claims will be the case. The fact is we cannot afford to lose one hectare of food production land.

While we need to make sure that we have restoration of ecosystems and biodiverse plantings, we need to make sure that we are not driving wood production into old growth forests and using plantations to displace food-growing land. That would be the worst case outcome. We have to make sure that that is not the case. We had a lot of evidence to that effect, saying: we need a complementary measure to the CPRS to look at incentivising those things which maximise carbon storage in the land, in the landscape; we need to incentivise protection of old growth forests and native vegetation; we need to make sure existing plantations are used for what they are planted for, which is wood production; but we need to make sure we do not incentivise the conversion of food production land and water into plantations as opposed to food production. We received a lot of really good evidence, and I would encourage people to go and read the evidence that we got, particularly what was given to us in relation to that.
The other area in which we had very strong evidence was energy efficiency. So much of the debate has been devoted to coal-fired power stations and coalmines and not nearly enough to the potential to reduce demand on electricity through energy efficiency. The committee heard from many people talking about the gains that we would make by implementing energy efficiency measures at the residential, the commercial and the industrial scale. That is clearly an area where we have ad hoc policies and small numbers. We need systemic change, and that came out strongly through all the evidence.

In terms of renewables, what also came out strongly from the roundtable that was held—in particular from the business sector involved in rolling out renewables—is that they want not only a renewable energy target but a gross feed-in tariff because there is strong recognition that a renewable energy target will bring on those technologies which are already relatively cost-competitive with coal but you need a gross feed-in tariff to bring on those other technologies which are going to be more expensive than coal in the short term but which we will need if we are going to meet the kind of energy demand for the future we are talking about. To that end I was in Newcastle last week looking at the solar thermal towers and the huge potential there is to be generating large amounts of energy. Also, it is a fantastic opportunity for adaptation in rural and regional Australia, where people with large properties where they can no longer maintain their stocking or their crop regime as they have done in the past because of the changes to the climate now have the opportunity to enter into leasehold or partnership agreements in order to get their income from farming renewable energy as well as the other pursuits that they have. Overwhelmingly it was a very positive experience to be part of the committee and to hear from such a large number of people across Australia from all different backgrounds.

The other area where the Greens disagreed with the committee was in relation to carbon capture and storage. We do not agree that this is a technology that the community should pay for or that will be brought on in a timely manner. We believe the coal industry should actually focus on that.

Australia really has to pull out all stops, as does the whole of the planet, if we are going to have any hope of achieving a safe climate. The evidence has clearly been put before the Senate through this committee from Australia’s leading scientists, and nobody in the future will be able to say that they were not told or the evidence was not made available to the parliament of Australia. It has been. It is now up to people to determine what they do with that scientific information.

In conclusion, I again thank other members of the committee for the collaborative manner in which this committee inquiry has been carried out.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (8.03 pm)—This current scheme is the form of Mr Rudd, who in his attempt to cool the planet has decided to put the air conditioner on the outside of the house and then switch it on to cool the world rather than cooling the house. Two things are going to happen. First of all, you are not going to cool the planet. The second thing is that you are going to go broke in the process. This is exactly what the scheme is: it is the metaphorical air conditioner on the outside of the house in a vain attempt to cool the planet.

All through this inquiry one thing that kept on coming up on the economic side—I am speaking on behalf of the economics committee and my role in the economics committee—was the cost. Out there in the
public there is not a great understanding of exactly what an ETS is, but people will understand that perfectly once they start paying for it. More and more we are seeing, through discussions of people such as Lord Christopher Monckton and Professor Ian Plimer—and there is also an emeritus chair, I think, in Harvard—what the cost of this scheme is. There are two questions that have to be asked: do you have the potential to pass that cost on or do you wear the cost? We are speaking on behalf of the people who will wear the cost. And the person who will wear the cost is the lady pushing the shopping trolley out of the supermarket, who has to pay for the groceries, whose price will go through the roof because agriculture will come in, and the cost will be delivered back to her. The farmer will pay the cost. The coalminer will pay the cost because he or she will lose their job. And the person who loses their job will therefore deliver that cost back to the family, who cannot make the house payment and cannot make the car payment and who will lose their social standing in their own community and get the locks changed on their house because of a political gesture. This is a gesture. It does nothing to the global climate. It is a political gesture and poisonous in how it will affect those people it is delivered to. When this parliament decides to start voting for political gestures we are in a very dangerous process, because there are a lot of gestures out there and there are a lot of great ideas out there but the reality of them when they are delivered back to the people can be absolutely overwhelming and detrimental not only to them personally but to our nation as a whole.

People have tried to categorise this as saying that therefore you do not believe anything that is environmentally appropriate. That is rubbish. There are so many things, such as biofuels, solar, geothermal and tidal—all these things—that have the capacity to be looked at. But, no, what the Labor Party insist on is a very peculiar subset of possible carbon pollution reduction schemes. There is a myriad of carbon pollution reduction schemes, but the Labor Party, in their intolerance in this debate, have said: ‘No, you must only accept one. This is our ETS; this is the one you have to vote for.’ They are not playing for the environment. We have proved categorically—even Professor Garnaut acknowledges it—that this will do nothing to the global climate. They are playing this for a political point-scoring mechanism and they are doing it in the middle of the greatest economic turmoil since the Great Depression. That is how belligerent this is as a policy.

The position the National Party has on this is: no, we do not believe in this ETS. That has been reflected in the report: no, we do not believe in it. The answer on this ETS is no. What is the position on other ETSs? Well, there are no other ETSs. There is no alternative policy on the table, so we do not have to have a discussion on something that does not exist. Do you therefore rule out all forms of carbon pollution reduction scheme? Quite obviously not and quite evidently not, because in the past there have been methods that have reduced carbon output and there have been no questions asked. We have sulphur content rules for fuel. There have been tree-clearing guidelines and a whole raft of things that have gone forward.

This is a politically motivated piece of legislation for a political outcome—that is, the Labor Party is gearing itself up for a double dissolution so that it can try and bunny hop the consequences of the next budget, when the Australian people will see in its full glory the complete and utter basket case that the Labor Party has turned the finances of our nation into. As far as the evidence provided to the Senate Economics Legislation Committee is concerned, this
emissions trading scheme is the worst possible outcome for our nation. It is absolute economic bastardry of our nation.

Senator XENOPHON (South Australia) (8.08 pm)—At the outset, I join in the remarks by Senators Hurley and Colbeck in thanking the Senate Economics Legislation Committee and the secretariat—in particular, the secretary, John Hawkins—who have worked tirelessly on this for a considerable period of time and have put in hundreds and hundreds of hours of work.

Anthropogenic climate change is real and is an urgent threat to our very existence. Perhaps there is room for some debate about how big a threat this global problem presents, but I would say to those who deny the threat of climate change, ‘Are you willing to bet the world—literally—that you are right and thousands of scientists are wrong?’ Dealing with this problem will require a global political response that is usually seen only during wartime, but we have to deal with it, and the question is how.

Australia has a small, open economy and, while our overall emissions are relatively modest in the scheme of things, our per capita emissions are amongst the highest in the world. I believe Australia must take early emissions reduction action in order to lead by example and uphold the sort of global cooperative agreement required to address global climate change. In truth, the success of our domestic policy will be judged by how many other countries our lead will motivate to get on board. Therefore, our scheme must be credible internationally and sustainable domestically. Clearly, the overarching goal is environmental in the form of an abatement of greenhouse gas emissions. This abatement will fundamentally be driven by investment.

The second challenge relates to adjustment issues. Adjustment issues range from the income effects on households stemming from the introduction of a price on carbon to the impact on asset values on what the government has called ‘strongly affected firms’. Issues related to carbon leakage and the loss of competitiveness also represent adjustment issues. If we deal with these issues properly, others will follow; if we get it wrong, we could stand as an excuse for other nations, especially our neighbours, not to get on board.

There are also challenges in relation to governance issues. My concern is that the government’s own modelling has understated the costs in the short to medium term of adjusting to a carbon price. That is because the government’s modelling assumes full employment at all times and, therefore, a robust, fast-reacting economy, but that just does not happen in the real world. I think it is also important to add that the government’s cap-and-trade trade approach essentially acts as a penalty-only mechanism: it penalises all emitters as a function of their emissions but offers no direct reward to firms that cut emissions. It is the costs that result from this that lead to the government having to assume weak environmental targets.

It is as if the federal government decided to swat flies with a baseball bat, meaning it cannot swat too many flies in case it knocks someone out. I believe a better designed scheme can achieve much better environmental outcomes. It has been claimed that the government’s model provides certainty, but the scheme has already been adjusted on a number of occasions by the government and it can be manipulated by this or other governments in the future. The government says that there are absolute caps in this scheme and that it is almost as though they are etched in stone, but I would suggest that it is more a case that they are etched in playdough because of the malleability of the current scheme.
I believe that there is an enormous amount of churn with this scheme; that is economically inefficient and there is a better approach. The government’s approach is one of all stick and no carrot. That is why we need to look at an intensity based approach. This approach involves determining for a particular activity or sector an emission intensity baseline. Baselines across sectors and activities in an economy are set at the level that achieves a desired emission level and any producer emitting more than the baseline has to acquire permits in excess of the baseline. Any producer emitting below the baseline is allowed to create and sell permits to those who need to buy permits. This would avoid the churn. It would be more economically efficient. It would deal with the issue of fluctuating prices in the carbon market, as we have seen in Europe, giving investment certainty, which is desirable. It moderates the price effects. These are matters that need to be dealt with and I believe it is important that there be some thorough economic modelling done by Treasury of this and an independent assessment carried out by the Australian Productivity Commission. At the end of the day, it is important that we get the best possible scheme—one that works and one that delivers the outcomes.

I think that most of us in the Senate agree on the destination. We know where we need to go, but we also need to agree on the best way to get there. If the government insist on dictating the route, there is every chance they will turn around only to see that no-one else is behind them.

Senator EGGLESTON (Western Australia) (8.13 pm)—The coalition senators on the Senate Economics Legislation Committee believe that a badly designed ETS is worse than no scheme at all. That is a point of view which Professor Garnaut agrees with. As a country producing only 1.4 per cent of the world’s carbon dioxide emissions, there is no Australian solution to global climate change. We only represent one per cent of gross world product.

Mr Rudd promised before the election to introduce an ETS which would produce deep cuts in carbon dioxide emissions but which would not disadvantage Australia’s export- and import-competing industries. However, coalition senators are of the opinion that the government’s immensely complex ETS will damage our export- and import-competing industries, cost thousands of jobs, devastate regional areas and agriculture, stifle investment and yet not produce any meaningful carbon dioxide abatement. In the opinion of the coalition senators on the economics committee, to rush the introduction of this scheme without knowing the outcome of the December 2009 climate change conference in Copenhagen, without knowing what President Obama will do and without knowing the impact of the global financial meltdown on our real economy is reckless in the extreme.

Providing certainty to business is one of the Rudd government’s most repeated reasons for passing this legislation. However, business have said they do not want the certainty of not being able to compete. They want a scheme which preserves their internationally competitive position. At the hearings into the CPRS amendments, the evidence given by the CEO of the Minerals Council of Australia, Mitch Hooke, suggested the adoption of the Rudd-Wong CPRS would inflict enormous damage on the Australian economy by reducing our international competitiveness and, secondarily, causing the loss of thousands of jobs in the minerals industry. The government’s claim that job losses will be compensated for by the creation of so-called green jobs is one they have made frequently, but they have not told us what the price of that will be. Evidence given at the hearings by Dr Fisher on behalf of the Min-
erals Council of Australia suggested that green jobs would be lower paid and mean a much lower standard of living for many Australians.

The changes to the scheme announced by the Rudd government on 4 May are nothing more than tinkering, largely arbitrarily, with a flawed ETS likely to damage the economy. In the coalition senators’ view, the proposed changes make the government scheme even more complicated and fail to address several of the key objections levelled by business and community groups. That is, there is still no forecast for the near-term impact of the ETS on jobs and economic growth, Australia’s trade-exposed industries remain at a disadvantage and there is no assurance that overall emissions will be reduced by investment in complementary abatement measures such as energy efficiency. Delaying the passage of the legislation through the parliament will provide an opportunity for the Rudd government to refer this to the Productivity Commission to assess whether it meets the nation’s economic and environmental objectives.

The coalition senators believe the legislation should be deferred until we know what other countries will be doing. We believe our major regional trading partners, such as China, Japan, Korea, Indonesia and India, will not establish emissions trading schemes and that it is unwise for Australia to rush into establishing a scheme until the outcome of the Copenhagen conference is known.

Senator IAN MACDONALD (Queensland) (8.17 pm)—I also repeat the thanks of other people on the climate change committee to the secretariat and the secretariat staff, who did an enormous amount of work, often in very rushed periods, to get the report done and to get the material out. I also want to pay tribute to my colleague Senator Richard Colbeck, who was chairman of a committee comprising equal numbers of Labor and coalition members, a Green and an Independent. He did a marvellous job of getting the committee through its work. He also had the difficult job of trying to get together recommendations which were supported by the majority, and I congratulate him on achieving that. I support, in general terms, the recommendations of the committee. I think there are, in many instances, areas where the committee recommendations could have been stronger, but in the attempt to get a consensus we have gone along with a number of recommendations.

As a member of two Senate committees dealing with climate change, I was disappointed in the Treasury modelling. I do not blame Treasury themselves—they only do what their political masters tell them to do—but the Treasury modelling was clearly deficient in many instances which I do not have time to go into now. Suffice it to say, however, that Treasury did not model the impact of the Carbon Pollution Reduction Scheme on rural and regional Australia. I think all of the Labor Party members on both the committees I served on came from capital cities and did not seem to have much interest in what happens in regional Australia at all. The evidence clearly showed that agricultural industries would be, in many instances, devastated by the imposition of this Carbon Pollution Reduction Scheme. The impact of this scheme on jobs in areas such as where I live up in the Bowen Basin coalfields—Gladstone, Rockhampton, Mackay, Townsville and Mount Isa—will be catastrophic. I was disappointed that the union movement rolled over to Labor in the evidence they gave in not fully pointing out the impact that this scheme will have on their members.

All of this action, which will decimate many job-creating Australian industries, is being taken for what everyone accepts will have no appreciable impact on the changing
climate of the world. I think we all accept that the climate is changing but, with Australia’s less than 1.4 per cent contribution to greenhouse gas emissions, if we shut Australia down completely then it would have no appreciable effect whatsoever on the changing climate of the world. I was delighted to hear Mr Keith De Lacy, the long-serving Labor Treasurer of Queensland for many years, say exactly the same thing just the other day.

What this inquiry and the inquiry of the energy and fuel committee that I appeared on clearly showed is that not enough effort has been made to protect Australian jobs. We will not be making any appreciable difference to the changing climate of the world. What we will be doing is putting Australia at an uncompetitive disadvantage in so many fields. For those, like the climate change minister, who say, ‘Australia has to lead the way and if we go to Copenhagen with a legislated outcome then that is going to convince everyone else in the world to follow us,’ I say, ‘What absolute poppycock.’ We were very fortunate in this committee to have two witnesses who had actually been at the Kyoto climate change conference. They are proud Australians and they like to think we are important, but they gave evidence that Australia is a very small player. Unfortunately time does not allow me to repeat the words of people who really know what an international conference is about, but the suggestion that having a legislative response before Copenhagen is going to make one iota of difference is just poppycock and should be ignored. We will all have a greater opportunity later to discuss this. I commend this report to the Senate. It is clear that it should not be passed at this stage and that the government should go back to the drawing board.

Senator BOSWELL (Queensland) (8.22 pm)—The Economics Legislation Committee investigated climate change with absolute thoroughness. It held hearings from Western Australia to Tasmania, Melbourne, Sydney and Queensland. Overwhelming evidence was given by just about every industry that came before it—from the abattoirs to the cheese industry, the dairy industry, the paper industry, the mining industry, the coal industry and so on. You could just about write your own ticket that two things were certain from every industry that came before the Senate committee: firstly, that their profit was going to go down; and, secondly, that they would have to lay off many, many people. But we were told by Sharan Burrow not to worry because there are going to be plenty of green jobs—they will be sprouting out of the woodwork.

It may interest Senator Macdonald to learn that I actually went up into the coalfields last week. Senator Macdonald would know, because he lives there, that these workers work exceedingly hard and are exceedingly well paid. But they earn their money; they work 12 hours a day and up to 14 days and then they have time off to go back to their properties—many at the seaside. I put it to them that a green job was probably worth $40,000 or $50,000 if they were lucky. If they were very lucky, they would be getting $40,000 or $50,000. But I did have to warn them that there was no money allocated to go into Central Queensland and not one green job. I find it very interesting that the CFMEU are acting as cheerleaders for this emissions trading scheme. The only thing I can conclude is that there has been a deal done with the union movement and the more progressive element of the Labor Party—the doctor’s wives in green leafy suburbs—and the deal was, ‘Well, we’ll give you Work Choices but you roll over when we introduce an ETS.’ That is the only possible way that I can see any union supporting this.
One of the elements that came up in the Senate select committee was the Treasury modelling. I just could not understand it. In fact I said to one of the Treasury witnesses, ‘Just tell me what will happen if no-one else goes into this and we are out on our Pat Malone.’ She said: ‘Oh, that would be terrific. That would be great. For the people who do not go into it, their economies will be booming and they will be able to buy product from us.’ I thought I had misheard her. I asked the question again and I got the same answer. With modelling like that I am not sure that it does anyone any good. There was a closure rule imposed on the modelling, and it was forced to show no change in unemployment. It went like this: no-one will be unemployed because wages will fall and when wages fall then someone will employ the person whose wages have fallen. I thought to myself, ‘That would not be too well received up in the Bowen Basin.’ So I actually told the miners this. I said, ‘Don’t worry, you will be employed; but it will be at a much lower rate of pay.’

Then we were told that the modelling was done on the assumption that all countries were going to go into this and we would not be left on our own. I said: ‘Russia is not going into it. It has said so quite clearly.’ China, South Africa and India are other countries that have said they have other priorities. And what about getting Algeria into this—and Angola, Ecuador, Iraq, Iran, Kuwait, Libya and Nigeria? They are all modelled to come in in 2015. The whole thing is a total nonsense that is designed to cost a huge number of jobs. Jobs will be just obliterated, and the people who are going to pay for this are the blue-collar workers. (Time expired)

Senator CASH (Western Australia) (8.27 pm)—With the current unemployment statistics confirming an increase in unemployment in Australia, the fact that in excess of 200,000 Australians have lost their jobs since August of last year and the continued predictions by the government that unemployment in Australia will rise, it is imperative that every single aspect of government policy be focused on effective measures to ensure that employment in Australia remains high—not policies that will cost Australians their jobs. The evidence given to the inquiry that I participated in confirmed that the CPRS in its current form is both a badly-designed scheme and seriously flawed. It should not be supported. The evidence is clear that, as the government’s central policy to reduce Australia’s carbon emissions, the CPRS fails to reduce carbon pollution at the lowest economic cost, fails to put in place long-term incentives for investment in clean energy and low-emissions technology and fails to contribute to a global solution to climate change.

There is a considerably wide diversity of views on the subject of climate science, in particular the cause and extent of climate change and the extent to which climate change is a consequence of human behaviour. The diversity of views was reflected in the evidence that was presented to the inquiry. I have disagreed with the conclusion expressed on behalf of the committee at paragraph 2.36. I do not believe that that conclusion properly reflects the evidence that was presented to the committee and I have qualified my views in the report. However, I affirm my view that the planet should be given the benefit of the doubt, but in that respect the only action that should be taken by government to reduce Australia’s carbon emissions is responsible action. Action that is taken at the expense or to the detriment of the Australian people should not be taken. The CPRS in its current form is action that is going to result in Australians losing their jobs. This is not responsible action. It should not be supported.

As a senator for Western Australia, I am particularly concerned about the continued
claims made not only to the committee I participated in but to other committees about the potentially disastrous impact of the CPRS on the Western Australian economy. An Access Economics report commissioned by the state premiers and published in June 2009 confirms that the government’s emissions trading scheme would cost 13,000 jobs in WA alone. I will stand up for Western Australia, even if those on the other side of this chamber will sell it out.

I am also concerned at the continual claims that the Treasury modelling in respect of the assessment of the need for the Electricity Sector Adjustment Scheme assistance uses the same competitive spot market assumptions made for the eastern states electricity market in its assessment of this need in Western Australia. In other words, Treasury have failed yet again to recognise the difference in the Western Australian electricity market. This failure to distinguish between the respective models results in a detrimental impact on WA. The failure of Treasury to distinguish between the respective models needs to be rectified in any future modelling.

The evidence given to the inquiry was clear. It is apparent to all serious policymakers on this issue—and unfortunately those on the other side are not in that box—that there is no unilateral Australian solution to climate change, only a global solution. The government’s current Carbon Pollution Reduction Scheme, if agreed to in its present form, will result in action being taken at the expense of the Australian people—but, worse than that, its implementation is likely to achieve the perverse outcome of Australia actually increasing its global emissions.

The ACTING DEPUTY PRESIDENT (Senator Marshall)—Senator Cash, unfortunately your time has expired. I am sure you are seeking leave to continue your remarks.

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

Rural and Regional Affairs and Transport Legislation Committee Report

Senator McEwen (South Australia) (8.33 pm)—On behalf of the Chair of the Rural and Regional Affairs and Transport Legislation Committee, Senator Sterle, I present the report of the committee on the provisions of the Nation Building Program (National Land Transport) Amendment Bill 2009, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

BUSINESS Rearrangement

Senator Arbib (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (8.33 pm)—I seek leave to give a notice of motion to vary the hours of meeting and routine of business for today.

Leave not granted.

FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009

FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

Second Reading

Debate resumed.

Senator Xenophon (South Australia) (8.34 pm)—I rise to speak in relation to both the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 and the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. I indicate that I will be supporting both bills at
the second reading stage. I will not canvass what occurred during debate on the Fair Work Bill, which passed the Senate in March, and I do not propose to repeat these comments, but I wish to make three quick contextual points before moving on to the provisions of these bills, in particular the transitional provisions bill. As I said in March, Work Choices is dead, and I am not mourning its loss. I see that the purpose of this transition bill is to ensure that the final nails are smoothly struck and unable to come loose.

I wish to again thank the Deputy Prime Minister, and her office, for the manner in which she negotiated the amendments to the Fair Work Bill. I am pleased that as part of these negotiations there were a number of amendments ensuring better protections for outworkers, extending time limits for lodging unfair dismissal claims, expanding flexible working arrangements for parents of disabled children and establishing a specialist information service for small and medium businesses. I still maintain that a better deal could have been struck for small businesses in relation to unfair dismissal claims, but that is now water under the bridge.

It is my understanding that the vast majority of these two bills have the support of both the government and the opposition, so I will limit my specific comments to the amendments foreshadowed by the opposition. The coalition’s first amendments refer to the interaction of the NES and transitional instruments. Their intent is to prevent potential doubling up where the same condition is met twice under different parts of the instruments. It seems that the coalition has taken the term ‘detrimental in any respect’ in schedule 3, part 5, item 23 to mean that line-by-line comparisons will be made in relation to terms. It argues a doubling up may occur where the combining of conditions under previous arrangements has resulted in the term being exceeded against one line and then, because other new arrangements do not align neatly, met again under another line.

My understanding of the government’s response to these amendments is that it has concerns that the amendments could undermine some baseline NES protections and could result in non-negotiable NES protections being traded off for additional pay, while it is argued that workers do not suffer detriment overall. The coalition does not accept this and states that its intent is to maintain all National Employment Standards, but only to avoid the doubling-up resulting from a strict line-by-line approach. This matter would seem to be one of differing interpretations and I will be seeking more detail from both parties prior to the vote.

In relation to the coalition’s amendments to introduce no increased labour costs and to change default superannuation, I have indicated to both parties that I am disinclined to support these amendments and this was a debate that was had in the course of the Fair Work legislation earlier this year. I am always open to listening to the evidence, but I provided my reasons for not supporting these previously and I will not reiterate them. However, I am interested to hear from both parties about the operation of proposed changes to the five-year transition from existing arrangements to the new awards. I have made my views known publicly: that I am very concerned about the possible impact of these changes on the South Australian restaurant and catering industry, on aged care and on the horticulture sectors, particularly in the Riverland, which is an area that has been doing it very tough because of the crisis in the Murray-Darling Basin.

I am pleased to note that the Deputy Prime Minister has acted to address issues relating to the restaurant sector and note that the sector has expressed its satisfaction at her ac-
tions. That was welcome because it took into account the circumstances of that industry, and I welcome the Deputy Prime Minister taking that stand. As a result of the changes that have been foreshadowed, literally hundreds if not thousands of jobs in South Australia have been saved. The issues facing the aged-care sector are much more complex, and I look forward to talking to the government about ways to address the looming aged-care crisis. Obviously, it goes beyond the Deputy Prime Minister’s portfolio. I note that the Deputy Prime Minister has instructed the AIRC to use the full five-year transition period with aged care, and this is a positive step. However, I believe that the unique arrangement in the aged-care sector where the government controls public funding and regulates capacity to raise private funding is one that is pertinent to award modernisation.

How do employers pay high salaries and improve conditions if the government ties their hands so that they cannot raise the money to do so? While the five-year transition may be helpful, there are important issues in aged care, with nurses’ salaries and the shortage of nurses contributing to lower standards of care in that sector. The government must take seriously the calls by the ANF and the aged-care providers for increased funding for aged-care nurses. However, I do not support a separation of the award, as the Deputy Prime Minister did with the restaurants and hotels. Rather, it is for the government to increase funding to enable the pay and conditions of aged-care nurses to match that of their colleagues in the hospital sector.

As I said, I will be taking these matters up with the government in the coming days, but let me now deal with the specifics of the coalition’s amendment to the five-year transition arrangements that have been foreshadowed by Senator Abetz. My understanding is that the coalition wishes to enshrine the five-year transition as a default position from which the AIRC can use its discretion for a shorter period if it sees fit. This effectively flips the situation in the legislation to where the AIRC decides the length of transition up to five years. However, I note that the Deputy Prime Minister has publicly strongly encouraged the AIRC to opt for the five-year transition.

My understanding is that the government has concerns that this coalition amendment will allow award modernisation to be put off for five years, in effect delaying some economic pain that will be experienced by some employers at the end of the period. It was my understanding from previous discussions in relation to the Fair Work Bill that a multi-level, graduated approach would be used over the five-year period to minimise the impact, to avoid that short, sharp shock and to assist in the transition. I would like the government to provide specific details in relation to this in the committee stage to reassure me that a one-stage jump to the modern award arrangement could occur either initially, should the AIRC not heed the Deputy Prime Minister’s advice, or at the end of five years, if the government’s criticism of the coalition amendment stands.

Finally, there is the issue of representation orders. The coalition, through their amendments, want to clarify the conditions whereby representation orders can be made in the case of demarcation disputes, as well as a greater role for employers in these decisions. These are addressed in clause 137 of the bill. The coalition’s changes to clause 137(a) appear to be in response to a request for greater clarity from persons submitting to the committee inquiry, such as Professor Andrew Stewart, as well as in the dissenting report. I do not think that anyone could accuse Professor Stewart of being a friend of Work Choices. He has been a very clear voice and a voice very critical of Work
Choices, and I think that he provides a robust analysis of these particular clauses.

As a principle, I support measures that produce greater clarity in legislation, and I think that represents responsible legislating. Further, I do not oppose in principle the possibility of an employer approaching Fair Work Australia to request an order if they are aware of disputes so that it is not so narrowly confined. I look forward to the government clarifying why these proposed changes are not desirable, particularly given the comments made by Professor Stewart. He indicated that he thought that there was real scope for change in relation to this to clarify what the position was. I think we need to heed the advice of Professor Stewart in relation to that.

However, I do not find the rationale behind the changes to clause 137(b) quite as clear, especially as to why the views of an employer are vital to making an order. I remain to be convinced, in terms of the coalition’s position, in relation to that. In the case where an employer has had a sound relationship with a union in the past and would like that to continue, surely that would be the first thing Fair Work Australia would look at when making an order. Does it really need to be stipulated? I look to the coalition to clarify why this particular change is necessary, and I seek information from both parties on the practical implications of adopting these amendments in relation to representation orders.

In summary, I look forward to further discussing this with both the coalition and the government and putting an end to Work Choices but in a way that has fair transitional arrangements. It is acknowledged that we are in tough economic times, the worst economic circumstances in some 70 years. We need to take into account these changed economic circumstances. We need to take into account the way that the horticultural industry, particularly in South Australia, is doing it quite tough, as is the aged-care sector, which I have referred to previously. The sort of flexibility that the government has shown in relation to the restaurant and catering industry, which is welcomed, is something that ought to be replicated in other industries to allow for that transition and to avoid the short, sharp shock.

It is also important to consider a broader context, and I think it was summed up pretty well by Kerry O’Brien on The 7.30 Report on 11 June. In prefacing an interview with the Deputy Prime Minister, he made the point that Australia may have just escaped falling into technical recession but, for the 100,000 people who have lost their jobs in the past nine months, the recession is here. My concern is that too many credible employers are saying that unless we have a transition that is relatively smooth and that is graduated, and unless you take into account the genuine economic circumstances in particular industries, you will see a spike in unemployment. People will be laid off, and that is something that needs to be avoided. It is a difficult balancing act but I believe it is a clear public policy imperative. I look forward to discussing this further with both the government and the opposition in the committee stage in respect of the amendments that will be moved and, no doubt, debated at length.

Senator FISHER (South Australia) (8.46 pm)—I seek leave to continue my remarks on the second reading debate on the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 and the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 prior to the dinner break.

Leave granted.
Senator FISHER—Other industries consider that they suffer the same as the restaurant and catering industry, and they want to know why they cannot have the same as what the restaurant and catering industry seem to have got. Requesting that something happen is, of course, no guarantee that it will happen, and that is what the Deputy Prime Minister has done, but that is all she has done. Professor Ron McCallum, a respected professor of law, is reported as having said that Ms Gillard has now got extraordinary powers. He said: ‘In the modernising process it is the minister that has the power to direct. This modernising process gives the power to the minister to order the commission to do things.’ Requesting that the commission should is no guarantee that the commission will. So it is open to the Deputy Prime Minister to order the commission to do things. Don’t just require that the commission should; order that they must. If the Deputy Prime Minister really meant her promise that costs will not rise for employers and that employees will not be disadvantaged, then she must order the Industrial Relations Commission to bring that about.

Senator WORTLEY (South Australia) (8.47 pm)—I rise to speak to the government’s Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 and a related bill. These bills form part of a suite of legislation aimed at restoring integrity and fairness to our industrial relations system. These are the foundations—in integrity and fairness—that once underpinned our industrial relations system. These are the foundations that were seriously battered and, in fact, butchered by the previous government. Most Australians remember only too well the introduction of Work Choices by the former government and the extraordinary national discussion that took place in the lead-up to the last election. We know that Work Choices saw the removal of the pay and conditions standards of tens of thousands of Australian workers. It affected penalty rates, holiday loading, redundancy pay, 38 hours per week of ordinary time and unfair dismissal protection for workers employed by an organisation with 100 or fewer employees. It is now widely acknowledged that Work Choices facilitated industrial relations changes which actively disadvantaged not only Australian workers but also their families. I received many letters and emails and had many face-to-face meetings with individuals and groups of workers and their partners who told of the devastation that the legislation had brought to their working lives and to the lives of their families.

When the Australian people went to the ballot box in November 2007 and cast their vote—their very deliberate vote—many would acknowledge that Work Choices was a factor in their consideration. The majority of those voters cast their ballots in favour of our Forward with Fairness policy, which means fairness for workers, fairness for employers and fairness for families. I do not propose to revisit the Work Choices debacle at any length this evening. Those dark days have gone. We look to the years ahead; we look to the future. The dark clouds have lifted, but we must remain vigilant. Despite those opposite acknowledging that Work Choices is history, it is apparent that many of those opposite still harbour, in their heart of hearts, lingering memories of the way things were. They cherish furtive ambitions to revive, in some coalition-led future, that draconian scheme. In partnership with the Australian people, Labor will work to ensure that this does not happen.

This government is fulfilling its commitment to the electorate—the electorate that rejected Work Choices and endorsed a return to fairness and balance in the workplace. It is a return to the idea of the civilised society that has underpinned our industrial relations
system—with the exception, of course, of those few aberrant years prior to the last election when we lived under Work Choices. The civilised society has been prominent in Australia since the Harvester decision, in which, in 1907, the President of the Commonwealth Court of Conciliation and Arbitration, Sir Justice Higgins, set the first minimum weekly wage. It was the Harvester judgment that ensured that a worker received enough remuneration to provide decent food, shelter, water and frugal comforts for his family. It was the Harvester judgment that said that every Australian was entitled to every single one of these standards every day of their lives and that if we as a nation did not endorse this we could not claim to be a civilised society. With our Forward with Fairness legislation, we return to a civilised society.

The legislative architecture for our Forward with Fairness scheme includes the bills before us now. It is the product of consultation with a comprehensive range of stakeholders, including employee and employer organisations, small business, industry and state and territory governments. Amongst others, it included consultation with the ACTU and its affiliates, the Australian Chamber of Commerce and Industry, the Australian Human Rights Commission, the Australian Industry Group and small business organisations. The full list of stakeholders is of course very lengthy. It represents levels of consultation and of inclusiveness in our approach that were, so patently and blatantly, absent in the approach of the previous government.

The Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 contains transitional and consequential provisions intended to operate with the Fair Work legislation. This and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 will assist workers and business to move to the new workplace relations system with ease. This bill also finally repeals the current Workplace Relations Act, save for schedules 1 and 10. The act will be renamed the Fair Work (Registered Organisations) Act 2009 in light of the import of schedule 1. It will enshrine the application, from 1 January 2010, of minimum wages and National Employment Standards for all workers within the national system, including those party to instruments entered into before the new system starts.

The National Employment Standards ensure that all workers will be entitled at the very least to: the minimum rate of pay as set out in a modern award, from 1 January 2010; personal, carers and community service leave; the right, under certain circumstances, to request flexible working conditions; notice of termination; redundancy pay where 15 or more workers are employed; long service leave; and public holidays. These will apply to all workers from 1 January 2010, and will prevail in circumstances where a transitional instrument is detrimental by comparison. There is provision for the phasing in of minimum wages in certain exceptional circumstances. By the same token, the bill ensures that employees’ take-home pay will not be adversely impacted by transition to a modern award. And Fair Work Australia will be empowered to make orders to remedy any reduction to take-home pay for both individuals and groups.

The bill also sets out protocols for the treatment of existing instruments—namely Australian workplace agreements—and for award based instruments such as unmodernised awards and so on, once they are replaced by modern awards. The provisions will also allow parties to enterprise awards, or notional agreements preserving state awards derived from state enterprise awards, to seek the modernisation and integration of their award into the modern system. Pay
scales, minimum wage guarantees and related minimum entitlements will be protected until 1 January 2010, when the National Employment Standards and modern awards will commence.

Also addressed in the bill are transitional bargaining and agreement-making arrangements. This means that workers presently party to individual statutory agreements will be able, by agreement with employers, to enter into a conditional termination agreement which will allow those workers to take part in collective bargaining. Once a new enterprise agreement is approved, the current agreement will cease. Upon its commencement, the bill will abolish the Workplace Ombudsman, whose functions will then be performed by the Fair Work Ombudsman. Fair Work divisions will be established in the Federal Court and the Federal Magistrates Court. Fair Work inspectors will have new powers to ensure compliance with the new rules.

The bill amends schedule 1 and confers on Fair Work Australia the power to make representation orders with regard to union demarcation disputes. In addition, state registered organisations that meet particular criteria will be recognised in the new system whilst still retaining their state registration. With reference to modern awards, the new system will trim down the number of existing awards and make them simpler to locate, read, interpret and apply. Anomalous state award conditions will be phased out over a five-year period, after which they will adhere to the national standard. This will ensure a full five-year period for employers and employees to adjust to the new modern award standard. Modern awards will be reviewed two years after commencement to make sure that they are operating satisfactorily. Thereafter they will be reviewed every four years. Award modernisation represents a practical and long overdue reform of our industrial relations instruments.

The provisions set out in this bill have been given serious consideration, providing genuine opportunity for all parties to have their input. They provide certainty for all parties with an interest in the employment contract. They are fair. The provisions provide employees with a fair safety net of employment conditions that cannot be stripped away. Ultimately, the provisions in the bill provide a right to challenge a harsh, unjust or unfair dismissal for employees. They have as their basis good faith and goodwill, and the endorsement of the Australian people. As I said in this place on a number of occasions, Work Choices reduced people—real living working people with families, relationships and community bonds—to factors in an equation based on the politics of division. This bill and related Fair Work legislation puts an end to that sorry chapter in our national life. I commend the bills before us to the Senate.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (9.00 pm)—At the 2007 election Labor promised to get rid of Work Choices and create a new, fair and balanced workplace relations system. The Fair Work Act 2009, which received royal assent on 7 April, delivers on that promise. The two bills being debated cognately today, the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 and the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, provide for the sensible and measured transition of employers and employees into the new system. The new workplace relations system created by the act starts on 1 July 2009 and will be fully operational by 1 January 2010. Obviously, given those commencement dates, the speedy passage of the
legislation is critical. The new system will balance the needs of employees and employers. This balance reflects an unprecedented degree of consultation by this government with employee and employer representatives, as well as with state and territory governments. Representatives from these groups have provided valuable feedback at meetings of the Committee on Industrial Legislation, which examined the two bills before us today, as well as having examined the Fair Work Act itself.

At all stages in developing and drafting a new framework we have responded to legitimate criticisms and issues raised by all sides. No side got everything it wanted, but the result of our consultation approach is that we have succeeded in balancing fairness and flexibility to ensure that Australia will be competitive and prosperous without compromising workplace rights and guaranteed minimum standards. When introducing the then Fair Work Bill 2008 into the House of Representatives on 25 November 2008, the minister indicated that the government would introduce separate legislation to set out transitional and consequential changes to ensure a smooth, simple and fair transition for the new system while providing for certainty in employment arrangements. These transitional and consequential changes are provided for in these two bills now under consideration. The two bills, once enacted by the parliament, will operate with the Fair Work Act and will transition employees and employers into the new workplace relations system simply and fairly.

Let me remind the Senate of the key provisions of the bills. The Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 repeals the current Workplace Relations Act 1996 other than schedule 1, which deals with registered organisations, and schedule 10, which deals with transitional registered organisations. The Workplace Relations Act will then be renamed the Fair Work Registered Organisations Act 2009. The bill provides for the application of the 10 National Employment Standards and minimum wages to all national system employees from 1 January 2010, including those covered by instruments made before the commencement of the new system. The bill ensures employees’ take home pay is not reduced as a result of any transition to a modern award from 1 January 2010. The bill sets out rules in relation to the treatment of existing industrial instruments in the new system and includes arrangements to enable bargaining under the new system to commence in an orderly way.

The bill includes arrangements for the transfer of assets, functions and proceedings from the Workplace Relations Act institutions to Fair Work Australia and the Fair Work Ombudsman. The bill also includes consequential amendments to create the fair work divisions of the Federal Court of Australia and the Federal Magistrates Court of Australia. On 19 March 2009 the Senate referred the Fair Work (Transitional Provisions and Consequential Amendments) Bill to the Senate Standing Committee on Education, Employment and Workplace Relations, which reported back on 7 May. The government carefully considered the Senate committee’s report, as well as the detailed submissions, and as a result it proposed a number of technical amendments to improve the bill when the House of Representatives considered its provisions.

These amendments included the following: amendments ensuring special low-paid bargaining determinations are accessible to workplaces that no longer have an operating collective agreement, providing the other criteria are satisfied; amendments preserving the interaction between transitional instruments and state and territory laws; technical amendments ensuring that the transitional
arrangements in place for outworkers protect their existing terms and conditions and that outworker unions can properly enforce outworker entitlements; and amendments ensuring registered employee and employer organisations are able to represent their members in the fair work divisions of the Federal Court and the Federal Magistrates Court. The government’s intention through the consultations and through the Senate committee was to seek views in order to improve the bill, and those amendments were duly brought forward and are represented by the amendments I have just described.

I can foreshadow a small number of government amendments will be moved to the bill. In relation to protected action ballots, the bill currently provides that protected action ballot orders and authorisations under the Workplace Relations Act are of no effect from 1 July 2009. The government proposes an amendment to allow limited preservation of Workplace Relations Act protected action ballot authorisations after 1 July 2009 on application to Fair Work Australia. Strict criteria will need to be met before Fair Work Australia may make such an order. In relation to registered organisations, the government proposes a number of amendments to further assist state and federally registered organisations to rationalise their affairs and simplify their operations across multiple jurisdictions. The amendments include changes to the provisions allowing federal organisations to extend their eligibility rules to reflect the broader rules of an equivalent state association, and ensure that settled demarcations are not reopened by allowing Fair Work Australia to make a federal representation order that reflects a state order in situations where a federal organisation has altered its eligibility rules to reflect those of an equivalent state association.

In relation to an amendment by Senator Fielding regarding small business employers, the government proposes an amendment to provide a transitional definition of ‘small business employer’—that is, an employer with fewer than 15 full-time equivalent employees—until 1 January 2011 for unfair dismissal purposes. This amendment gives effect to the agreement reached between the government and Senator Fielding to secure the passage of what is now the Fair Work Act. The calculation of the number of full-time equivalent employees is based on the number of ordinary hours of the employer’s employees over the previous four weeks. Where an employee has been on leave associated with the birth or adoption of a child for more than four weeks, their hours of leave are excluded from the calculation.

I now turn to the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. The bill marks the next step in the creation of a national workplace relations system for the private sector in Australia—a key election commitment of the government. The bill amends the Fair Work Act to allow states to refer matters to the Commonwealth with a view to establishing a uniform national workplace relations system for the private sector. In addition, the bill makes transitional arrangements for Victorian employees and employers who are currently covered by the Workplace Relations Act as the result of an earlier referral of powers and who are very shortly expected to be covered by a new referral from Victoria. On 4 June 2009 the Fair Work Bill was introduced into the Victorian parliament. The bill provides a text based referral of power to underpin the application of the Fair Work Act to all Victorian employers and their employees. The bill has now passed through both chambers of the Victorian parliament and is due to receive royal assent later this month. This will ensure that there are no interruptions in coverage for the working people and businesses of Victoria.
Victoria is the first state that will be referring its powers under the bill. I am very pleased to note, however, that South Australia and Tasmania have expressed their intention to join Victoria in making a text based referral of powers on workplace relations matters to the Commonwealth and are now negotiating their final details. Queensland has indicated in-principle support for joining a national workplace relations system for the private sector, subject to a number of key issues being resolved. The bill establishes a framework that can be adapted in future Commonwealth legislation to accommodate anticipated future referrals from other states. We are continuing to work cooperatively with the other states to achieve a uniform workplace relations system for the private sector. Over the coming months, we anticipate that they will choose to become participants in implementing this crucial national reform.

The bill also makes transitional and consequential arrangements to 67 Commonwealth acts that refer to parts of the Workplace Relations Act that will be repealed by the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. The bill replaces those references with references to corresponding concepts, institutions and instruments in the Fair Work Act. Together, these two bills now before the house represent the final batch of legislation needed to complete the transition to Australia’s new workplace relations system. With the repeal of the Workplace Relations Act and as a result of these measures, we will see the final removal of the unfair Work Choices system, which the Australian people rejected when they rejected the Liberal Party at the last election. The death rites of Work Choices are now being administered and we are getting ready to see the Fair Work Act spring into life. The sensible and practical measures in the Fair Work (Transitional Provisions and Consequential Amendments) Bill will help to pave the way for the smooth and effective delivery of a balanced, modern workplace relations system for Australia.

The Fair Work (State Referral and Consequential and Other Amendments) Bill offers clear proof that the government is well on its way to achieving, through cooperation and consultation with state governments, a uniform national workplace relations system for the private sector in Australia—quite a reform. The arrangements set out in these two bills will ensure that the transition to the new workplace relations system is seamless. The new national system is good news for Australia because it is based on fairness for working people, flexibility for business and the promotion of productivity and economic growth for the future prosperity of our nation. That is what the Labor government promised the Australian people at the 2007 election and that is what we are delivering. Given that the Australian people repudiated the opposition’s industrial relations laws at the last election, we are hoping opposition senators do not try to clutch onto Work Choices through procedural delay and tricks but actually fulfil the voice of the Australian people and expedite passage of this legislation so that our new system can commence on time on 1 July this year and we can finally see the end of Work Choices. I commend the bill to the House.

Question agreed to.

Bills read a second time.

Ordered that consideration of these bills in Committee of the Whole be made an order of the day for the next day of sitting.

BUSINESS
Rearrangement

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for
Government Service Delivery) (9.13 pm)—I move:

That intervening business be postponed till after consideration of government business order of the day No. 6, the Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008.

Question agreed to.

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

Second Reading

Debate resumed from 12 February, on motion by Senator Sherry:

That this bill be now read a second time.

(Quorum formed)

Senator COONAN (New South Wales) (9.15 pm)—I rise to speak on behalf of the coalition on the Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008. I think it is interesting to first take a look at what this legislation is aiming to address, which of course is cartels. A cartel is an anticompetitive arrangement between two or more businesses. In its simplest form, it is an agreement between competitors not to compete. Cartels disadvantage consumers because they reduce their choices and ultimately lead to higher prices. Here in Australia we are of course not immune to cartel operations. In recent years we have seen the application of civil penalties for cartels, most notably with the Visy case in Victoria, which related to alleged price-fixing behaviour. This case has been described as the most serious cartel case to have been ventilated in our country.

The mere existence of previous cartel operations indicates clearly that the penalties available have not been adequate in deterring serious cartel activity. Not only does our recent history indicate the existence of cartels but also in Australia we have some of the globe’s greatest concentrations of ownership, and this creates an environment that is potentially more conducive to the creation of cartels. A prime example of this is the retail sector—particularly in groceries, alcohol and hardware sales—which has been the focus of much debate about this sort of activity. Top of mind, of course, is the duopoly of Woolworths and Coles, who have cornered over 70 per cent of the Australian grocery market. While I hasten to say I am not suggesting for one moment that Coles and Woolies are running a cartel, this example indicates how close to home concentrations of ownership are for the Australian consumer and why it is important that we have vigilant laws that serve to deter the creation of cartels and ensure consumer protection.

The legislation before us this evening in the Senate gets tougher on hardcore or serious cartel conduct by the application of criminal sanctions in order to deter and detect criminal cartel conduct. It proposes to make it a criminal offence if a corporation makes or gives effect to a cartel provision—that is, conduct which can be described as price-fixing, restricting outputs in the production or supply chain, allocating customers, suppliers or territories, or bid rigging. The maximum penalties for offences under the new legislation will be, for an individual, a maximum jail term of 10 years imprisonment and a fine of $220,000 and, for a corporation, a fine that is the greater of $10 million and three times the value of the cartel.

When the coalition were in government we had identified the risks to the consumer that so-called hardcore cartels present. The need for tougher penalties, such as those described just now, was a key recommendation of the 2003 Dawson review of the Trade Practices Act. In supporting the passage of this bill through the Senate this evening, I am reinforcing, however, the coalition’s renewed commitment to the prevention and deterrence of serious cartel conduct in the future. We
believe that the penalties will be a sufficient deterrent to businesses but, most particularly, will deter individuals.

It is important that this legislation is brought into effect, not only for the benefit of domestic consumers but also for Australia’s international relations and trade. Consistent legislation between different countries and trading partners in particular is important in a globalised world where businesses and cartels operate across various jurisdictions. The new legislation will ensure that Australia meets the OECD’s 1998 guidelines, which recommend that member nations ensure that their competition laws halt and deter hardcore cartels. It will also bring us into line with over 15 OECD nations, including the United States, Canada and the United Kingdom. These countries already have similar sanctions in place.

Having referred briefly to the reasons why we in the coalition believe this legislation is warranted, I would now like to mention the legislation itself. The recent Senate Standing Committee on Economics inquiry into this bill highlighted some concerns regarding the nature of the legislation we are considering. The first major concern identified is the lack of a definition of and mechanisms to distinguish criminal cartel conduct. Essentially the bill does not establish the exact point at which an activity goes beyond a civil cartel offence, dealing with anticompetitive conduct, and becomes a criminal cartel offence deserving of a jail term.

My concern here is that this creates uncertainty. How will the ACCC, the regulatory body responsible for identifying this activity, decide which matters will proceed to criminal prosecution and which will only be dealt with as a civil penalty? At what point does one identify that coordinated activity is actually hardcore cartel activity? There is a risk that even ordinary commercial transactions could be captured under the bill’s criminal offences, and this is a matter of some significance.

The Senate committee report has identified this weakness in the legislation as drafted, indicating that while the bill states: ... that a criminal cartel must have both a ‘physical’ and ‘fault’ element ... the physical element of a criminal cartel provision is not explained. The prosecutor therefore has only broad guideposts as to whether to treat an activity as a criminal, as opposed to a civil, offence. ... the bill thereby creates uncertainty as to which matters would proceed to criminal prosecution and which would only be dealt a civil penalty.

I believe we will need to agree that, while this situation is far from ideal, a simple approach to defining what is criminal and what is civil for these particular circumstances may never be resolved because so much will depend on the facts and circumstances of the particular situation at hand. In fact, the ACCC has foreshadowed these concerns, stating that ‘whether a particular conduct should be treated as criminal or civil will depend on the particular circumstances of the conduct’ under investigation.

The second concern identified in the report is the nature of the joint venture defence. There are two arguments focused on this area of concern. Some critics claim the defence is too narrow and will limit legitimate business activities. This means commercial arrangements and conduct that are not currently prohibited under the Trade Practices Act might be inadvertently captured as cartel conduct. On the other hand, some who have looked carefully at this believe that the joint venture defence is too broad and would allow illegitimate cartel conduct to go unpunished. This means the joint venture defence will provide a shield for illegitimate cartel conduct.

The Senate report examines these issues in great detail, describing all manner of existing
joint business arrangements and potential joint ventures and how they will be affected by the proposed legislation. While it aims to address each of these individual concerns, as a whole the mere existence of this number of concerns and different situations between businesses that are in some form of joint venture indicates how difficult it will be to identify and prosecute criminal cartel conduct in the future, particularly in relation to those parties that participate in joint venture agreements or that operate with coordinated activity. The only clarity that I have been able to glean from this is that consistent application of the legislation threatens to be murky. It is most likely that once again this part of the cartel investigation will be best settled based on the facts of each particular case.

The third concern is the level of discretion and potentially the extra workload that will be incumbent upon the ACCC who, as I mentioned earlier, have been given responsibility for determining which alleged cartel activities to pursue criminally and to forward information on to the Commonwealth Director of Public Prosecutions. The ACCC has emphasised that the bill provides persons with the capacity to seek authorisation from them if they wish to engage in coordinated activity without legally binding agreements and in circumstances not involving joint production or supply. While this measure allows for those who might engage in activity that is coordinated but not a cartel, it highlights that the bill’s joint venture defences would shift a heavy burden onto the ACCC to conduct an authorisation process for all joint ventures not formed through a contract and not engaged in activities relating to the production and supply of goods and services.

The Senate committee report has also addressed these concerns, indicating that the claim that the bill would give the ACCC too much discretion in determining the pursuit of criminal cartel cases is overstated. The ACCC currently exercises discretion on a range of trade practice related matters which require it to investigate activities and to assess possible breaches of the act based on all the relevant circumstances. Because this bill has been a long time in the making—or at least the consideration of the issues has had a very long gestation—I have taken the time to highlight these three concerns as they all point to the fact that, in the first instance, the success of this bill in bringing criminal cartel activity as a matter of law will be subject to interpretation and action taken by the ACCC. As pointed out in the Senate committee report:

... Treasury emphasised the importance of giving the ACCC flexibility to investigate a matter on civil grounds, but with the option of going down the criminal path where appropriate. The bill certainly provides this flexibility. The question is whether it provides too much to the point where the business community and the public at large could not be sure what will and what should guide the ACCC in pursuing criminal cartel investigations. In this instance, I welcome the Senate committee’s recommendation that, following the passage of this bill, the ACCC publish guidelines on what is and is not acceptable activity in relation to cartels. I believe that is very important. This requirement should help to address the concerns I have just indicated. It is a recommendation that I think is very germane to the consideration of this bill.

Perhaps of greatest concern is whether we have achieved the right balance—we hear a lot about getting the balance right. Again, I refer to the committee report, which states:

The bill’s undisputed strength is in establishing criminal offences and penalties for cartel conduct and providing the regulator with the flexibility needed to successfully prosecute such cases. Its weakness is this flexibility creates a level of uncertainty.
Clarity and certainty is vital if proposed legislation is to be an effective deterrent against cartel activity—indeed any activity to be the subject of legislation. Without deterring day-to-day business activity there is obvious concern that the bill in its current format is struggling in some areas to meet those requirements. However, trying to get the balance right, the other side to this argument which I believe should prevail and guide us is that this is such a complex area that it can only be investigated and addressed as the law develops on a case-by-case basis.

So, while I think it is fair to say that the legislation might be somewhat woolly, it is a situation that I think requires us to look at the bigger picture. We would not want to see this legislation delayed, particularly as the inherent nature of the many different permutations that can arise between two businesses operating together, or indeed in competition with one another, is such that it could be almost impossible to be able to nail down or define with precision and exact rulings what can be defined as criminal behaviour.

Whilst I certainly have misgivings as to some of the provisions in this legislation that we have under consideration, I do think that as a matter of principle it is important that the opposition signify our support for the bill and also indicate that we hold the view that a hard line must be taken against cartel conduct. Cartel behaviour is nothing less than theft from the Australian consumer. I think this bill has the potential to even the ledger. It is another step to ensure consumers get the best product or service for the best price. Given that cartels may operate across jurisdictions, it is also important and indeed advantageous that the Australian laws are harmonised with those of other major economies. However, such is the nature of the legislation that its successful implementation is very much a work in progress and it will only be established as individual cases come forward and the law is applied. I think it is very important that we all carefully monitor how this law is applied. Under those circumstances, I commend the bill to the Senate.

Senator WORTLEY (South Australia) (9.31 pm)—I rise to make a contribution to the debate on the Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008. This bill delivers on the Prime Minister’s election commitment to the protection of Australian consumers and it represents a long overdue and very specific legislative response to the criminal complexion of cartel behaviours. There are two types of cartel behaviour. A cartel may be broadly defined as an anticompetitive arrangement between two or more businesses. Such arrangements have the purpose, effect or likely effect of substantially lessening competition. Alternatively, the arrangement is identified as anticompetitive by way of an exclusionary provision or provisions. These are provisions in an agreement that prevent, restrict or limit the supply of goods or services to, or the acquisition of goods or services from, particular persons or classes of person by any of the parties to the arrangement where those parties are potential competitors or actual competitors.

We have all become familiar with anticompetitive arrangements, particularly price fixing, in recent years due to their exposure and discussion in the media, and I welcome the shining of the light of scrutiny on such secretive and dishonest dealings. Such agreements are to the detriment of all businesses and all consumers. There are of course gradations in cartel conduct. In 1998 the OECD adopted the definition of hardcore cartel conduct as:

An anti-competitive agreement, anti-competitive concerted practice or anti-competitive arrangement by competitors to fix prices, make rigged bids or collusive tenders, establish output restrictions or quotas or share and divide markets by
allocating customers, suppliers, territories or lines of commerce.

This definition still applies within the OECD and it is hardcore cartel conduct—we call it serious cartel conduct—that we are here to discuss today in the context of the Trade Practices Act.

The Trade Practices Act was introduced, I am proud to say, by the Whitlam government in 1974. Its intention was then and continues to be the safeguarding and enhancement of Australia’s welfare through the promotion of competition, fair trading and consumer protection. The act encompasses just about all market transactions between suppliers, wholesalers, retailers and consumers and between competitors. It captures anticompetitive conduct, unfair and unconscionable practices, mergers and acquisitions, product safety and labelling, prices, and industry regulation. It remains an outstanding piece of legislation and a tribute to the government—that is, and I say it again, the Whitlam Labor government.

After 35 years in operation the act requires amendment to reflect movements and developments in technologies, business practices, markets and economies both locally and globally. The current part IV of the act does not specifically mention the term cartel. It does refer to anticompetitive conduct being conduct which is per se, of itself, regarded as anticompetitive. Such conduct, which includes price fixing and resale price maintenance, is prohibited because it is so likely to be detrimental to economic welfare. Part IV also prohibits other conduct subject to a competition test. So item 2 of schedule 1 of the bill inserts a new definition, that of cartel provision.

Additionally, part IV in its present form does not incorporate criminal sanctions for cartel conduct. Such a state of affairs is unsatisfactory and cannot continue. Indeed, its remediation is long overdue. It was back in April 2003, more than six years ago, that the Trade Practices Act review committee released its review of competition provisions of the Trade Practices Act. This is often referred to as the Dawson report, as the review committee was chaired by eminent jurist Sir Daryl Dawson. The committee and its chair really did not mince words. They did not resile from their responsibilities. They stated, in accordance with an ACCC recommendation:

… there should be criminal sanctions for serious cartel behaviour. … a satisfactory definition of serious cartel behaviour needs to be developed and there needs to be a workable method of combining a clear and certain leniency policy with a criminal regime.

Despite a reasonable amount of sound and fury, the former government’s response to the Dawson report essentially signified nothing. No legislative action was taken. Why this is so is open to speculation, but perhaps I will leave that to others. However, it has been left up to Labor to do the decent thing, and that is what we intend to do.

The purpose of establishing criminal penalties for dishonest collusive conduct of the types I have outlined is threefold. The first is to provide an effective deterrent to engaging in the conduct—a deterrent of more immediate personal effect than the civil remedies now available. As the then Assistant Treasurer recently remarked in the other place:

The … bill includes a maximum 10-year jail term for individuals who partake in cartel conduct. The possibility of criminal sanctions for company executives will increase the deterrent effect for businesses that may otherwise rationalise corporate fines for cartel conduct as the cost of doing such business.

After all, it is difficult to estimate a dollar value for the loss of liberty and the shame that accompanies a criminal conviction and a
jail sentence. As the highly respected Professor Allan Fels said, ‘The law must not be blind to the colour of the collar.’ The second purpose of criminal penalties in this context is to make sure that there is fairness and consistency with other types of corporate and economic crime that also attract criminal sanctions—for example, tax evasion and insider trading. The third and final purpose for the establishment of criminal penalties is that such a move will bring Australia into line with international best practice. The United States has had recourse to criminal penalties for cartel conduct since the passage of the Sherman Antitrust Act 1890 and it has strengthened its maximum prison term from three to 10 years. In 2003, the UK introduced criminal penalties that could result in an unlimited fine to an individual and/or up to five years in jail. Many other countries—among them Ireland, Germany, Japan, France, Israel and Canada—also provide for fines and imprisonment for crimes of this nature.

I will not go into exhaustive detail about the content of this bill. There are, however, some key features and provisions which are worthy of specific mention. The dishonesty element will be removed and the fault elements under the Criminal Code, being intention, knowledge or belief, will be applied to offences. A parallel system of civil prohibitions will be introduced to deal with serious cartel behaviours. This scheme will comprise the same elements as the criminal offences, but the latter will require proof beyond reasonable doubt. If parallel criminal and civil prosecutions ensue, the civil proceedings will be adjourned until the criminal proceedings are determined and, if the defendant is convicted, the civil proceedings will be discontinued.

The legal tests used to determine whether a provision qualifies as a cartel provision, as defined, have changed. The Telecommunications Interception and Access Act 1979 will be amended to allow the use of telecommunications intercepts in investigations. A joint venture defence will apply in civil and criminal actions if the parties to an agreement are or will be carrying on a joint venture and the cartel provision goes to the purpose of that joint venture. A maximum 10-year term of imprisonment and/or a fine of $220,000 for individuals will be established and augmented by the strengthening of sanctions for corporations. The protection of whistleblowers will be ensured and the offer of immunity to the first eligible cartel member to expose an arrangement will be available. In such cases, the ACCC will manage the immunity in consultation with the DPP. These measures are to be applauded.

Anticompetitive behaviours are abhorrent. They are morally reprehensible. The community rejects them. Our government will deal with them decisively. It is in the light of these strictures that I commend the provisions of the Trade Practices Amendment (Cartel Conduct and Other Measures) Bill here this evening.

Senator SHERRY (Tasmania—Assistant Treasurer) (9.42 pm)—in reply—I thank Senators Coonan and Wortley for taking part in the debate on the Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008. It was a very useful background of some of the cartel conduct in trade practices history.

For over a decade, the Organisation for Economic Cooperation and Development has recognised that hardcore cartels are one of the most serious and harmful forms of anti-competitive conduct. In 1998 the OECD recommended that members ensure that their competition laws halt and deter hardcore cartels. In 2005 the OECD proposed that countries should consider introducing and imposing sanctions against individuals, in-
cluding criminal sanctions. The introduction of the Trade Practices Amendment (Cartel Conduct and Other Measures) Bill 2008 into the parliament demonstrates this government’s commitment to preventing and deterring serious cartel conduct. The bill brings Australia into line with over 15 OECD nations that provide criminal sanctions for such conduct. The government has listened carefully to the concerns of interested parties in developing the legislation. While the bill is modelled on international proposals, the elements it contains will ensure its effective operation within the Australian context. The government will monitor its operation to ensure that it meets its objectives.

On 4 December 2008, the bill was referred to the Senate Standing Committee on Economics for inquiry and report. The committee produced its report on 26 February 2009. The committee as a whole recommended that the bill be passed by the Senate. I note that the government has moved additional minor amendments to clarify the meaning of ‘contract’ under the bill. The committee also recommended that, following passage of the bill, the ACCC issue guidelines on those factors that are, in all the circumstances, most likely to lead it to refer a matter to the DPP as a possible criminal offence. I note that the ACCC is awaiting the passage of this legislation to enable it to provide such guidance. I thank members of the committee for their efforts in reporting on this important piece of legislation. In particular, I want to refer to class competition orders, a matter raised by a Senator Xenophon in the minority report. I can state for the record that we are happy to consider this on a future occasion.

The bill demonstrates the government’s ongoing commitment to strengthening laws promoting competition. Strong, lawful competition is a key means of ensuring that consumers get the best product or service for the lowest price possible. The bill delivers on our commitment to move legislation to criminalise serious cartel conduct. The bill delivers for business, consumers and the economy because the sanctions it introduces will meaningfully deter such conduct.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator SHERRY (Tasmania—Assistant Treasurer) (9.46 pm)—I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill and a correction to the explanatory memorandum circulated in the chamber on 13 May 2009. By leave, I move government amendments (1) to (20) together:

1. Schedule 1, item 19, page 21 (line 21), after “Note”, insert “1”.

2. Schedule 1, item 19, page 21 (after line 22), at the end of subsection 44ZZRO(1), add:

Note 2: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

3. Schedule 1, item 19, page 21 (before line 23), before subsection 44ZZRO(2), insert:

1A Section 44ZZRF does not apply in relation to an arrangement or understanding containing a cartel provision if:

(a) the arrangement or understanding is not a contract; and

(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:

(i) intended the arrangement or understanding to be a contract; and
(ii) reasonably believed that the arrangement or understanding was a contract; and
(c) the cartel provision is for the purposes of a joint venture; and
(d) the joint venture is for the production and/or supply of goods or services; and
(e) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

(f) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (d) jointly by means of:

(i) their joint control; or
(ii) their ownership of shares in the capital;

of that body corporate.

Note 1: A defendant bears an evidential burden in relation to the matter in subsection (1A) (see subsection 13.3(3) of the Criminal Code).

Note 2: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(1B) Section 44ZZRG does not apply in relation to giving effect to a cartel provision contained in an arrangement or understanding if:

(a) the arrangement or understanding is not a contract; and
(b) when the arrangement was made, or the understanding was arrived at,

each party to the arrangement or understanding:

(i) intended the arrangement or understanding to be a contract; and
(ii) reasonably believed that the arrangement or understanding was a contract; and
(c) when the cartel provision was given effect to, each party to the arrangement or understanding reasonably believed that the arrangement or understanding was a contract; and
(d) the cartel provision is for the purposes of a joint venture; and
(e) the joint venture is for the production and/or supply of goods or services; and
(f) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

(g) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (e) jointly by means of:

(i) their joint control; or
(ii) their ownership of shares in the capital;

of that body corporate.

Note 1: A defendant bears an evidential burden in relation to the matter in subsection (1B) (see subsection 13.3(3) of the Criminal Code).

Note 2: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a
joint venture for the supply of services.

(4) Schedule 1, item 19, page 21 (line 24), after “subsection (1)”, insert “, (1A) or (1B)”.

(5) Schedule 1, item 19, page 21 (line 30), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.

(6) Schedule 1, item 19, page 21 (line 34), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.

(7) Schedule 1, item 19, page 22 (line 2), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.

(8) Schedule 1, item 19, page 22 (after line 28), at the end of subsection 44ZZRP(1), add:

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(9) Schedule 1, item 19, page 22 (before line 29), before subsection 44ZZRP(2), insert:

(1A) Section 44ZZRJ does not apply in relation to an arrangement or understanding containing a cartel provision if:
(a) the arrangement or understanding is not a contract; and
(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:
(i) intended the arrangement or understanding to be a contract; and
(ii) reasonably believed that the arrangement or understanding was a contract; and
(c) the cartel provision is for the purposes of a joint venture; and
(d) the joint venture is for the production and/or supply of goods or services; and
(e) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

(f) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (d) jointly by means of:
(i) their joint control; or
(ii) their ownership of shares in the capital;

of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(1B) Section 44ZZRK does not apply in relation to giving effect to a cartel provision contained in an arrangement or understanding if:
(a) the arrangement or understanding is not a contract; and
(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:
(i) intended the arrangement or understanding to be a contract; and
(ii) reasonably believed that the arrangement or understanding was a contract; and
(c) when the cartel provision was given effect to, each party to the arrangement or understanding reasonably believed that the arrangement or understanding was a contract; and
(d) the cartel provision is for the purposes of a joint venture; and
(e) the joint venture is for the production and/or supply of goods or services; and

(f) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

(g) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (e) jointly by means of:

(i) their joint control; or

(ii) their ownership of shares in the capital;

of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(10) Schedule 1, item 19, page 22 (line 29), after “subsection (1)”, insert “, (1A) or (1B)”.

(11) Schedule 1, item 126, page 67 (after line 29), at the end of subsection 44ZZRO(1), add:

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(12) Schedule 1, item 126, page 67 (before line 30), before subsection 44ZZRO(2), insert:

(1A) Section 44ZZRF does not apply in relation to an arrangement or understanding containing a cartel provision if:

(a) the arrangement or understanding is not a contract; and

(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:

(i) intended the arrangement or understanding to be a contract; and

(ii) reasonably believed that the arrangement or understanding was a contract; and

(c) the cartel provision is for the purposes of a joint venture; and

(d) the joint venture is for the production and/or supply of goods or services; and

(e) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

(f) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (d) jointly by means of:

(i) their joint control; or

(ii) their ownership of shares in the capital;

of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(1B) Section 44ZZRG does not apply in relation to giving effect to a cartel provision contained in an arrangement or understanding if:
(a) the arrangement or understanding is not a contract; and

(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:

(i) intended the arrangement or understanding to be a contract; and

(ii) reasonably believed that the arrangement or understanding was a contract; and

(c) when the cartel provision was given effect to, each party to the arrangement or understanding reasonably believed that the arrangement or understanding was a contract; and

(d) the cartel provision is for the purposes of a joint venture; and

(e) the joint venture is for the production and/or supply of goods or services; and

(f) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

(g) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (e) jointly by means of:

(i) their joint control; or

(ii) their ownership of shares in the capital;

of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(13) Schedule 1, item 126, page 67 (line 30), after “subsection (1)”, insert “, (1A) or (1B)”.

(14) Schedule 1, item 126, page 68 (line 2), after “subsection (1)”, insert “, (1A) or (1B)”.

(15) Schedule 1, item 126, page 68 (line 8), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.

(16) Schedule 1, item 126, page 68 (line 12), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.

(17) Schedule 1, item 126, page 68 (line 16), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.

(18) Schedule 1, item 126, page 69 (after line 6), at the end of subsection 44ZZRP(1), add:

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(19) Schedule 1, item 126, page 69 (before line 7), before subsection 44ZZRP(2), insert:

(1A) Section 44ZZRJ does not apply in relation to an arrangement or understanding containing a cartel provision if:

(a) the arrangement or understanding is not a contract; and

(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:

(i) intended the arrangement or understanding to be a contract; and

(ii) reasonably believed that the arrangement or understanding was a contract; and

(c) the cartel provision is for the purposes of a joint venture; and

(d) the joint venture is for the production and/or supply of goods or services; and
(e) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

(f) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (d) jointly by means of:

(i) their joint control; or

(ii) their ownership of shares in the capital;

of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(1B) Section 44ZZRK does not apply in relation to giving effect to a cartel provision contained in an arrangement or understanding if:

(a) the arrangement or understanding is not a contract; and

(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:

(i) intended the arrangement or understanding to be a contract; and

(ii) reasonably believed that the arrangement or understanding was a contract; and

(c) when the cartel provision was given effect to, each party to the arrangement or understanding reasonably believed that the arrangement or understanding was a contract; and

(d) the cartel provision is for the purposes of a joint venture; and

(e) the joint venture is for the production and/or supply of goods or services; and

(f) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

(g) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (e) jointly by means of:

(i) their joint control; or

(ii) their ownership of shares in the capital;

of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(20) Schedule 1, item 126, page 69 (line 7), after “subsection (1)” insert “, (1A) or (1B).”

By way of explanation, the bill was introduced in the House of Representatives on 3 December 2008 and referred to the Senate Standing Committee on Economics, as I mentioned. The amendments will ensure that the exceptions will be available where joint venturers can prove that they intended to be and reasonably believed that they were party to a valid joint venture contract. The supplementary explanatory material also provides examples of the operation of joint venture exceptions.
The government’s amendments extend the joint venture exceptions under sections 44ZZRO and 44ZZRP of the bill to cover an arrangement or understanding that is not a contract but was intended and reasonably believed by the parties to be a contract. For example, the amendments would cover situations where the joint venturers intended to enter into and reasonably believed they had entered into a contract but failed to do so because they lacked capacity or a condition precedent was not satisfied. This change will provide additional comfort to legitimate joint venturers who have sought to formalise their dealings in a contract.

The amendments also insert an explanatory note in the joint venture exceptions of the bill to provide an example in relation to research and development. The results of an R&D joint venture, even if just provided to joint venture participants, would amount to a supply of a service that could bring it within the exception. Examples are included in the supplementary explanatory memorandum to demonstrate that certain types of activity could fall within the joint venture exceptions where that activity is for the purpose of the joint venture. The examples also make readers aware that there are other general exception provisions in the bill that may also be relevant to joint ventures, such as the collective acquisition of goods and services exception.

Finally, the explanatory memorandum is amended to incorporate a recommendation made by the Senate Standing Committee for the Scrutiny of Bills. Paragraph 8.15 of the explanatory memorandum is to be amended to refer to an amendment made by item 30 of schedule 2 of the bill. I thank the two Senate committees for their good work.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Senator SHERRY (Tasmania—Assistant Treasurer) (9.49 pm)—I move:

That this bill be now read a third time.

Question agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Bernardi)—Order! It being 9.50 pm, I propose the question:

That the Senate do now adjourn.

Malou and Irwin Families

Senator FURNER (Queensland) (9.50 pm)—This evening I rise to make an adjournment speech on two families—the Malou family and the Irwin family. In October last year I had the fortune to meet a lovely Sudanese family through some Labor friends who tirelessly devote every Thursday to tutoring the five children in this family. They are Phil and Dawn Chapel. They started tutoring the children about 18 months ago through the St Vincent’s tutorial program. The members of the Sudanese family are mother Rosa, daughters Rania and Margaret, and brothers Joseph, Robert and Botros Malou.

Digressing slightly, in November 2008 I attended the opening of the Australian Wildlife Hospital, representing the Minister for the Environment, Heritage and the Arts, the Hon. Peter Garrett. Steve Irwin converted an old avocado packing shed into the Australian Wildlife Hospital in 2004. The hospital was built in memory of his mother, Lyn Irwin, who was a pioneer in wildlife care and rehabilitation. At the opening, Terri Irwin, her children, Wes Mannion and I unveiled the new Australia Zoo Wildlife Warriors Australian Wildlife Hospital. The new $5 million, state-of-the-art Wildlife Hospital will continue in operation 24 hours a day, seven days
a week, 365 days a year to care for sick, injured and orphaned wildlife. The Australian government generously contributed $2.5 million towards the $5 million facility. The hospital specialises in the care of koalas and sea turtles but currently receives over 5,500 patients of all species each year, the majority of which are birds and reptiles. The hospital provides a vital veterinary service to the hundreds of volunteer wildlife rescuers and carers operating in the region.

Having received an invitation to revisit Australia Zoo, I arranged for the Malou family to visit the zoo with me. This special day was a highlight in December, not only for the Malou family but also for me. It was truly amazing. Wes Mannion, a long-term member of the zoo staff and a lifetime mate of Steve Irwin, met us at the gate. He spent the greater part of the day showing us the highlights of the zoo. We first went to the wombat enclosure and met the marsupials. This was followed by a trip through the snake enclosure. I was interested in hearing Wes’s commentary on the reptiles. He was very conversant with those particular species. Next stop for us was the ‘Crocosseum’. The show there was provided by various attendants, including Terri, Bindi and Robert Irwin, and Wes. It is truly amazing to see their professional delivery of this show. Their introductions were backed up by timely humour, and the crowd was involved from the start to the end of the show.

Having not been to the zoo since visiting some 15 years ago with my own family, I found this visit an excellent opportunity to see first-hand the brilliant achievements of the dedicated Irwins and their staff over this time. After visiting the ‘Crocosseum’ we went and visited various other enclosures. We met a variety of different types of animals. Australia Zoo is one of the biggest employers on the Sunshine Coast, with 629 staff, of whom 92 per cent reside in the local area. Australia Zoo’s philosophy is that if one animal could be saved then an entire species could be saved. Australian Wildlife Warriors are practising that philosophy every day around the world by contributing to the health of our environment and the wellbeing of wildlife. Australia Zoo is their major sponsor, funding all the administrative costs of the charity to ensure that all donations received are contributed towards the conservation and preservation of wildlife and habitat.

The objectives of the zoo are: to protect and enhance the natural environment; to provide information and education to the public and raise awareness of wildlife issues; to undertake biological research; to research, make recommendations on and act for the protection of threatened or endangered species; and to enter into cooperative arrangements with like-minded organisations. Not long after lunch we went to another enclosure where we were fortunate enough to meet the lemurs. For those people who are not aware of this species, they come from Madagascar. They are quite shy animals but with a bit of enticing with some food they were quickly eating out of our hands. Not far from there we went to the enclosure of the southern white rhinos and met one of the rhino boys: Swazi. I was amazed how placid this two-tonne animal was. We were able to handfeed and pat this incredible beast. From there we walked through the tropical bird sanctuary to the kangaroo enclosure, where Botros met his favourite marsupial: the kangaroo. We then travelled to the next location to handfeed three Asian elephants: Siam, Sabu and Bimbo. These huge mammals selectively picked fruit from our hands with their trunks and quickly put it into their mouths, only inches from us.

I would like to reflect on one of the objectives of the Irwins—that is, the Steve Irwin Wildlife Reserve. The latest campaign the
zoo is involved in concentrates on the Steve Irwin Wildlife Reserve. The reserve was acquired by Australia Zoo in July 2007 through the Australian government’s National Reserve System Program. The acquisition of the reserve was an Australian government initiative to honour the work of Australia’s world-leading nature conservationist Steve Irwin. Australia Zoo is managing the reserve entirely for conservation purposes while providing for appropriate sustainable economic and cultural opportunities for traditional owners. The reserve comprises a total area of 135,000 hectares and is situated in the catchment of the Wenlock and Ducie rivers. Some 36 ecosystem types have been confirmed to date, comprising six rainforest types, seven wetland-riverine types, three open forest types and 20 tropical woodland types. This represents outstanding biodiversity.

There are several significant elements to note about the reserve. The reserve features four clusters of relic rainforest. These rainforests are listed on the Australian government’s National Heritage register. A series of perched bauxite springs have been located on the bauxite plateau. These springs represent a possible new and rare ecosystem type—and, along with the relic rainforests, a strong possibility exists that traditional Aboriginal medicinal plants of great pharmaceutical importance survive here. The Wenlock River is one of Australia’s most ecologically important rivers. The lower estuarine sections downstream from the reserve likewise provide crucial habitat for rare and threatened marine and estuarine wildlife, including sawtoothed sharks, dugong and Irrawaddy river dolphins. The Tentpole Creek section of the Wenlock system has the best estuarine crocodile nesting habitat in Queensland.

Reserve initiatives include: ongoing wildlife survey and monitoring work, where some 152 bird, 40 reptile, 14 mammal, 16 amphibian and 44 freshwater fish species have been recorded to date; long-term estuarine crocodile research, where some 15 crocodiles have been fitted with electronic pingers to date; and Arafura file snake research, where six snakes have been fitted with electronic devices and their biology, diving patterns and movements are being researched in Gibson’s Billabong. There has also been freshwater stingray research undertaken. Six rays have been fitted with electronic devices and are being tracked by the same river hydrophones as those used for the crocodiles.

There is currently a threat posed by mining in the area. I am informed that the integrity of the ecological and cultural values of the Steve Irwin Reserve and the long-term potential for economic opportunities for traditional owners are threatened by possible strip mining of bauxite on the western part of the reserve. The subsequent impacts would be irrevocable. They include the lowering of the landscape by three metres or more and the total loss of original biodiversity, including all vegetation, wildlife and the supporting bauxite substrate—which the various ecosystems have taken millennia to evolve and adapt to. The short-term economic benefits of a mine, with a lifespan of approximately 10 to 15 years, are negligible compared with protecting and managing a natural landscape with its intrinsic and in many cases unique natural and cultural values and associated potential long-term economic benefits to the traditional owners from greenhouse gas emission abatement projects and traditional medicine projects. The area of the Steve Irwin Wildlife Reserve represents approximately one per cent of the bauxite area on western Cape York but is of exceptionally high conservation significance.

Recently the Queensland Labor government put forward a proposal to have the Wenlock River listed as a wild river under
their special wild rivers legislation. The Queensland government have been involved in a broad consultation process and received submissions regarding this proposal. One respected elder from the Wenlock area in North Queensland who I have had the privilege to meet and who supports the Queensland government’s proposal is Mr David Claudie. He informs me that the listing and protection of the Wenlock River under the wild rivers legislation will lead to employment and better management practices for his people and other non-Indigenous people in that area. I hope the commitments, dreams and beliefs that David and the staff of the Australia Zoo aspire to are met with suitable alternatives to protect this truly amazing and unique part of our country.

Cane Toads

Senator CASH (Western Australia) (10.00 pm)—I rise tonight to draw the Senate’s attention to the issue of the cane toad and the devastation that it can cause. I recently had the opportunity of joining the Kimberley Toad Busters in the field for a night of toad busting on the Western Australian-Northern Territory border. The Kimberley Toad Busters are the only volunteer group on the ground 12 months of the year, fighting to stop the cane toad from crossing into Western Australia. I would like to thank Ben Scott-Virtue and Sandy Boulter, both from the Kimberley Toad Busters, for arranging the toad bust for me. I would also like to thank my team leader, Tim Leary, and the Kimberley Toad Busters Indigenous co-ordinator, Juju Wilson, for their guidance and support on the night.

A toad bust with the Kimberley Toad Busters assists in understanding the extent of the field work that the group have undertaken weekly since September 2005. It also provides an opportunity to be briefed about the Kimberley Toad Busters education and cane toad management plans for the Kimberley and the potential risk that the cane toad poses to the Ord River flood plains. The toad-bust exercise consists of a briefing in the late afternoon at the Kimberley Toad Busters headquarters. After this, the volunteers are bussed to the area which is to be busted that night. On arrival at the designated area, you are given a torch and a pair of gloves. You literally then walk into the dead of night, hunting for cane toads. The captured cane toads are placed in large plastic rubbish bags for processing the next morning. At this time they are measured and classified by sex and as either adult or juvenile. This information is recorded prior to the cane toad being placed in another plastic bag and humanely killed by CO2 gas. We caught 748 cane toads on my bust.

There are many benefits associated with toad busting, including health, social, educational, environmental, natural resource management and Aboriginal welfare. Perhaps the most significant of the social dividends that I witnessed when I went out with the Kimberley Toad Busters was amongst the junior Aboriginal toad busters. I was joined on my toad bust by a number of enthusiastic junior Aboriginal toad busters, including Sasha, LaToya and Montana. Toad busting enforces in these children the value of cooperation and learning to work as part of a team. It teaches them the positive value of contributing to society.

The previous federal government donated $69,000 for the purchase of a second-hand bus and trailer through a grant signed off by former Minister for the Environment and Heritage Senator Ian Campbell. This bus is used to transport the junior toad busters and others to what they refer to as the colonising front. This type of financial support for the Kimberley Toad Busters assists in reaping the social dividends amongst the Aboriginal children of Kununurra, who are keen, willing
and able to toad-bust and who time and time again have proven themselves to be remarkable toad busters in the remote country of the colonising fronts.

In terms of the cane toad’s presence in Western Australia, contrary to popular belief, cane toads are at the Northern Territory-Western Australian border in the Kimberley region, just east of Lake Argyle, reportedly less than five kilometres from the lake and 3.4 kilometres from the Western Australian border at the Victoria Highway. In March 2009 it was reported by the ABC that a cane toad had been found on the banks of Lake Argyle. Due to the devastating impact the cane toad can have, it is imperative that we keep the Kimberley area of Western Australia free of cane toads.

The Kimberley has many natural values, including areas of wilderness, internationally and nationally recognised wetlands, World Heritage values, wild rivers and native animals. The Kimberley has few natural defences to stop the cane toads establishing. It has been predicted that, if the cane toad were to establish in the Kimberley, the entire mainland population of the northern quoll would disappear from the Kimberley in 10 years from ingesting the cane toads.

I would like to commend the Hon. Donna Faragher, Minister for Environment in the Western Australian government, for recognising the threat that the cane toads pose to Western Australia and for taking pre-emptive action to help combat this threat. The Hon. Donna Faragher recently released for public comment the state government’s Draft cane toad strategy for Western Australia for 2009 to 2019. The publication sets out the WA government’s strategy and aims to provide an integrated response to reduce the impact of cane toads on biodiversity and social and economic values. At the same time, the WA government has given financial support through a $1.2 million four-year grant to the Kimberley Toad Busters for the fight against the impact of the cane toad. My toad-busting experience confirmed for me that the WA government’s financial commitment to the Kimberley Toad Busters was a well-founded decision which is producing widespread and indeed remarkable outcomes from what is a relatively small investment.

There are two reasons why cane toads are considered to be pests: they are poisonous and they eat both native species and other fauna. There has been considerable research carried out on the cane toad’s destructive impact on native and other species. Regrettably, research shows that the survival and increased numbers of cane toads are at the expense of competing fauna. What a lot of people do not understand is that the cane toad is poisonous at all stages of its life, from egg through to adult, and is actually listed by the Invasive Species Specialist Group as one of the world’s 100 worst invasive alien species.

I mentioned earlier that the WA Minister for Environment is taking positive action to fight the cane toad from coming into Western Australia. However, on a national level, the federal government needs to take more action. For example, to date, no national threat abatement plan has been prepared to combat the cane toad. This means that the eradication of the cane toad is not being adequately coordinated at a national level and the consequences of this lack of action are devastating for the national environment.

I have discussed this issue with representatives from the Kimberley Toad Busters, who strongly endorse a national threat abatement plan. Sandy Boulter, on behalf of the Kimberley Toad Busters in a letter to the director of the environmental biosecurity section of the Department of the Environment, Water, Heritage and the Arts of 12
March 2009, said that many cane toad research scientists and community groups, including the Kimberley Toad Busters, are concerned about the lack of national leadership in the campaign against the cane toad.

The Kimberley Toad Busters say that a national abatement plan is not only a feasible, effective and efficient way to abate the invasion of Australia by the cane toad but also critically important to better managing the limited resources available for controlling and/or finding a way of eradicating the cane toad. The Toad Busters also say that there needs to be a central repository of all cane toad information, resource outcomes, educational materials and cane toad management strategies that is easily accessible by all cane toad activists; that a nationally-guided, effective dialogue on the management of the cane toad is crucially needed; and that there is presently nothing efficient or effective about ad hoc decisions relating to the application of cane toad management and research funds in Australia.

I would like to quote Lee Scott-Virtue, the founder and president of the Kimberley Toad Busters:

It is important to recognise that the pristine terrestrial and aquatic habitat systems of the Kimberley are already under threat. Current land care and resource management policies undertaken by land and resource managers have had a detrimental impact on Kimberley biodiversity. Most of our plant and animal biodiversity is in a fragile state. The impact of the cane toad, if allowed to happen, will literally destroy one of the last unique biodiversity wilderness frontiers in Australia.

For the information of the Senate, adult cane toads produce a poison gland over their upper surface. When they are provoked, they will secrete a poison. An animal then ingests the cane toad—or, alternatively, its eggs—and it then absorbs the poison into its body. It actually causes heart failure and, ultimately, the death of many, many of the flora and fauna within the Kimberley.

Government 2.0

Senator LUNDY (Australian Capital Territory) (10.10 pm)—Tonight I would like to talk about an issue that I think is growing in its importance in Australia, particularly in politics and also within the community. It relates to the use of Web 2.0 applications and websites to better communicate with the people we represent. The concept of Government 2.0 is a rising topic of debate across the world. Trends in technology, media and public opinion have made it both more possible and more necessary for governments of all persuasions to look at what and how information is made freely available to the public. Creating an even more participatory form of government in Australia, I believe, will improve the effectiveness of public administration. It will enable communities to better help themselves and promote new and invigorated engagement in the democratic processes that we are all involved in. It will also help us in our capacity to respond to the emerging complex social, geopolitical and environmental challenges that our generation faces.

To really understand the area and the opportunities of Web 2.0 we need to engage with and bring together government practitioners, decision makers across industry and interest groups, and citizens to try and build a new and inclusive approach to citizen engagement and a citizen-centric form of delivering government services. I think we need to consider how we can truly engage with people who would otherwise not be involved in the political process. As I think we all know, it is not about talking at them but about making it a real interaction—getting feedback, responding to their questions and having a conversation.
One of the most exciting things about what I am trying to achieve in my own office using social networking is hosting conversations and facilitating citizen engagement in the political process. The example I have built and that we are experimenting with is called Public Sphere, and the Public Sphere event that I am organising for 22 June revolves around the issue of Government 2.0. We have asked the community to put forward talks and provide feedback on my website, and the event itself will be video streamed, with the opportunity to both tweet and blog as the presentations are being made and streamed live on the internet. This will help make the process of gathering feedback and input on the policy ideas suggested highly transparent and very participatory, because the whole stream that is collected around that discussion will form part of the event itself.

Government 2.0 initiatives should aim not only to facilitate garnering those good ideas from the public but to provide a channel into government that is efficient in the best sense of the word and where the ideas going forward are peer reviewed. The openness and the accessibility of that final report, if you like, that goes to government is quite a challenge to prepare. The method we have used in our Public Sphere event to achieve it involves the use of a wiki, which allows everybody to contribute, to edit and to provide their ideas in that final document going forward.

The other issue about Government 2.0 that sits at the forefront of public policy consideration relates to access to government data. I am obviously trying to do my bit in improving engagement with people with excellent policy ideas and in providing a transparent channel to push them forward, but it is more than that, and there is a great deal that government can do as it develops its strategy to put information into the public arena.

Key areas of policy reform that are being actively discussed to facilitate access to government information include the area of copyright reform of public sector information, moving to more permissive copyright conditions for all government data which is neither commercial nor sensitive and where there is no issue being in the public domain in order to assist with enabling both private and community innovation on the back of that public sector information. It would greatly assist in facilitating collaborative Government 2.0 style initiatives. Recently at the conference held at Old Parliament House in relation to copyright, Professor Lawrence Lessig said the following in a podcast I recorded with him:

If you’re not free to use the materials of your culture in the debate and expression about how politics should develop, then the open democracy will be hampered in a way that is really unnecessary. So I think copyright freedom and open democracy are intimately connected and we need to see both of them move in the same direction.

Those comments were made in the context of placing public sector information that has no reason not to become public in the public domain. Senator Faulkner, in launching Information Awareness Month just a few weeks ago, said as much in moving to a new environment where the default position ought to be: if there is information generated in the public sector then it really ought to be placed in the public environment, unless you can demonstrate a reason otherwise.

There is another area relating to openness, and that is standards and formats. I believe that governments have a responsibility to ensure that data is made available in open standards and open formats to ensure that the best opportunity for innovation and reuse by both public and private sectors is available. Open standards are also vital for interoperability and sustainable systems. You can imagine that for the data that we are collect-
ing, storing and perhaps archiving to be accessible in the future the standards used to record that information digitally need to be successfully and sustainably accessible in the future. That cannot happen with the appropriate amount of probity and responsibility by government if the standards are not open and interoperable.

A subset of this issue relates to metadata standards. This might be getting a little technical, but metadata is the information contained in a digital file that describes the content of that file. Again, if the standards are not open for that then we are compromised with respect to how we can access that information in the future.

The bottom line with all of these policy considerations, which are weighty and do affect all agencies and departments, is that they will require a culture change. Governments are naturally risk averse and it is difficult to collaborate across agencies and departments. For this reason, the sort of leadership that has been provided by Senator Faulkner in many of his statements, particularly relating to the work of the National Archives of Australia and their capacity to lead and offer advice to other agencies about the interoperability and openness of such standards, puts the government in very good stead in the future.

Another area I would like to mention in the same vein is geospatial information. I had the privilege of opening a conference on this topic this morning, spatial@gov, here in Canberra. It was sponsored and supported impressively by Geoscience Australia. Many of the issues discussed related to open access to government owned spatial information for both public and private innovation and the growing importance of spatial or locational data to policymaking across a raft of fields—not least issues like national security, emergency management and emergency response, but also things like managing our water assets, identifying community safety and perhaps analysing relative priorities with respect to social policy across a whole range of datasets. Spatial information has incredible application. I am very pleased to see the growing emphasis on it within government policy and I certainly commend Senator Carr for the investments made in this area through his portfolio.

Finally, Labor has put together a whole range of policies that start to address these issues, and they cover a number of portfolios. I have mentioned both Senator Faulkner’s former portfolio and Senator Carr’s portfolio, but I do want to fly the flag for the importance of the social networking tools of Government 2.0 in looking for better ways to engage in the future with the people we represent.

**Anzac Day**

Senator WILLIAMS (New South Wales) (10.20 pm)—It is with pleasure that I rise to talk about Anzac Day this year. My wife Nancy and I were privileged and honoured to be present at Anzac Day at Hellfire Pass in Thailand. I would like to give a brief history of the Second World War and what happened during the war in Asia at that terrible time. A friend of mine from Inverell, Frank Adams, who is now deceased, was part of the 2nd/18th Battalion, led by the gallant Brigadier Varley from Inverell. Many of that battalion were from the Moree, Inverell, Glen Innes and Bingara area in the north of New South Wales. Brigadier Varley had the idea that he wanted countrymen in his battalion for the reasons that they were strong, they were fit and they could shoot. About half of that battalion were trained in Tamworth before going off to Singapore in around June 1941, and then they were sent up to the middle of what was then called Malaya, where they first went into battle with the Japanese. I
must say that about the only time that the
Japanese actually had words of praise for the
enemy was when they came into conflict
with the Australians. However, tragedy did
strike and the Allies were forced to withdraw
down to Singapore. Of course, 15 February
1942 saw the unconditional surrender by
then General Percival, the allied leader in
Singapore, and hence the fall of Singapore. It
was a tragic time for my wife’s family as her
uncle, Don Cope, was killed in the battle in
Malaya. Hence my brother-in-law is named
Don after his late uncle.

I first visited Hellfire Pass in June 1998
when I went to Thailand to establish my
business. I was in awe of the history of the area
and of what Allied prisoners of war went through. After the fall of Singapore, the
prisoners—mostly from Changi prison camp
in Singapore—set off for Thailand in October
1942 to build a railway line from Thailand to Burma. The Japanese wanted that
railway line because their shipping, by which
they were trying to supply their troops in
Burma, was being sunk by Allied submarines. They thought that if they could build
the railway line and connect Burma and
Thailand then they could rail the ammunition
and food supplies through to Burma without
such a loss of supplies as they were experi-
encing on the oceans. The Allies commenced
working on the railway line in October 1942
and some 12 months later they had com-
pleted it, but not before the death of some
12,000 Allied prisoners of war and some
90,000 Asian labourers. Just over 60,000
Allied prisoners of war were compelled to
work on the railway. Many were in A Force
and went up the coast to the Burma end,
commencing at that end as my late friend
Frank Adams did. Others were railed up to
Bampong in Thailand, crammed into small
rail trucks with little or no ventilation, ex-
treme heat, virtually no food and very little
water. Just the journey itself was a testing
time for the prisoners. When they com-
menced work they joined the railway line 12
months later at a place called Three Pagodas
Pass, near the Burma border of Thailand.

The Allies commenced work on Hellfire
Pass on Anzac Day 1943. They cut a section
of rock about 400 metres on one side, 100
metres on the other and probably 30 metres
deep, and they worked for months on it.
Some 68 Allied prisoners of war were actu-
ally bludgeoned to death by the Korean and
Japanese guards as they constructed that sec-
tion of the railway line. It is an eerie feeling
to walk through Hellfire Pass. It was called
Hellfire Pass because it was during the time
of its construction that the speedo was on.
The Japanese guards would say, ‘Speedo,
speedo.’ They were saying, ‘Faster, faster;
we need this railway line completed.’ The
prisoners would work from daylight right
through to the late hours of the evening, lit
by the fires down in the rock cutting. The
soldiers described it as a hellfire to look
down and see the men working on it. There
was malnutrition and loss of weight and the
men were sick with diseases such as beriberi,
malaria and dysentery. Many died of cholera.
It really is a sad part of our history.

It is also, in many ways, a proud part of
our history, because out of this conflict came
people like Sir Ernest Edward Dunlop,
commonly known to us as Weary Dunlop.
Weary was one of some 30-odd doctors who
worked on the railway line there with the
prisoners. Through makeshift surgical
equipment—things they constructed out of
virtually nothing—people like Weary Dunlop
carried out the operations of removing limbs
and saving lives. It is great to walk through
the cutting and to see the bronze plaques
there in dedication to people like Weary
Dunlop. It is typical of Australians when
they are in adversity and tough times that
heroes seem to come out of the fray and to
shine, and such were people like Weary Dunlop.

It was also great this year to go to Hellfire Pass and meet people like Bill Haskell. Bill is from Fremantle and is a former prisoner of war. I was privileged to introduce my three children to Bill on Anzac Day in 2007. He is an inspirational man; a great man. He is a very quiet, placid sort of chap and you would think he would be bitter and vindictive after what he had been through for all those years, but it is not the case. This year, I was also very honoured and privileged to meet Neil MacPherson. Neil was a prisoner of war and just last August a book was released of Neil’s diary, along with one by his mate Mick McCarthy. It was written by Tony Carter, who lives in Corindi Beach in the north of New South Wales. I was at the launch of the book, launched by the Rt Hon. Ian Sinclair. I was talking last Friday to Ian about it in Sydney airport. From meeting and talking to Neil about his time as a prisoner of war and about what they went through, it is simply amazing that anyone survived. You could not imagine in your wildest dreams what these men experienced: the sickness, the starvation and loss of life, the huge workload and the way they had to toil through all sorts of tropical monsoonal conditions and the heat. At the River Kwai, where we were, there are some 500 inches of rainfall in a matter of four or five months. So you can imagine the torrential rain they had to endure and work through. And of course the evenings were very cold because they were drenched.

It was a wonderful experience to be there at Anzac Day this year and to meet again the friends I previously met. It was my fourth Anzac Day in the last five years at Hellfire Pass. It was wonderful to once again go to the museum at Hellfire Pass—the construction of which the Hon. Bruce Scott was responsible for—and to go through and learn more about the war’s history and what our ancestors went through. It was also great to meet the New Zealand and Australian ambassadors, and also Colonel John Blaxland, the defence attache to Thailand from Australia. I was privileged to have him in my office here just a couple of weeks ago. It was great to meet these people and to see the respect that they show, and to be in Thailand, thousands of kilometres from here of course, and see some 1,200 people at the dawn service in Hellfire Pass to remember those who suffered and died there. It is great to see that, as each year goes on, Anzac Day seems to be getting bigger and bigger. It is a wonderful thing that the future generations are making an effort to show their respect and remember those who gave the ultimate sacrifice during those times.

It was certainly an honour to represent the Senate. I thank you, Mr President, for allowing me that privilege of representing the Senate at Hellfire Pass, and also for the privilege of laying a wreath at the 11 o’clock service at Kanchanaburi War Cemetery, where some 6,900 Allied prisoners of war are buried. They were buried on various parts of the railway line, and after the war those bodies were exhumed and returned, mainly to the one cemetery at Kanchanaburi. It is a very sobering place to visit. What it does for me, and I think for many others, is serve to remind us, when we look back and reflect on what our ancestors went through, of how lucky we are today to live the life we do. It is important that on each Anzac Day we really do make an effort to grow that day—to show our respect and to honour those who did so much for us. We really do have a good life today. Even though we whinge a bit about some things, we are really privileged to be able to enjoy the life we have today and to be able to think back on how so many suffered and what sacrifices they made. It made me very proud to represent the Senate there. In
conclusion, I thank you, Mr President, for giving me the honour of doing that.

Senate adjourned at 10.30 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]


Aged Care Act—

Allocation Amendment Principles 2009 (No. 1) [F2009L02065]*.

Extra Service Amendment Principles 2009 (No. 1) [F2009L02092]*.

Air Services Act—Statement of expectations for the Board of Airservices Australia for the period 1 November 2008 to 30 June 2010 [F2009L02175]*.

Airspace Act—Airspace Regulations—

Instruments Nos CASA OAR—

097/09—Determination of airspace and controlled aerodromes etc [F2009L02152]*.

098/09—Determination of conditions for use of air routes [F2009L02153]*.

Appropriation Act (No. 1) 2007-2008—

Determination to Reduce Appropriations Upon Request (No. 26 of 2008-2009) [F2009L02002]*.

Appropriation Act (No. 1) 2008-2009—

Determination to Reduce Appropriations Upon Request (No. 24 of 2008-2009) [F2009L01996]*.

Appropriation Act (No. 2) 2008-2009—

Determination to Reduce Appropriations Upon Request (No. 25 of 2008-2009) [F2009L02000]*.


Australian Citizenship Act—Instrument IMMI 09/026—Instrument of Authorisation [F2009L02055]*.

Australian Film, Television and Radio School Act—Determination of Degrees, Diplomas and Certificates No. 2009/1 [F2009L02143]*.

Australian National University Act—


Programs and Awards Statute 2006—

Academic Progress Rules 2009 [F2009L02163]*.

Honorary Degrees Rules 2009 [F2009L02164]*.

Australian Postal Corporation Act—Select Legislative Instrument 2009 No. 79—

Australian Postal Corporation Amendment Regulations 2009 (No. 1) [F2009L01620]*.

Australian Prudential Regulation Authority Act—

Australian Prudential Regulation Authority (Confidentiality) Determination No. 6 of 2009—Information provided by locally-incorporated banks and foreign ADIs under Reporting Standard ARS 320.0 [F2009L02030]*.

Australian Prudential Regulation Authority Instrument Fixing Charges No. 3 of 2009— Provision of statistical information about financial sector entities to the Reserve Bank of Australia and the Australian Bureau of Statistics during the 2008-09 financial year [F2009L02311]*.

Aviation Transport Security Act—Select Legislative Instrument 2009 No. 85—

Aviation Transport Security Amendment Regulations 2009 (No. 2) [F2009L01814]*.

Banking Act—Banking (Foreign Exchange) Regulations—Direction relating to
foreign currency transactions and to the
former Federal Republic of Yugoslavia;
and variation of exemptions—Amendment
to annexes, dated 5 June 2009
[F2009L02269]*.

Building and Construction Industry Im-
provement Act—Select Legislative Instru-
ment 2009 No. 86—Building and Con-
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AD/HU 369/65—Fargo Auxiliary Fuel Tanks [F2009L01879]*.
AD/HU 369/66—Eon Corp. Seat Belt Assemblies [F2009L01786]*.
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AD/SWSA226/48—Swivel Reading Lights – Inspection/Modification [F2009L01873]*.
AD/SWSA226/49 Amdt 1—Fuel Vent Line and Electrical Wire Bundle Support Clamps – Installation [F2009L01872]*.
AD/SWSA226/51 Amdt 1—Fuel Booster Pump Wiring Harness [F2009L01871]*.
AD/SWSA226/54—Placard – Use of Reverse Thrust [F2009L01870]*.
AD/TSA-600/5—Centre Fuel Tank Fuel Probe Gasket – Replacement [F2009L01869]*.
AD/TSA-600/9—Alternator Field Circuit Protection – Modification [F2009L01868]*.
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AD/TSA-600/14—Wing Tank Fuel Sumps – Inspection and Modification [F2009L01867]*.
AD/TSA-600/15—Outboard Aileron Hinge Bolt Installation – Inspection and Modification [F2009L01680]*.
AD/TSA-600/18—Main Landing Gear Clamshell – Door Placard – Replacement [F2009L01679]*.
AD/TSA-600/24—Nose Landing Gear Support Structure – Inspection and Modification [F2009L01721]*.
AD/TSA-600/25 Amdt 2—Aft Horizontal/Vertical Stabiliser Attatch Fitting – Inspection [F2009L01678]*.
AD/TSA-600/26—Wing Tank Fuel Line – Inspection [F2009L01866]*.
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AD/TSA-600/40 Amdt 1—Nacelle Fuel and Oil Pressure Hoses [F2009L01864]*.
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106—
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AD/AL 250/3—Oil Filter By-Pass Valve Poppet Guide – Replacement [F2009L01927]*.
AD/AL 250/6 Amdt 1—Power Turbine Governor – Modification [F2009L01926]*.
AD/AL 250/14—Compressor Wheels, Glass Bead Peening [F2009L01925]*.
AD/AL 250/16—Ceco Fuel Control and Governor External Plug and Lever – Replacement [F2009L01924]*.
AD/AL 250/18—Compressor Bleed Valve Orifice – Installation [F2009L01923]*.
AD/AL 250/20 Amdt 1—Fuel Pump Drive Shaft – Inspection [F2009L01922]*.
AD/AL 250/21—Ceco F.C.U. Throttle Shaft and Governor Quadrant and Shaft Assembly – Inspection [F2009L01921]*.
AD/AL 250/30—Fuel System – Fuel Pump to Control and Fuel Control to Pump By-Pass Tube Clamps – Replacement [F2009L01962]*.
AD/AL 250/31—Fuel System – Check Valve Assembly – Installation [F2009L01920]*.
AD/AL 250/33—Fourth Stage Compressor Wheel – Retirement [F2009L01919]*.
AD/AL 250/45—Power Turbine Inner and Outer Coupling Shaft – Replacement [F2009L01918]*.
AD/AL 250/50 Amdt 1—N2 Overspeed Control Assembly – Addition of Lockwashers to Ground Jumper Lead [F2009L01961]*.
AD/AL 250/55 Amdt 3—Gas Producer Rotor Assembly – Tie Bolt P/N 6843388, 6876991 and 6889320 [F2009L01960]*.
AD/AL 250/62 Amdt 1—Fourth Stage Nozzle Assembly – Replacement [F2009L01917]*.
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AD/AL 250/69—Installation of Internal Energy Absorbing Ring [F2009L01915]*.
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AD/ALF/21—High Pressure Compressor Discs [F2009L01977]*.
AD/ARRIEL/32 Amdt 1—Engine Module M04 Power Turbine Blades [F2009L02054]*.
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AD/CF34/17—High Pressure Seal [F2009L01972]*.
AD/CON/58—Challenger Engineering Chrome Plated Cylinder Barrels [F2009L01912]*.
AD/CON/73—Unapproved Camshaft Repairs [F2009L01911]*.
AD/DHE/1—Accessory Drive Shaft – Modification to Provide Weak Neck [F2009L01910]*.
AD/DHE/3—Propeller Oil Transfer System – Modification [F2009L01909]*.
AD/DHE/4—Supercharger Drive System – Modification [F2009L01908]*.
AD/DHE/5—Sun Gear Distance Piece – Modification [F2009L01907]*.
AD/DHE/6—Connecting Rod Securing Nuts – Modification [F2009L01906]*.
AD/DHE/7—Throttle Bell Crank Pivot Stud – Modification [F2009L01905]*.
AD/DHE/8—Gudgeon Pin – Replacement [F2009L01904]*.
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Migration Act—
Direction under section 499—Direction No. 41—Visa refusal and cancellation under section 501.

Instrument IMMI 09/047—Revocation of section 499 Direction No. 21 [F2009L01779]*.

Migration Regulations—Instruments IMMI—
09/027—Class of Persons [F2009L01652]*.
09/040—Definition of ‘Academic Year’ [F2009L01654]*.
09/046—Addresses for Applications for Offshore Parent Visas [F2009L01827]*.
09/049—Specification of addresses [F2009L02056]*.
09/050—Specification of addresses [F2009L02057]*.
09/051—Specification of addresses [F2009L02058]*.
09/057—Exemptions to the English language requirement for the Temporary Business (Long Stay) Visa [F2009L02130]*.

Select Legislative Instrument 2009 No. 84—Migration Amendment Regulations 2009 (No. 4) [F2009L01746]*.

Military Rehabilitation and Compensation Act—Military Rehabilitation and Compensation (Pay-related Allowances) Determination 2009 (No. 1) [F2009L02034]*.

Nation-building Funds Act—
Building Australia Fund (Credit of Telstra Sale Special Account Balance) Determination 2009 [F2009L02301]*.

Building Australia Fund General Drawing Rights Limit Declaration 2009 [F2009L02109]*.

Building Australia Fund (Initial Credit) Determination 2009 [F2009L02303]*.

Education Investment Fund General Drawing Rights Limit Declaration 2009 [F2009L02116]*.

Health and Hospitals Fund General Drawing Rights Limit Declaration 2009 [F2009L02117]*.

Health and Hospitals Fund (Initial Credits) Determination 2009 (No. 2) [F2009L02302]*.

National Environment Protection Council Act—Variation to the National Environment Protection (Diesel Vehicle Emissions) Measure 2009 (No. 1) [F2009L02125]*.

National Health Act—
Instrument Nos PB—
47 of 2009—Amendment declaration and determination – drugs and medicinal preparations [F2009L02287]*.
48 of 2009—Amendment determination – pharmaceutical benefits [F2009L02288]*.
49 of 2009—Amendment determination – responsible persons [F2009L02289]*.
50 of 2009—Amendment — price determinations and special patient contributions [F2009L02290]*.

51 of 2009—Determination — drugs on F1 [F2009L02291]*.

52 of 2009—Amendment determination — prescription of pharmaceutical benefits by authorised optometrists [F2009L02292]*.

53 of 2009—Amendment determination — conditions [F2009L02293]*.

57 of 2009—Special arrangements for the Remote Aboriginal Health Services Program [F2009L02282]*.

Pharmaceutical Benefits Amendment Determination under paragraph 98B(1)(a) No. 13 [F2009L02266]*.

Primary Industries and Energy Research and Development Act—Select Legislative Instrument 2009 No. 73—Fisheries Research and Development Corporation Amendment Regulations 2009 (No. 1) [F2009L01792]*.

Primary Industries (Customs) Charges Act—Select Legislative Instrument 2009 No. 74—Primary Industries (Customs) Charges Amendment Regulations 2009 (No. 1) [F2009L01733]*.

Primary Industries (Excise) Levies Act—Select Legislative Instrument 2009 No. 75—Primary Industries (Excise) Levies Amendment Regulations 2009 (No. 2) [F2009L01732]*.

Primary Industries Levies and Charges Collection Act—Select Legislative Instrument 2009 No. 76—Primary Industries Levies and Charges Collection Amendment Regulations 2009 (No. 1) [F2009L01735]*.


Protection of the Sea (Shipping Levy) Act—Select Legislative Instrument 2009 No. 102—Protection of the Sea (Shipping Levy) Amendment Regulations 2009 (No. 1) [F2009L02141]*.

Remuneration Tribunal Act—Determinations—

2009/05: Remuneration and Allowances for Holders of Public Office [F2009L01820]*.

2009/06: Members of Parliament—Travelling Allowance and Entitlements [F2009L01822]*.

2009/07: Judicial and Related Offices—Remuneration and Allowances [F2009L01824]*.

Retirement Savings Accounts Act—Select Legislative Instrument 2009 No. 105—Retirement Savings Accounts Amendment Regulations 2009 (No. 3) [F2009L02157]*.


Social Security Act—

Social Security (Australian Government Disaster Recovery Payment) Determination 2009 (No. 4) [F2009L01830]*.

Social Security (Australian Government Disaster Recovery Payment) Determination 2009 (No. 5) [F2009L02085]*.

Social Security (Administration) Act—

Social Security (Administration) (Declared relevant Northern Territory area — Bulgul) Determination 2009 [F2009L02070]*.

Social Security (Administration) (Declared relevant Northern Territory areas — Various) Determination 2009 (No. 5) [F2009L02071]*.

Superannuation Industry (Supervision) Act—Select Legislative Instrument 2009 No. 106—Superannuation Industry (Supervision) Amendment Regulations 2009 (No. 4) [F2009L02156]*.
Sydney Airport Curfew Act—Dispensation Report 04/09.
Taxation Administration Act—PAYG withholding—Withholding Schedules 2009 [F2009L02075]*.
Telecommunications Act—Telecommunications Service Provider (Mobile Premium Services) Revocation Determination 2009 [F2009L02010]*.
Telecommunications (Carrier Licence Charges) Act—Determinations under paragraph 15(1)(d) No. 1 of 2009 [F2009L02078]*.
Telecommunications (Annual Carrier Licence Charge) Determination 2009 [F2009L02068]*.
Telecommunications (Costs Attributable to Telecommunications Functions and Powers) Determination 2009 [F2009L02012]*.
Telecommunications (Recovery of ITU Budget Contribution) Determination 2009 [F2009L02013]*.
Telecommunications (Consumer Protection and Service Standards) Act—Telstra Carrier Charges—Price Control Arrangements, Notification and Disallowance Determination No. 1 of 2005 (Amendment No. 1 of 2009) [F2009L02173]*.
Telecommunications (Interception and Access) Act—Telecommunications (Interception and Access) (Staff Members of Queensland Police Service) Declaration 2009 [F2009L02151]*.
Therapeutic Goods Act—Therapeutic Goods (Emergency) Exemptions 2009—(No. 2) [F2009L02296]*. 
(No. 3) [F2009L02297]*.
(No. 4) [F2009L02298]*.
Trade Practices Act—Select Legislative Instrument 2009 Nos—87—Trade Practices Amendment Regulations 2009 (No. 1) [F2009L01832]*.
Governor-General’s Proclamations—Commencement of provisions of Acts
Commonwealth Authorities and Companies Amendment Act 2008—Item 42 of Schedule 1—1 July 2009 [F2009L01781]*.
Fair Work Act 2009—Sections 3 to 40—26 May 2009 [F2009L01818]*.
* Explanatory statement tabled with legislative instrument.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Broadband, Communications and the Digital Economy: Staffing**

(Question No. 629)

Senator Minchin asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 25 August 2008:

1. How many departmental officers are working in the office of the Minister/Parliamentary Secretary.
2. How many of these staff are Departmental Liaison Officers.
3. How many departmental officers, on secondment from the department, are in the office of the Minister/Parliamentary Secretary in personal staff positions.

Senator Conroy—The answer to the honourable senator’s question is as follows:

1. I have been informed by the Department that there are currently two departmental officers working in the office of the Minister/Parliamentary Secretary.
2. Both of the officers currently working in the office of the Minister/Parliamentary Secretary are Departmental Liaison Officers.
3. There are currently no departmental officers, on secondment from the Department, in the office of the Minister/Parliamentary Secretary in personal staff positions.

**Beijing Olympic Games**

(Question Nos 669 and 674)

Senator Minchin asked the Minister representing the Attorney-General and Minister representing the Minister for Home Affairs, upon notice, on 25 August 2008:

1. Did the Minister or Parliamentary Secretary within the Minister’s portfolio attend any event at the Beijing Olympic Games; if so, which events did the Minister/Parliamentary Secretary attend.
2. Was the Minister/Parliamentary Secretary accompanied by: (a) family; (b) personal staff; and (c) departmental officials; if so, how many.
3. Did any officials from the department attend the Beijing Olympic Games in their capacity as an employee of the Australian Government; if so, how many and in what capacity did they attend.
4. In regard to the attendance by the Minister/Parliamentary Secretary and/or departmental officials at the Beijing Olympic Games, what was the total cost of: (a) travel; (b) accommodation; and (c) any other expenses.

Senator Wong—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:

1. No.
2. N/A.
3. The AFP deployed a team of four members to the Beijing Olympic Games in partnership with the AFP Beijing Office to provide a response in the event of any incident involving Australia’s interests, to assist in coordinating VIP protection and to provide assistance to relevant Chinese authorities. The four team members, the AFP Beijing Senior Liaison Officer and Liaison Officer all obtained accreditation from the Beijing Organising Committee of the Olympic Games. The AFP also deployed close personal protection for the Prime Minister and the Governor-General. In relation to
that deployment, the AFP does not provide detail on security arrangements or protection costs as doing so may breach their security.

(4) (a) $10,369.35 (b) $6,452.67 (c) $9,621.16.

Minister for Resources and Energy and Minister for Tourism: Overseas Travel

(Question Nos 708 and 709)

Senator Minchin asked the Minister representing the Minister for Resources and Energy and Minister for Tourism, upon notice, on 25 August 2008:

Did the Minister or Parliamentary Secretary within the Minister’s portfolio travel overseas during July or August 2008; if so:

(1) Where did the Minister/Parliamentary Secretary travel.

(2) What was the duration of the travel.

(3) What was the purpose of the travel.

(4) For each country visited, what was the total cost to the taxpayer of: (a) travel; (b) accommodation; and (c) any other expenses.

(5) How many personal staff accompanied the Minister/Parliamentary Secretary.

(6) How many family members accompanied the Minister/Parliamentary Secretary.

(7) In regard to staff and family accompanying the Minister/Parliamentary Secretary, what was the total cost of: (a) travel; (b) accommodation; and (c) any other expenses.

(8) (a) How many departmental officers accompanied the Minister/Parliamentary Secretary; and (b) what was the total cost of their: (i) travel, (ii) accommodation, and (iii) any other expenses.

Senator Carr—The Minister for Resources and Energy and the Minister for Tourism has provided the following answer to the honourable senator’s question:

(1) The Honourable Martin Ferguson AM MP, Minister for Resources and Energy and Minister for Tourism, travelled overseas twice during the period in question: to Japan and Thailand, and to China.

(2) The Minister travelled to Japan from 3-6 August and Thailand from 6-9 August and to China between 20 and 23 August 2008.

(3) In Japan the Minister held bi-lateral discussions with ministerial counterparts and senior business executives on portfolio issues.

In Thailand the Minister represented Australia at the East Asian Summit Energy Ministers’ Meeting and held bi-lateral discussions with ministerial counterparts and senior business executives on portfolio issues.

In China the Minister presented the keynote address to the Australia China Mining and Minerals Dinner in Beijing and held bi-lateral discussions with ministerial counterparts and senior business executives on portfolio issues.

(4) For cost information regarding each overseas visit, the Hon Senator is referred to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation.

(5) One member of the Minister’s parliamentary staff accompanied him on each trip.

(6) No family members accompanied the Minister.

(7) For cost information regarding each overseas visit, the Hon Senator is referred to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation.

(8) (a) One departmental officer accompanied the Minister on his visit to Japan and Thailand. One departmental officer accompanied the Minister on his visit to China.
(b) Costs for the departmental officer’s travel:

<table>
<thead>
<tr>
<th>Country</th>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan and Thailand</td>
<td>airfares</td>
<td>$10,078</td>
</tr>
<tr>
<td>Japan and Thailand</td>
<td>accommodation</td>
<td>$1,900</td>
</tr>
<tr>
<td>Japan and Thailand</td>
<td>other</td>
<td>$609</td>
</tr>
<tr>
<td>China</td>
<td>airfares</td>
<td>$8,102</td>
</tr>
<tr>
<td>China</td>
<td>accommodation</td>
<td>$290</td>
</tr>
<tr>
<td>China</td>
<td>other</td>
<td>$304</td>
</tr>
</tbody>
</table>

**Liquified Petroleum Gas Vehicle Conversion Scheme**

(Question No. 784)

*Senator Abetz* asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 11 November 2008:

In regard to the Liquefied Petroleum Gas Vehicle Conversion Scheme: Has any request been made to the Minister or the department to re-phase the scheme’s funding from the forward estimates period to the 2008-09 financial year; if so: (a) on what date was the request made; (b) how much was requested to be brought forward; and (c) has a response been finalised; if so: (i) when was the response finalised, and (ii) was the re-phasing approved.

*Senator Sherry*—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

The Rephasing of Program Funds is an internal budgetary process. It is not appropriate for details of requests from Ministers, their consideration and outcome be placed on the public record. Any additional funding, or reduction of funding, as appropriate, is recorded in the relevant budget papers.

**Education: Media Contracts**

(Question Nos 898, 899 and 919)

*Senator Ronaldson* asked the Minister representing the Minister for Education, upon notice, on 24 November 2008:

What is the aggregate amount spent by the department on media monitoring during the 2008 calendar year?

*Senator Carr*—The Minister for Education has provided the following answer to the honourable senator’s question:

The cost of media monitoring for the entire 2008 calendar year is $1,349,313 (GST exclusive).

**Broadband, Communications and the Digital Economy: Media Monitoring**

(Question No. 909)

*Senator Ronaldson* asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 24 November 2008:

What is the aggregate amount spent by the department on media monitoring during the 2008 calendar year.

*Senator Conroy*—The answer to the honourable senator’s question is as follows: $189,598.23 GST inclusive from 1 January 2008 to 24 November 2008.
### Education, Employment and Workplace Relations, and Youth: Media Contracts

**Question Nos 921, 922 and 942**

Senator Ronaldson asked the Minister representing the for Education and Minister for Employment and Workplace Relations, and the Minister for Youth, on notice, on 24 November 2008:

For the 2008 calendar year, can details be provided of the start date, duration, cost and nature (direct source or open source) of tender for each individual consultancy contract with the department dealing with: (a) media relations; (b) public relations; (c) public events management; (d) communications; and (e) communications strategy?

Senator Ludwig—The Minister for Education and Minister for Employment and Workplace Relations and the Minister for Youth have provided the answer to the honourable senator’s question:

Attachment A provides details of the Department of Education, Employment and Workplace Relations consultancies let in the 2008 calendar year which deal with media relations; public relations; public events management; communications; and communications strategy.

<table>
<thead>
<tr>
<th>Parliamentary Question Category</th>
<th>Contractor Name</th>
<th>Service Provided</th>
<th>Start Date</th>
<th>End Date</th>
<th>Cost/Value (GST incl.)</th>
<th>Selection Method (Nature)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) media relations</td>
<td>Morris Walker Pty Ltd</td>
<td>Media advisor for Remuneration Tribunal</td>
<td>1 December 2008</td>
<td>30 November 2011</td>
<td>$50,000 direct source</td>
<td>direct source</td>
</tr>
<tr>
<td>(b) public relations</td>
<td>(nil)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) public events management</td>
<td>Couch Creative Pty Ltd</td>
<td>Website Information Architecture (IA) and user-centred design services</td>
<td>7 October 2008</td>
<td>31 October 2008</td>
<td>$152,642 open tender</td>
<td>open tender</td>
</tr>
<tr>
<td>(d) communications</td>
<td>Eye Candy Animation Pty Ltd</td>
<td>National Literacy and Numeracy Week 2008 Community Service Announcement</td>
<td>11 July 2008</td>
<td>31 August 2008</td>
<td>$19,975 direct source</td>
<td>direct source</td>
</tr>
<tr>
<td>(d) communications</td>
<td>Inside Story Knowledge Management Pty Ltd</td>
<td>Evaluate the Australian Apprenticeships website</td>
<td>15 January 2008</td>
<td>30 June 2008</td>
<td>$58,477 direct source</td>
<td>direct source</td>
</tr>
<tr>
<td>(d) communications</td>
<td>Susan Jane Rossely (The School of Thought)</td>
<td>Produce creative advertising design for Skilling Australia campaign</td>
<td>25 February 2008</td>
<td>30 June 2008</td>
<td>$126,024 direct source</td>
<td>direct source</td>
</tr>
<tr>
<td>Parliamentary Question Category</td>
<td>Contractor Name</td>
<td>Service Provided</td>
<td>Start Date</td>
<td>End Date</td>
<td>Cost/Value (GST incl.)</td>
<td>Selection Method (Nature)</td>
</tr>
<tr>
<td>---------------------------------</td>
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<td>--------------------------</td>
</tr>
<tr>
<td>(e) communications strategy</td>
<td>Colmar Brunton Social Research Pty Ltd</td>
<td>Carry out market research on branding elements for the body to replace the Australian Safety &amp; Compensation Council (ASCC)</td>
<td>23 June 2008</td>
<td>15 August 2008</td>
<td>$79,000</td>
<td>open tender</td>
</tr>
<tr>
<td>(e) communications strategy</td>
<td>Inside Story Knowledge Management Pty Ltd</td>
<td>Market research to help determine content for the Study in Australia student care publication and its distribution method</td>
<td>29 July 2008</td>
<td>31 December 2008</td>
<td>$27,720</td>
<td>direct source</td>
</tr>
<tr>
<td>(e) communications strategy</td>
<td>Open Mind Research Group Pty Ltd</td>
<td>Stakeholder Survey</td>
<td>24 July 2008</td>
<td>30 June 2009</td>
<td>$80,627</td>
<td>direct source</td>
</tr>
<tr>
<td>(e) communications strategy</td>
<td>Open Mind Research Group Pty Ltd</td>
<td>Communications research relating to the introduction of the new employment services</td>
<td>24 July 2008</td>
<td>30 June 2009</td>
<td>$186,598</td>
<td>direct source</td>
</tr>
<tr>
<td>(e) communications strategy</td>
<td>Open Mind Research Group Pty Ltd</td>
<td>Portfolio communications research</td>
<td>24 July 2008</td>
<td>30 June 2009</td>
<td>$312,765</td>
<td>direct source</td>
</tr>
<tr>
<td>(e) communications strategy</td>
<td>Orima Research Pty Ltd</td>
<td>Research to determine the most effective methods of communicating with families and services about Australian Government child care</td>
<td>18 April 2008</td>
<td>30 June 2008</td>
<td>$78,530</td>
<td>direct source</td>
</tr>
<tr>
<td>(e) communications strategy</td>
<td>Orima Research Pty Ltd</td>
<td>Carry out qualitative market research for Child Care Tax Rebate communications</td>
<td>20 May 2008</td>
<td>30 June 2008</td>
<td>$100,673</td>
<td>direct source</td>
</tr>
</tbody>
</table>
Parliamentary Question Category | Contractor Name | Service Provided | Start Date | End Date | Cost/Value (GST incl.) | Selection Method (Nature)
--- | --- | --- | --- | --- | --- | ---
(e) communications strategy | Orima Research Pty Ltd | Carry out quantitative market research for Child Care Tax Rebate communications strategy | 22 May 2008 | 31 July 2008 | $77,000 direct source |
(e) communications strategy | Orima Research Pty Ltd | Tracking research for the Child Care Tax Rebate campaign | 28 August 2008 | 30 October 2008 | $87,010 direct source |
(e) communications strategy | ZBAR Consulting Pty Ltd | National Policy Narrative - The Future of Australian Schooling - develop a plain language narrative outlining a vision for Australian schooling by 2020 | 15 July 2008 | 31 August 2008 | $15,400 direct source |

Attorney-General: Media Contracts
(Question No. 936)

Senator Ronaldson asked the Minister representing the Attorney-General, upon notice, on 24 November 2008:

For the 2008 calendar year, can details be provided of the start date, duration, cost and nature (direct source or open source) of tender for each individual consultancy contract with the department dealing with: (a) media relations; (b) public relations; (c) public events management; (d) communications; and (e) communications strategy.

Senator Wong—The Attorney-General has provided the following answer to the honourable senator’s question:

For the 2008 calendar year to 24 November 2008:

(a) Nil
(b) Nil
(c) Nil
(d) Communications
Engaged: Zoo Communications Pty Ltd
Start date: 5 November 2008
End date: anticipate completion by end February 2009
Cost: $27,360.00 (ex GST) anticipated payment

A contract for services was entered into with Zoo Communications Pty Ltd to design the branding and logo, press advertisements, folders, banners, background paper and summary of the background paper.
for the National Human Rights Consultation. The contract for services commenced on 5 November 2008. The duration of the contract was for the period of 5 November 2008 until 15 January 2009. This contract for services was let under a select tender process.

(e) Communications Strategy

Engaged: Open Mind Research Group
Start date: 13 October 2008
End date: 28 October 2008
Cost: $23,200 (ex GST)

This contract was used for market research as part of communications strategy for the Anti Money Laundering & Counter-Terrorism Financing Act (AML/CTF) public awareness communications campaign. Open Mind was engaged through direct source.

Engaged: Grey Canberra Pty Limited
Start date: 21 November 2008
End date - anticipate completion by end February 2009
Cost: $52,650.95 (ex GST)

This contract was used for design, translation and printing services as part of the communications strategy for the AML/CTF public awareness communications campaign. Grey Canberra was engaged through a select tender process.

**Agriculture, Fisheries and Forestry: Media Contracts**

(Question No. 938)

**Senator Ronaldson** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 24 November 2008:

For the 2008 calendar year, can details be provided of the start date, duration, cost and nature (direct source or open source) of tender for each individual consultancy contract with the department dealing with: (a) media relations; (b) public relations; (c) public events management; (d) communications; and (e) communications strategy.

**Senator Sherry**—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

From 1 January to 24 November 2008, the department entered into the following new consultancy contracts where application of expert independent knowledge or skills was required, and where the work was undertaken on a project or short-term basis.

(a) Consultancies for media relations services:

<table>
<thead>
<tr>
<th>Company</th>
<th>Start date</th>
<th>Duration</th>
<th>Cost</th>
<th>Nature of tender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b) Consultancies for public relations services:

<table>
<thead>
<tr>
<th>Company</th>
<th>Start date</th>
<th>Duration</th>
<th>Cost</th>
<th>Nature of tender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cox Inall Comm-</td>
<td>2 June 2008</td>
<td>To 30 September 2008</td>
<td>$19,107</td>
<td>Select</td>
</tr>
<tr>
<td>munications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cox Inall Comm-</td>
<td>9 July 2008</td>
<td>To 10 October 2008</td>
<td>$79,613</td>
<td>Open</td>
</tr>
<tr>
<td>munications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(c) Consultancies for public event management services:

<table>
<thead>
<tr>
<th>Company</th>
<th>Start date</th>
<th>Duration</th>
<th>Cost</th>
<th>Nature of tender</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>
QUESTIONS ON NOTICE

Immigration and Citizenship: Staffing
(Question No. 947)

Senator Ronaldson asked the Minister for Immigration and Citizenship, upon notice, on 24 November 2008:

(1) Can details be provided, as of 24 November 2008, of the total number of all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(2) Can details be provided of the aggregate salary and superannuation costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(3) Can details be provided of the aggregate travel costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and
(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(4) Can details be provided of the aggregate mobile phone costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(5) Can a breakdown be provided of every review, inquiry and committee which is being conducted in the department that has been announced since 1 December 2007.

(6) (a) How many of the department’s reviews, inquiries and committees are in progress or incomplete as of 24 November 2008; and (b) what are their reporting dates.

(7) In regard to each of the department’s review, inquiry and committee (completed and incomplete as of 24 November 2008) that has or is being conducted during the 2008 calendar year: (a) what is the number of departmental staff allocated to each; (b) what is the aggregate number of departmental staff allocated to all; (c) were external consultants engaged to assist in any; if so, which consultants and how much has each consultancy cost (please itemise for each); and (d) what have been the travel costs associated with those staff involved in each (please itemise for each).

(8) For the 2008 calendar year, what is the total cost of each departmental review, inquiry and committee, including staff wages, consultancy costs, travel and any other associated expenditure (please itemise for each).

Senator Chris Evans—The answer to the honourable senator’s question is as follows:

(1) (a) (i-vi) One. (b) (i-vi) On 24 November 2008 the Department had seven staff whose job description is solely devoted to the categories noted.

(2) (a) (i-vi) The salary range only is provided so as not to identify personal information of individual employees.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Salary Range</th>
<th>Allowance</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Media Adviser</td>
<td>$85,500 to $116,400</td>
<td>$17,719 MSA*</td>
<td>From 7 January 2008 onwards</td>
</tr>
</tbody>
</table>

*Ministerial Staff Allowance

Depending on their individual circumstances, employees may be eligible to be a member of the CSS, PSS or PSSap. Alternatively, employees under the Commonwealth Members of Parliament Staff Collective Agreement 2006-2009 may have an employer superannuation contribution of 15.4 per cent paid to an eligible superannuation fund of their choice, while employees above the level of Adviser may have an employer superannuation contribution of nine per cent paid to an eligible superannuation fund of their choice. Individual details are not supplied.

(b) (i-vi) The aggregate salary and superannuation costs for the period 1 January 2008 to 27 November 2008 (pay period closest to 24 November 2008) of the seven departmental staff members amounted to $804,404.

(3) (a) (i-vi)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Travel Costs**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Media Adviser</td>
<td>$83,062.87</td>
</tr>
</tbody>
</table>

** Travel costs are up to and including 24 November 2008, which is the date the PQoN was asked.
(b) (i-vi) As at 27 November 2008 (pay period closest to 24 November 2008) the aggregate amount spent by the Department on travel for staff whose job description is solely devoted to the categories noted was $7,875.

(4) The precise detail requested in the question is not readily available and I am not prepared to authorise the commitment of resources required to provide a detailed response.

(5) and (6) The following list provides a breakdown of each review conducted in the Department that has been announced since 1 December 2007, and was in progress or incomplete as of 24 November 2008:

<table>
<thead>
<tr>
<th>Review</th>
<th>Description</th>
<th>Reporting Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living in Harmony</td>
<td>Review strategies for the program’s funding and communication approach to ensure the program effectively addresses issues of cultural, racial and religious intolerance, while promoting respect, fairness, inclusion and a sense of belonging for everyone.</td>
<td>January 2009</td>
</tr>
<tr>
<td>Adult Migrant English Program</td>
<td>Review of structure and outcomes</td>
<td>Reporting date to be determined.</td>
</tr>
</tbody>
</table>

(7) and (8) The very detailed information sought in the honourable senator’s question is not readily available in consolidated form and it would be a major task to collect and assemble it. The practice of successive governments has been not to authorise the expenditure of time and money involved in assembling such information on a general basis.

**Special Minister of State: Staffing**

(Question No. 948 amended)

Senator Ronaldson asked the Special Minister of State, upon notice, on 24 November 2008:

(1) Can details be provided, as of 24 November 2008, of the total number of all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(2) Can details be provided of the aggregate salary and superannuation costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(3) Can details be provided of the aggregate travel costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.
(4) Can details be provided of the aggregate mobile phone costs during the 2008 calendar year for all staff in:
(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and
(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.
(5) Can a breakdown be provided of every review, inquiry and committee which is being conducted in the department that has been announced since 1 December 2007.
(6) (a) How many of the department’s reviews, inquiries and committees are in progress or incomplete as of 24 November 2008; and (b) what are their reporting dates.
(7) In regard to each of the department’s review, inquiry and committee (completed and incomplete as of 24 November 2008) that has or is being conducted during the 2008 calendar year: (a) what is the number of departmental staff allocated to each; (b) what is the aggregate number of departmental staff allocated to all; (c) were external consultants engaged to assist in any; if so, which consultants and how much has each consultancy cost (please itemise for each); and (d) what have been the travel costs associated with those staff involved in each (please itemise for each).
(8) For the 2008 calendar year, what is the total cost of each departmental review, inquiry and committee, including staff wages, consultancy costs, travel and any other associated expenditure (please itemise for each).

Senator Faulkner—The answer to the honourable senator’s question is as follows:
(1) (a) (i-vi) One

(2) (a) (i-vi)

Note: This part of the response has been amended for clarification. The response previously tabled did not make clear that the figures provided included salary, superannuation and allowances. In addition, there are different possibilities in relation to superannuation for Members of Parliament (Staff) Act 1984 employees which the previous response did not describe.

Salary range only is provided so as not identify the personal information individual employees:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Salary Range</th>
<th>Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Media Adviser</td>
<td>$85,500 to $116,400</td>
<td>$17,719 MSA</td>
</tr>
</tbody>
</table>

Depending on their individual circumstances, employees may be eligible to be a member of the CSS, PSS or PSSap. Alternatively, employees under the Commonwealth Members of Parliament Staff Collective Agreement 2006-2009 may have an employer superannuation contribution of 15.4 percent paid to an eligible superannuation fund of their choice, while employees above the level of Adviser may have an employer superannuation contribution of nine percent paid to an eligible superannuation fund of their choice. Individual details are not supplied due to privacy reasons.

(3) (a) (i-vi) $17,058.76.

(4) (a) (i-vi) $5,107.90.

(1) (b), (2) (b), (3) (b), (4) (b), (5–8) Please refer to the response to Question 953 asked of the Minster representing the Minister for Finance and Deregulation.

³This employee’s duties are not limited to media relations and advice, but also include policy research, liaison and advice as well as other operational duties to support the Minister in his portfolio responsibilities.
Health and Ageing: Staffing
(Question Nos 951 and 966)

Senator Ronaldson asked the Minister representing the Minister for Health and Ageing, upon notice, on 24 November 2008:

(1) Can details be provided, as of 24 November 2008, of the total number of all staff in: (a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and (b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(2) Can details be provided of the aggregate salary and superannuation costs during the 2008 calendar year for all staff in: (a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and (b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(3) Can details be provided of the aggregate travel costs during the 2008 calendar year for all staff in: (a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and (b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(4) Can details be provided of the aggregate mobile phone costs during the 2008 calendar year for all staff in: (a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and (b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(5) Can a breakdown be provided of every review, inquiry and committee which is being conducted in the department that has been announced since 1 December 2007.

(6) (a) How many of the department’s reviews, inquiries and committees are in progress or incomplete as of 24 November 2008; and (b) what are their reporting dates.

(7) In regard to each of the department’s review, inquiry and committee (completed and incomplete as of 24 November 2008) that has or is being conducted during the 2008 calendar year: (a) what is the number of departmental staff allocated to each; (b) what is the aggregate number of departmental staff allocated to all; (c) were external consultants engaged to assist in any; if so, which consultants and how much has each consultancy cost (please itemise for each); and (d) what have been the travel costs associated with those staff involved in each (please itemise for each).

(8) For the 2008 calendar year, what is the total cost of each departmental review, inquiry and committee, including staff wages, consultancy costs, travel and any other associated expenditure (please itemise for each).

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) (a) As at 24 November 2008, there are four Ministerial staffers in the Ministers’ offices whose job descriptions fall into the categories identified; and (b) As at 24 November 2008, there are 24 staff whose job descriptions encompass some or all of the categories listed. Because of the generality of the communications function descriptions listed, ie media relations, media advice, public relations, public affairs, communications and
communications strategy, it is difficult to isolate specific staff numbers against each of the areas identified.

(2) (a) The salaries for the relevant Ministerial staffers range from $62,124 pa to $116,400 pa plus appropriate Ministerial/Parliamentary Staff Allowance ranging from $16,550 pa to $17,874 pa, plus superannuation costs paid at rates depending upon individual circumstances; and

(b) The salaries for the relevant departmental staff range from $54,163 pa to $107,396 pa plus superannuation costs paid at rates depending upon individual circumstances.

(3) (a) The total aggregate travel costs to 24 November for Ministerial staffers whose job descriptions fall into the categories identified is $168,786 (excl GST); and

(b) The total aggregate travel costs to 24 November for departmental staff whose job descriptions fall into the categories identified is $31,689 (excl GST).

(4) (a) The precise detail requested in the question is not readily available and I am not prepared to authorise the commitment or resources required to provide a detailed response; and

(b) The aggregate mobile phone costs to 24 November for departmental staff whose job descriptions fall into the categories identified is $3,576 (excl GST).

(5) The phrase 'review, inquiry and committee' is fairly broad and ambiguous. In answering this question the Department has interpreted it to refer to major policy reviews commissioned by the current Government. There are ten such reviews, as listed below. This figure excludes internal reviews/inquiries which are undertaken as part of the day-to-day management of programs and reviews/inquiries routinely undertaken as part of administrative processes:

- Review of Rural Health Programs;
- National Health and Hospitals Reform Commission (NHHRC);
- National Primary Health Care Strategy;
- Review the Medicare Schedule;
- The Strategic Review of Future Funding Arrangements for Diagnostic Imaging and Pathology Services;
- National Preventative Health Strategy;
- The Pathways into the Health Workforce for Aboriginal and Torres Strait Islander People: A Blueprint for Action (‘Pathways Paper’);
- Review of Maternity Services in Australia;
- Review of the Conditional Adjustment Payment (CAP) in residential aged care; and
- New directions for Australian Sport (Expert Independent Sport Panel).

(6) (a) Completion timeframes for the reviews/inquiries identified in Question (5) are as follows:

- One was completed by 24 November 2008;
- Four are due to be completed by May 2009; and
- Five are due to be completed after May 2009.

(b) Reporting dates for the reviews/inquiries identified in Question (5) are as follows:

<table>
<thead>
<tr>
<th>Review, Inquiry or Committee</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of Rural Health Programs</td>
<td>Due for completion by April 2009.</td>
</tr>
<tr>
<td>National Health and Hospitals Reform Commission</td>
<td>The Commission is to report on a long term health reform plan by June 2009.</td>
</tr>
<tr>
<td>National Primary Health Care Strategy</td>
<td>Due for completion in mid 2009.</td>
</tr>
</tbody>
</table>
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Review, Inquiry or Committee</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review the Medicare Schedule</td>
<td>Being undertaken alongside the National Primary Health Care Strategy which is due to be completed in mid 2009. Review expected to be completed early 2009 and will be considered by the Government in the lead up to the 2009-10 Budget.</td>
</tr>
<tr>
<td>National Preventative Health Strategy</td>
<td></td>
</tr>
<tr>
<td>The Pathways into the Health Workforce for Aboriginal and Torres Strait Islander People: A Blueprint for Action (‘Pathways Paper’)</td>
<td></td>
</tr>
<tr>
<td>Review of Maternity Services in Australia</td>
<td></td>
</tr>
<tr>
<td>Review of the Conditional Adjustment Payment (CAP) in Residential Aged Care</td>
<td></td>
</tr>
<tr>
<td>New directions for Australian Sport (Expert Independent Sport Panel)</td>
<td></td>
</tr>
</tbody>
</table>

(7) (a) The number of departmental staff allocated to each are as follows:

<table>
<thead>
<tr>
<th>Review, Inquiry or Committee</th>
<th>ASL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of Rural Health Programs</td>
<td>2.8 ASL since 1 July 2008</td>
</tr>
<tr>
<td>National Health and Hospitals Reform Commission</td>
<td>Exact staff numbers at any point in time may vary in response to the needs of the Commission. These figures provide an indicative picture of staffing committed to the NHHRC over the 2008 calendar year. Average ASL = 8.76 (4.22 ongoing staff and 4.54 non-ongoing staff). ASL at 30 December 2008 = 11 (5 departmental staff and 6 non-ongoing staff).</td>
</tr>
<tr>
<td>National Primary Health Care Strategy</td>
<td>8.75 ASL, including Secretariat support for the External Reference Group (ERG).</td>
</tr>
<tr>
<td>Review the Medicare Schedule</td>
<td>1.95 ASL.</td>
</tr>
<tr>
<td>The Strategic Review of Future Funding Arrangements for Diagnostic Imaging and Pathology Services</td>
<td>3 ASL.</td>
</tr>
<tr>
<td>National Preventative Health Strategy</td>
<td>6.6 ASL.</td>
</tr>
<tr>
<td>The Pathways into the Health Workforce for Aboriginal and Torres Strait Islander People: A Blueprint for Action (‘Pathways Paper’)</td>
<td>1.5 ASL.</td>
</tr>
<tr>
<td>Review of Maternity Services in Australia</td>
<td>7.75 ASL.</td>
</tr>
<tr>
<td>Review of the Conditional Adjustment Payment (CAP) in Residential Aged Care</td>
<td>4 staff for about 3 months each to the end of calendar year 2008.</td>
</tr>
<tr>
<td>New directions for Australian Sport (Expert Independent Sport Panel)</td>
<td>5.5 ASL for the Expert Independent Sport Panel.</td>
</tr>
</tbody>
</table>

(b) The aggregate number of departmental staff allocated to all is 46.21 ASL.

(c) Details of external consultants engaged and consultancy costs per ‘review, inquiry or committee’ are:

- Review of Rural Health Programs, Nil
• National Primary Health Care Strategy, Nil
• Review of the Medicare Schedule, Nil
• The Strategic Review of Future Funding Arrangements for Diagnostic Imaging and Pathology Services, Nil
• National Preventative Health Strategy, Nil
• The Pathways into the Health Workforce for Aboriginal and Torres Strait Islander People: A Blueprint for Action (‘Pathways Paper’), Nil
• Review of the Conditional Adjustment Payment (CAP) in Residential Aged Care, Nil
• National Health and Hospitals Reform Commission

The 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 include:

<table>
<thead>
<tr>
<th>Name of Consultants</th>
<th>Total Cost $</th>
<th>Type of Consultancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Tridgell Pty Ltd</td>
<td>34,650.00</td>
<td>Research</td>
</tr>
<tr>
<td>Consultants in Health Service Development</td>
<td>7,728.55</td>
<td>Governance</td>
</tr>
<tr>
<td>Jamieson Foley</td>
<td>10,896.36</td>
<td>Public-Private mix</td>
</tr>
<tr>
<td>Jamieson Foley</td>
<td>7,021.75</td>
<td>Governance</td>
</tr>
<tr>
<td>Judith Dwyer</td>
<td>8,859.55</td>
<td>Governance</td>
</tr>
<tr>
<td>Monash University</td>
<td>7,998.61</td>
<td>Prevention</td>
</tr>
<tr>
<td>Uni of Canberra (NATSEM)</td>
<td>60,882.00</td>
<td>Finance</td>
</tr>
<tr>
<td>Uni of SA</td>
<td>7,656.00</td>
<td>Primary Care</td>
</tr>
<tr>
<td>Uni of Melbourne</td>
<td>3,828.00</td>
<td>Prevention</td>
</tr>
<tr>
<td>Uni of Sydney</td>
<td>3,062.40</td>
<td>Primary Care</td>
</tr>
<tr>
<td>Uni of Sydney</td>
<td>2,296.00</td>
<td>Primary Care</td>
</tr>
<tr>
<td>Uni of WA</td>
<td>3,062.40</td>
<td>Primary &amp; Community Care</td>
</tr>
<tr>
<td>Vic Health</td>
<td>10,700.00</td>
<td>Prevention</td>
</tr>
<tr>
<td>Charles Darwin Uni</td>
<td>6,124.80</td>
<td>Primary &amp; Community Care</td>
</tr>
<tr>
<td>Professor John Wakerman</td>
<td>4,872.00</td>
<td>Primary Care</td>
</tr>
<tr>
<td>Professor John Humphreys</td>
<td>4,872.00</td>
<td>Primary Care</td>
</tr>
<tr>
<td>Australian Healthcare &amp; Hospitals Association</td>
<td>13,486.70</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Professor Claire Jackson</td>
<td>3,480.00</td>
<td>Primary &amp; Community Care</td>
</tr>
<tr>
<td>Price Waterhouse Coopers</td>
<td>19,140.00</td>
<td>Dental Care</td>
</tr>
<tr>
<td>Price Waterhouse Coopers</td>
<td>10,718.00</td>
<td>Patient Travel</td>
</tr>
<tr>
<td>McKinsey’s</td>
<td>5,100.00</td>
<td>Mental Health</td>
</tr>
<tr>
<td>McKinsey’s</td>
<td>18,375.00</td>
<td>Australia in 2020</td>
</tr>
<tr>
<td>Booz &amp; Co</td>
<td>9,188.00</td>
<td>E-Health</td>
</tr>
<tr>
<td>Total</td>
<td>263,998.12</td>
<td></td>
</tr>
</tbody>
</table>

• Review of Maternity Services in Australia

<table>
<thead>
<tr>
<th>Name of Consultant</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carla Cranny and Associates</td>
<td>$40,104.55 (GST exclusive)</td>
</tr>
</tbody>
</table>

• New Directions for Australian Sport

Two consultants were engaged in 2008 for the Expert Independent Sport Panel, as follows:
(d) Travel costs per ‘review, inquiry or committee’ are as follows:

<table>
<thead>
<tr>
<th>Review, Inquiry or Committee</th>
<th>Travel Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of Rural Health Programs</td>
<td>Nil</td>
</tr>
<tr>
<td>National Health and Hospitals Reform Commission</td>
<td>$11,274.49</td>
</tr>
<tr>
<td>National Primary Health Care Strategy</td>
<td>$17,286</td>
</tr>
<tr>
<td>Review of the Medicare Schedule</td>
<td>$3,341.09</td>
</tr>
<tr>
<td>The Strategic Review of Future Funding Arrangements for Diagnostic Imaging and Pathology Services</td>
<td>Nil</td>
</tr>
<tr>
<td>National Preventative Health Strategy</td>
<td>$31,000</td>
</tr>
<tr>
<td>The Pathways into the health workforce for Aboriginal and Torres Strait Islander People: A Blueprint for Action (‘Pathways Paper’)</td>
<td>$2,267</td>
</tr>
<tr>
<td>Review of Maternity Services in Australia</td>
<td>$1567.00</td>
</tr>
<tr>
<td>Review of the Conditional Adjustment Payment (CAP) in Residential Aged Care</td>
<td>Nil</td>
</tr>
<tr>
<td>New Directions for Australian Sport</td>
<td>$8,243.63</td>
</tr>
</tbody>
</table>

(8) The total costs per ‘review, inquiry or committee’ are as follows:

<table>
<thead>
<tr>
<th>Review, Inquiry or Committee</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of Rural Health Programs</td>
<td>$326,480.00</td>
</tr>
<tr>
<td>National Health and Hospitals Reform Commission</td>
<td>$4,488,263.07</td>
</tr>
<tr>
<td>National Primary Health Care Strategy</td>
<td>$593,551.00</td>
</tr>
<tr>
<td>Review of the Medicare Schedule</td>
<td>$206,710.09</td>
</tr>
<tr>
<td>The Strategic Review of Future Funding Arrangements for Diagnostic Imaging and Pathology Services</td>
<td>$101,771.87</td>
</tr>
<tr>
<td>National Preventative Health Strategy</td>
<td>$944,000.00</td>
</tr>
<tr>
<td>The Pathways into the health workforce for Aboriginal and Torres Strait Islander People: A Blueprint for Action (‘Pathways Paper’)</td>
<td>$198,267.00</td>
</tr>
<tr>
<td>Review of Maternity Services in Australia</td>
<td>$493,529.00</td>
</tr>
<tr>
<td>Review of the Conditional Adjustment Payment (CAP) in Residential Aged Care</td>
<td>$72,600.00</td>
</tr>
<tr>
<td>New Directions for Australian Sport</td>
<td>$251,212.59</td>
</tr>
</tbody>
</table>

**Finance and Deregulation: Staffing**

(953 amended)

**Senator Ronaldson** asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 24 November 2008:

(1) Can details be provided, as of 24 November 2008, of the total number of all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(2) Can details be provided of the aggregate salary and superannuation costs during the 2008 calendar year for all staff in:
(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(3) Can details be provided of the aggregate travel costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(4) Can details be provided of the aggregate mobile phone costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and

(b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(5) Can a breakdown be provided of every review, inquiry and committee which is being conducted in the department that has been announced since 1 December 2007.

(6) (a) How many of the department’s reviews, inquiries and committees are in progress or incomplete as of 24 November 2008; and (b) what are their reporting dates.

(7) In regard to each of the department’s review, inquiry and committee (completed and incomplete as of 24 November 2008) that has or is being conducted during the 2008 calendar year: (a) what is the number of departmental staff allocated to each; (b) what is the aggregate number of departmental staff allocated to all; (c) were external consultants engaged to assist in any; if so, which consultants and how much has each consultancy cost (please itemise for each); and (d) what have been the travel costs associated with those staff involved in each (please itemise for each).

(8) For the 2008 calendar year, what is the total cost of each departmental review, inquiry and committee, including staff costs, consultancy costs, travel and any other associated expenditure (please itemise for each).

Senator Sherry—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

(1) (a) (i) to (vi) One. (b) (i) to (vi) Two.¹

(2) (a) (i) to (vi) Note: This part of the response has been amended for clarification. The response previously tabled did not make clear that the figures provided included salary, superannuation and allowances. In addition, there are different possibilities in relation to superannuation for Members of Parliament (Staff) Act 1984 employees which the previous response did not describe.

Salary range only is provided so as not identify the personal information individual employees:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Salary Range</th>
<th>Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Media Adviser</td>
<td>$85,500 to $116,400</td>
<td>$17,719 MSA</td>
</tr>
</tbody>
</table>

Depending on their individual circumstances, employees may be eligible to be a member of the CSS, PSS or PSSap. Alternatively, employees under the Commonwealth Members of Parliament Staff Collective Agreement 2006-2009 may have an employer superannuation contribution of 15.4
percent paid to an eligible superannuation fund of their choice, while employees above the level of Adviser may have an employer superannuation contribution of nine percent paid to an eligible superannuation fund of their choice. Individual details are not supplied due to privacy reasons.

(b) (i) to (vi) $231,892.\(^2\)

(3) (a) (i) to (vi) $29,774. (b) (i) to (vi) $1,810.

(4) (a) (i) to (vi) $8,391. (b) (i) to (vi) $731.

(5) to (8) See table below. Note: for reviews that have not been completed costs have been calculated as at 24 November 2008.

\(^1\)Two staff members are the primary contacts for media and public affairs. Five other staff members in the Communications and Public Affairs section undertake a variety tasks focussed primarily on internal communications and the management of Departmental events.

\(^2\)Figure represents the combined salaries and superannuation of the two staff members

<table>
<thead>
<tr>
<th>(5) Name of review</th>
<th>(6) (a) Total no. of reviews completed as at 24 November</th>
<th>(6) (b) If not completed likely reporting date</th>
<th>(7) (a) No. of Departmental staff allocated to each review</th>
<th>(7) (b) Total no. of staff allocated to all reviews</th>
<th>(7) (c) External consultants used for each review</th>
<th>(7) (d) Travel expenses for Departmental staff</th>
<th>(8) Total cost of each review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Review of Grants Administration</td>
<td>Completed 4 (this includes officers seconded to Finance from other agencies)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Element 1 – Mr Peter Grant PSM $132,690</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Staff costs – $251,840 Consultancy costs – $182,690 Reimbursement of travel expenses to consultant – $1,987 Printing costs – $8,200 Total – $444,717</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>Name of review</th>
<th>Total no. of reviews not completed as at 24 November</th>
<th>If not completed likely reporting date</th>
<th>No. of Departmental staff allocated to each review</th>
<th>Total no. of staff allocated to all reviews</th>
<th>External consultants used for each review</th>
<th>Travel expenses for Departmental staff</th>
<th>Total cost of each review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Review of Climate Change Programs</td>
<td>Completed 6</td>
<td></td>
<td>Mr Roger Wilkins – $75,000</td>
<td>$10,045</td>
<td>Staff costs – $412,227</td>
<td>Consultancy costs – $75,000</td>
<td>Total – $513,400</td>
</tr>
<tr>
<td>Murray Review of Operation Sunlight</td>
<td>Completed 1</td>
<td>Nil</td>
<td>Nil</td>
<td>Total – $15,814</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Andrew Murray conducted the review in his (then) capacity as a member of Parliament.
Staff costs (support by the Department to Senator Murray) – $14,792
Printing costs – $1,022
Total – $15,814
<table>
<thead>
<tr>
<th>Name of review</th>
<th>Total no. of reviews not completed as at 24 November</th>
<th>No. of Departmental staff allocated to each review</th>
<th>External consultants used for each review</th>
<th>Travel expenses for Departmental staff</th>
<th>Total cost of each review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of Pension Indexation In Australian Government Civilian and Military Superannuation Schemes</td>
<td>Not known</td>
<td>3</td>
<td>Mercer (Australia) Pty Ltd – $11,000 Australian Government Actuary’s Office – $5,500</td>
<td>$750</td>
<td>Staff costs – $132,370 Consultants– $16,500 Travel (includes travel from UK of reviewer) – $31,600 Hearings– $4,663 Secretariat support for reviewer – $7,702 Couriers – $595 Total – $193,430</td>
</tr>
<tr>
<td>Review of the Australian Government Superannuation Administration Arrangements Review of Commonwealth Property Disposals Policy</td>
<td>April 2009</td>
<td>2</td>
<td>Nil</td>
<td>Nil</td>
<td>Staff costs – $47,305</td>
</tr>
<tr>
<td>Land Audit Update Review</td>
<td>Completed</td>
<td>1</td>
<td>Nil</td>
<td>Nil</td>
<td>Staff costs – $16,781</td>
</tr>
<tr>
<td>(5) Name of review</td>
<td>(6) (a) Total no. of reviews not completed as at 24 November</td>
<td>(6) (b) If not completed likely reporting date</td>
<td>(7) (a) No. of Departmental staff allocated to each review</td>
<td>(7) (b) Total no. of staff allocated to all reviews</td>
<td>(7) (c) External consultants used for each review</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------------------------------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Gershon review</td>
<td>Completed 9 (this includes officers seconded to Finance from other agencies)</td>
<td>Sir Peter Gershon – $95,000 Plus travel – $51,511 Oakton – $260,577 Statistician – $14,288 Editor – $4,050 Graphic Designer – $1,238</td>
<td>$35,733</td>
<td>Staff costs – $331,123 Consultants – $375,153 Travel (including staff and consultant) – $87,244 General expenses (venue hire, statistics from ABS, Ovum report, stationery) – $26,489 Total – $820,009</td>
<td></td>
</tr>
<tr>
<td>Department of Foreign Affairs and Trade Review</td>
<td>Not available 3</td>
<td>Nil</td>
<td>Nil</td>
<td>Staff costs – $121,670</td>
<td></td>
</tr>
</tbody>
</table>
QUESTIONS ON NOTICE

Broadband, Communications and the Digital Economy: Staffing
(Question No. 955)

Senator Ronaldson asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 24 November 2008:

(1) Can details be provided, as of 24 November 2008, of the total number of all staff in:

(a) the Minister’s office whose job description involves:
   (i) media relations,
   (ii) media advice,
   (iii) public relations,
   (iv) public affairs,
   (v) communications, and
   (vi) communications strategy; and

(b) the department whose job description involves:
   (i) media relations,
   (ii) media advice,
   (iii) public relations,
   (iv) public affairs,
   (v) communications, and
   (vi) communications strategy.

(2) Can details be provided of the aggregate salary and superannuation costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves:
   (i) media relations,
   (ii) media advice,
   (iii) public relations,
   (iv) public affairs,
   (v) communications, and
   (vi) communications strategy; and

(b) the department whose job description involves:
   (i) media relations,
   (ii) media advice,
   (iii) public relations,
   (iv) public affairs,
   (v) communications, and
   (vi) communications strategy.

(3) Can details be provided of the aggregate travel costs during the 2008 calendar year for all staff in:

(a) the Minister’s office whose job description involves:
   (i) media relations,
   (ii) media advice,
(iii) public relations,
(iv) public affairs,
(v) communications, and
(vi) communications strategy; and

(b) the department whose job description involves:
(i) media relations,
(ii) media advice,
(iii) public relations,
(iv) public affairs,
(v) communications, and
(vi) communications strategy.

(4) Can details be provided of the aggregate mobile phone costs during the 2008 calendar year for all staff in:
(a) the Minister’s office whose job description involves:
(i) media relations,
(ii) media advice,
(iii) public relations,
(iv) public affairs,
(v) communications, and
(vi) communications strategy; and

(b) the department whose job description involves:
(i) media relations,
(ii) media advice,
(iii) public relations,
(iv) public affairs,
(v) communications, and
(vi) communications strategy.

(5) Can a breakdown be provided of every review, inquiry and committee which is being conducted in the department that has been announced since 1 December 2007.

(6) (a) How many of the department’s reviews, inquiries and committees are in progress or incomplete as of 24 November 2008; and (b) what are their reporting dates.

(7) In regard to each of the department’s review, inquiry and committee (completed and incomplete as of 24 November 2008) that has or is being conducted during the 2008 calendar year:
(a) what is the number of departmental staff allocated to each;
(b) what is the aggregate number of departmental staff allocated to all;
(c) were external consultants engaged to assist in any; if so, which consultants and how much has each consultancy cost (please itemise for each); and
(d) what have been the travel costs associated with those staff involved in each (please itemise for each).
(8) For the 2008 calendar year, what is the total cost of each departmental review, inquiry and committee, including staff wages, consultancy costs, travel and any other associated expenditure (please itemise for each).

Senator Conroy—The answer to the honourable senator’s question is as follows:

(1) (a) As of 24 November 2008, one person was employed in my office whose job description covers the six areas listed above. (b) As of 24 November 2008, 24 persons were employed in the Department whose job descriptions cover the six areas listed above.

(2) The salary range is provided as not to identify personal information of the individual employee who is employed in my office with a job description which covers the areas listed above:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Salary Range</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Media Adviser</td>
<td>$85,500 to $116,400</td>
<td>$17,719 MSA*</td>
</tr>
</tbody>
</table>

* Ministerial Staff Allowance.

Depending on their individual circumstances, senior staff may be eligible to be a member of the CSS, PSS or PSSap or may have employer superannuation contributions of nine percent paid to an eligible superannuation fund of their choice. Individual details are not supplied due to privacy reasons.

The aggregate salary costs of departmental staff whose job descriptions are covered in the areas listed above were $1,707,047.93 for the period 1 January to 20 November 2008. This includes the salary costs of staff no longer employed by the Department, staff who performed the above duties for part of the year but are no longer in the Media and Communications section or staff who are currently on maternity leave.

The aggregate superannuation costs of departmental staff whose job descriptions are covered in the areas listed above were $266,102.95 for the period 1 January to 20 November 2008. This includes the salary costs of staff no longer employed by the Department, staff who performed the above duties for part of the year but are no longer in the Media and Communications section or staff who are currently on maternity leave.

(3) The aggregate travel costs of the individual who is employed in my office with a job description which covers the areas listed above was $33,693.68 for the period 1 January to 20 November 2008.

The aggregate travel costs of departmental staff whose job descriptions are covered in the areas listed above was $88,504.16 for the period 1 January to 20 November 2008. This includes the travel costs of staff no longer employed by the Department, staff who performed the above duties for part of the year but are no longer in the Media and Communications section or staff who are currently on maternity leave.

(4) The aggregate mobile phone costs of the individual who is employed in my office with a job description which covers the areas listed above was $2038.28 for the period 1 January to 20 November 2008.

The aggregate mobile phone costs of departmental staff whose job descriptions are covered in the areas listed above were $3681.26 for the period 1 January to 20 November 2008. This includes the mobile phone costs of staff no longer employed by the Department, staff who performed the above duties for part of the year but are no longer in the Media and Communications section or staff who are currently on maternity leave.

(5) For the purpose of this question, a review is taken to be an exercise conducted and/or paid for by the department and has been undertaken, or is being undertaken, either because of a statutory requirement to do so or in response to a decision by government.

- As of 24 November 2008, the following departmental reviews, inquiries and committees have been announced since 1 December 2007

QUESTIONS ON NOTICE
- Review of access to electronic media by the hearing and vision impaired
- Triennial Funding Review of the ABC and SBS

(6) (a) 2. (b) Review of access to electronic media by the hearing and vision impaired: No formal reporting date. Report is expected to be tabled in Parliament in 2009.
Triennial Funding Review of the ABC and SBS: No formal reporting date. 2009-10 Budget will announce details of future funding for the two broadcasters.

(7) (a) Review of access to electronic media by the hearing and vision impaired: The review has been conducted as part of the normal business of the Department. There are no staff solely allocated to the review and no direct costs can be identified.
Triennial Funding Review of the ABC and SBS: SES1 – 1, EL2 – 1.3, EL1 – 2.25, APS6 – 0.25
(b) 4.8
(c) Review of access to electronic media by the hearing and vision impaired: No
Triennial Funding Review of the ABC and SBS: Yes, McGrathNicol, $290,000.00
(d) Review of access to electronic media by the hearing and vision impaired: nil
Triennial Funding Review of the ABC and SBS: $1641.00

(8)

<table>
<thead>
<tr>
<th>Review, Inquiry, Committee</th>
<th>Staff wages</th>
<th>Consultancy cost</th>
<th>Travel costs</th>
<th>Any associated costs</th>
<th>Total Cost (2008 Calendar Yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of access to electronic media by the hearing and vision impaired</td>
<td>nil</td>
<td>n/a</td>
<td>nil</td>
<td>n/a</td>
<td>nil</td>
</tr>
<tr>
<td>Triennial Funding Review of the ABC and SBS</td>
<td>$275,873.00</td>
<td>$290,000.00</td>
<td>$1641.00</td>
<td>$72,925.64</td>
<td>$640,439.64 (excluding GST)</td>
</tr>
</tbody>
</table>

**Minister for Human Services: Media Monitoring**

*Question No. 960*

Senator Ronaldson asked the Minister for Human Services, upon notice, on 24 November 2008:

(1) Can details be provided, as of 24 November 2008, of the total number of all staff in: (a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and (b) the department whose job description involves: (i) media relations, (ii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(2) Can details be provided of the aggregate salary and superannuation costs during the 2008 calendar year for all staff in: (a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and (b) the department whose job description involves: (i) media relations, (ii) me
(3) Can details be provided of the aggregate travel costs during the 2008 calendar year for all staff in:
(a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and (b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(4) Can details be provided of the aggregate mobile phone costs during the 2008 calendar year for all staff in: (a) the Minister’s office whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy; and (b) the department whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

(5) Can a breakdown be provided of every review, inquiry and committee which is being conducted in the department that has been announced since 1 December 2007.

(6) (a) How many of the department’s reviews, inquiries and committees are in progress or incomplete as of 24 November 2008; and (b) what are their reporting dates.

(7) In regard to each of the department’s review, inquiry and committee (completed and incomplete as of 24 November 2008) that has or is being conducted during the 2008 calendar year: (a) what is the number of departmental staff allocated to each; (b) what is the aggregate number of departmental staff allocated to all; (c) were external consultants engaged to assist in any; if so, which consultants and how much has each consultancy cost (please itemise for each); and (d) what have been the travel costs associated with those staff involved in each (please itemise for each).

(8) For the 2008 calendar year, what is the total cost of each departmental review, inquiry and committee, including staff wages, consultancy costs, travel and any other associated expenditure (please itemise for each).

Senator Ludwig—The answer to the honourable senator’s question is as follows:

(1) (a) As at 24 November 2008, a total of three staff have worked in my office whose job description involved (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy. There are currently two staff fulfilling these roles.

Department of Human Services (including the Child Support Program and CRS Australia)

(b) As at 24 November 2008, a total of eight staff worked in the Central Department whose job description involved: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy. There are currently two staff fulfilling these roles.

Child Support Program

(b) The total number of staff (FTE) in the Child Support Program whose job description in part involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy is 23.27.

¹ The majority of these positions have responsibilities other than media and communications (e.g. divisional management responsibilities, stakeholder engagement, internal communication and staff support roles).

CRS Australia

(b) Nil.

(2) (a) The salary range only is provided so as not to identify personal information of individual employees.
QUESTIONS ON NOTICE

Classification | Salary Range | Allowance | Period
--- | --- | --- | ---
Senior Media Adviser | $85,500 to $116,400 | $17,719 MSA* | From 21 January 2008 onwards

* Ministerial Staff Allowance
** Parliamentary Staff Allowance

Depending on their individual circumstances, employees may be eligible to be a member of the CSS, PSS or PSSap. Alternatively, employees under the Commonwealth Members of Parliament Staff Collective Agreement 2006-2009 may have an employer superannuation contribution of 15.4 per cent paid to an eligible superannuation fund of their choice, while employees above the level of Adviser may have an employer superannuation contribution of nine per cent paid to an eligible superannuation fund of their choice. Individual details are not supplied due to privacy reasons.

Department of Human Services (including the Child Support Program and CRS Australia)

(b) The following salary and superannuation costs apply for the Central Department for the 2008 calendar year to the 24 November 2008 for all staff whose job description involves: (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy:

- Aggregate salary costs $711,757 * #
- Aggregate superannuation costs $120,853 * #

* Please note that the figures for salary and superannuation costs are in accordance with full pay periods and are subsequently for the period 27 December 2007 to 26 November 2008.

# These figures include staff that were in the former Access Card Program.

Child Support Program

(b) The aggregate salary and superannuation costs for the Child Support Program staff in these categories for the period 1 January to 24 November 2008 for these 23.27 staff (FTE) was $2,053,335 ².

² This figure does not include the skills-based payment for completion of training or performance bonus where paid as these payments are not considered salary for superannuation purposes.

CRS Australia

(b) Nil.

(3) (a)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Travel Costs***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Media Adviser</td>
<td>$28,689.77</td>
</tr>
<tr>
<td>Assistant Adviser (Employee 1)</td>
<td>$42,933.22</td>
</tr>
<tr>
<td>Assistant Adviser (Employee 2)</td>
<td>$1,496.27</td>
</tr>
<tr>
<td>Aggregate Travel Costs:</td>
<td>$73,119.26</td>
</tr>
</tbody>
</table>

*** Travel costs are up to and including 24 November 2008 which is the date the question was asked. No costs are included for any travel after 24 November 2008. This is consistent with information provided to other agencies who's Ministers have been asked this question.

Department of Human Services (including the Child Support Program and CRS Australia)

(b) The following travel costs apply for the Central Department for the 2008 calendar year to the 24 November 2008 for all staff whose job description involves: (i) media relations, (ii) media
advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy.

- Aggregate travel costs $5,879 #

# These figures include staff that were in the former Access Card Program.

**Child Support Program**

(b) The aggregate travel costs for the Child Support Program for these staff for the period 1 January to 24 November 2008 for these 23.27 staff (FTE) was $97,384.00.

³ This figure is a misleading representation of media and communications-related travel as it includes travel for stakeholder engagement, divisional management and staff professional development. To ensure efficient use of taxpayers funds staff are encouraged to undertake multiple activities when travel is warranted.

**CRS Australia**

(b) Nil.

(4) (a) Aggregate mobile phone costs for Ministerial office staff whose job description involved (i) media relations, (ii) media advice, (iii) public relations, (iv) public affairs, (v) communications, and (vi) communications strategy, for the period 1 January to 24 November 2008, was $2,915.20.

**Department of Human Services (including the Child Support Program and CRS Australia)**

(b) The precise detail requested in the question is not readily available and I do not propose to authorise the diversion of resources required to provide a detailed response.

**Child Support Program**

(b) The precise detail requested in the question is not readily available and I do not propose to authorise the diversion of resources required to provide a detailed response.

**CRS Australia**

(b) Nil.

**Department of Human Services (including the Child Support Program and CRS Australia)**

(5) to (8) The Central Department has undertaken one review announced since 1 December 2007, namely the Job Capacity Assessment Review.

The Job Capacity Assessment Review is now complete and outcomes were announced on 8 December 2008.

No staff were solely allocated to the Job Capacity Assessment Review, which was undertaken by existing departmental staff as part of their normal duties. The Central Department estimates that work on the Job Capacity Assessment Review equated to four months’ full time work by three departmental staff. This does not include those involved from other agencies.

No external consultants were engaged for the Job Capacity Assessment Review, and no consultancy costs were incurred.

Travel solely for the purpose of the Job Capacity Assessment Review comprised one day trip to Melbourne for two staff to meet with key stakeholders, at a total cost of $917. These costs were within existing resourcing. Other meetings and workshops with stakeholders were held on the same day or as part of other events to which Departmental staff were required to travel.

Total Costs incurred by the Central Department for the Job Capacity Assessment Review were funded from within existing resourcing, and are estimated at $155,000. These funds would otherwise have been spent on other activities related to consultation with stakeholders, evaluation and analysis.
Minister for Immigration and Citizenship and Parliamentary Secretary: Overseas Travel (Question No. 1009)

Senator Ronaldson asked the Minister for Immigration and Citizenship, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007; if so, for each trip:

(1) What was the purpose.
(2) How many nights were spent overseas.
(3) What were the dates and venues.
(4) How many meetings did the Minister or Parliamentary Secretary attend.
(5) How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.
(6) What was the aggregate cost.
(7) Can an itemised account be provided of the costs for the following:
   (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and their staff.

Senator Chris Evans—The answer to the honourable senator’s question is as follows:

As at 25 November 2008, the Minister for Immigration and Citizenship had travelled overseas twice on ministerial business and the Parliamentary Secretary for Multicultural Affairs and Settlement had travelled overseas once, as follows:

Minister’s travel to Indonesia – 16 to 19 January 2008

(1) The purpose of the visit was to meet counterparts and key regional partners on irregular migration, people smuggling and trafficking matters.
(2) and (3) Three nights were spent in Jakarta, Indonesia from 16 to 19 January 2008.
(4) The Minister and accompanying officials attended 14 meetings.
(5) The Minister was accompanied by the Secretary of the Department of Immigration and Citizenship and one of his Advisers.
(6) For costs relating to the Minister and his Adviser, please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and provides details of the dates and purpose of the travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and reports.
(7) As per the response to (6) above, for costs relating to the Minister and his Adviser, please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation. Costs paid in relation to the Secretary were:
QUESTIONs ON NOTICE

(a) transportation – please note that the services of the Defence Special Purpose Aircraft (SPA) were used throughout the visit. Defence reports to Parliament twice annually on the cost of all Defence SPA travel;
(b) travel allowance – $1,250;
(c) accommodation – $450;
(d) meals – see (b) above; and
(e) other expenses paid in relation to the whole travelling party include:
   - security – $3,100;
   - official hospitality – $2,450.
Note – the figures above:
   - have been rounded to the nearest $50; and
   - reflect the exchange rates advised by the overseas post at the time.

Minister’s travel to Indonesia, Malaysia, Thailand and Singapore – 5 to 12 August 2008

(1) The purpose of the visit was to undertake bilateral discussions with key Indonesian, Malaysian, Thai and Singaporean ministers, senior officials, regional representatives of the International Organization for Migration, and the Office of the United Nations High Commissioner for Refugees.

(2) and (3) Six nights were spent in South East Asia as follows:
   - Jakarta – 5 to 6 August 2008;
   - Kuala Lumpur – 6 to 7 August 2008;
   - Bangkok – 7 to 10 August 2008; and

(4) The Minister and accompanying officials attended 29 meetings.

(5) The Minister was accompanied by his Chief of Staff and the Secretary of the Department of Immigration and Citizenship.

(6) For costs relating to the Minister and his Chief of Staff, please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and provides details of the dates and purpose of the travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and reports.

(7) As per the response to (6) above, please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation.

Costs paid in relation to the Secretary were:
(a) transportation (airfares) - $8,650;
(b) travel allowance – $1,250;
(c) accommodation – $1,400;
(d) meals – see (b) above; and
(e) other expenses paid in relation to the whole travelling party include:
   - security – $2,250;
   - ground transport – $6,800;
   - official hospitality – $2,900;
   - a charter flight to visit a refugee camp – $6,400;
- gifts – $550;
- miscellaneous expenses – $620.

Note – the figures above:
- have been rounded to the nearest $50; and
- reflect the exchange rates advised by the overseas posts at the time.

**Parliamentary Secretary’s travel to Malaysia – 8 to 11 June 2008**

(1) The purpose of the visit was to attend the “Third International Conference on the Muslim World and West: Bridging the Gap” held from 9 to 10 June 2008.

(2) and (3) Three nights were spent in Kuala Lumpur, Malaysia from 8 to 11 June 2008.

(4) Two meetings were attended – the two-day “Third International Conference on the Muslim World and West: Bridging the Gap” and a pre-Conference meeting.

(5) The Parliamentary Secretary was accompanied by his Adviser.

(6) and (7) In relation to costs of overseas travel by the Parliamentary Secretary and his Adviser, please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and provides details of the dates and purpose of the travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and reports.

**Minister for Foreign Affairs and Parliamentary Secretary: Overseas Travel**

(Question Nos 1011 and 1012)

**Senator Ronaldson** asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007; if so, for each trip:

(1) What was the purpose.

(2) How many nights were spent overseas.

(3) What were the dates and venues.

(4) How many meetings did the Minister or Parliamentary Secretary attend.

(5) How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.

(6) What was the aggregate cost.

(7) Can an itemised account be provided of the costs for the following: (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and their staff.

**Senator Faulkner**—The Minister for Foreign Affairs and the Minister for Trade have provided the following answer to the honourable senator’s question:

**Notes:**

In relation to those parts of the question that request information on the cost of overseas travel by Ministers, Parliamentary Secretaries, their spouses and personal staff, please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation (DoFD), which is tabled biannually giving details of dates, purpose of travel, countries of destination and costs of visits. Further information on ministerial visits is also available on ministerial web sites, in media releases and media reports.
For information concerning parts (1) and 7(b), (c) and (d), please refer to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation.

For official overseas travel by Minister Smith and Minister Crean to Indonesia in December 2007, please refer to the response to Senate Questions on Notice 87 and 88 (tabled on 15 May 2008).

For official overseas travel by Minister Smith, Parliamentary Secretary Kerr and Parliamentary Secretary McMullan between 24 November 2007 and 27 May 2008, please refer to the response to Senate Budget Estimates Question in Writing 41 (lodged on 5 September 2008).

For travel by Minister Smith, Mr Crean, Mr McMullan and Mr Kerr during July and August 2008, please see the response to Senate Questions on Notice 694 and 695.

For other official travel by Minister Smith completed before 28 September 2008, please see the response to Senate Question on Notice 751.

The following response covers other official overseas visits completed by 25 November 2008, for relevant portfolio ministers and parliamentary secretaries, not covered by the responses to previous questions as referred to above. All costs are as at 8 January 2009.

For part (3), transit cities are not included.

For part (4), “meetings” do not include the following activities:
- Meetings with ministerial, departmental or agency staff (e.g. post briefing sessions)
- Media events
- Commemorative activities (e.g. wreath laying ceremonies)

Breakfasts/lunches/dinners may be included for the purpose of “meetings” if an external guest was in attendance.

For part (5), the response covers ministerial staff and departmental staff from Canberra (which includes DFAT and/or portfolio agencies).

For part (7), with regard to “other expenses”, significant costs incurred have been provided. They include the cost of temporary offices, portfolio-related hospitality, equipment hire/purchase and other associated costs. To calculate all costs would represent an unreasonable diversion of resources.

Mr Smith - Minister for Foreign Affairs

Visit to the Philippines

(2) Number of nights spent overseas: 2
(3) Mr Smith visited Manila from 8 to 10 October 2008.
(4) Meetings attended: 11
(5) Mr Smith was accompanied by two ministerial staff and four departmental staff.
(6) Aggregate cost of accompanying departmental staff: $30,146
(7) (a) Transportation: $1,316. (e) Other expenses: $6,162

Visit to Cyprus, Israel, Palestinian Territories and France

(2) Number of nights spent overseas: 5
(3) Mr Smith visited the following:
(4) Meetings attended: 17
(5) Mr Smith was accompanied by two ministerial staff and two departmental staff.
Visit to Mexico and Peru
(2) Number of nights spent overseas: 6
(3) Mr Smith visited the following:
   Mexico City: 17 – 18 November, Lima: 18 – 20 November
(4) Meetings attended: 25
(5) Mr Smith was accompanied by one ministerial staff member and one departmental staff member.
(6) Aggregate cost of accompanying departmental staff: $37,209
(7) (a) Transportation: $13. (e) Other expenses: $4,713

Mr Crean – Minister for Trade
Visit to India, Japan, Switzerland, Belgium and USA
(2) Number of nights spent overseas: 19
(3) Mr Crean visited the following:
(4) Meetings attended: 72
(5) Mr Crean was accompanied by one ministerial staff member and two departmental staff.
(6) Aggregate cost of accompanying departmental staff: $51,631
(7) (a) Transportation: $1,710. (e) Other expenses: $75,033

Visit to China
(2) Number of nights spent overseas: 4
(3) Mr Crean visited the following:
   Beijing: 15 - 16 April, Shanghai: 17 - 18 April
(4) Meetings attended: 10
(5) Mr Crean was accompanied by one ministerial staff member and three departmental staff.
(6) Aggregate cost of accompanying departmental staff: $31,755
(7) (a) Transportation: $273. (e) Other expenses: $2,689

Visit to PNG
(2) Number of nights spent overseas: 3
(3) Mr Crean visited the following:
   Madang: 22 - 23 April, Mora: 24 April, Hides: 24 April, Port Moresby: 24 - 25 April
(4) Meetings attended: 8
(5) Mr Crean was accompanied by one ministerial staff member and four departmental staff.
(6) Aggregate cost of accompanying departmental staff: $15,993
(7) (a) Transportation: $3,495. (e) Other expenses: $17,343

Note: Mr Crean was part of a delegation (Mr Smith, Mr Crean, Mr McMullan and Mr Kerr) attending the PNG – Australia Ministerial Forum. The costs incurred in (6) and (7) were for the entire delegation and it is not possible to disaggregate the costs among different portfolio ministers and parliamentary secretaries.
Visit to Indonesia
(2) Number of nights spent overseas: 2
(3) Mr Crean visited Bali from 2 to 4 May 2008.
(4) Meetings attended: 11
(5) Mr Crean was accompanied by one ministerial staff member and four departmental staff.
(6) Aggregate cost of accompanying departmental staff: $16,376
(7) (a) Transportation: $348. (e) Other expenses: $7,127
Visit to Peru, US and France
(2) Number of nights spent overseas: 13
(3) Mr Crean visited the following:
    Arequipa: 30 May - 1 June, New York: 2 June, Paris: 3 - 9 June, the Somme (France): 8 June
(4) Meetings attended: 28
(5) Mr Crean was accompanied by two ministerial staff. Four departmental staff accompanied Mr Crean on different legs of the visit.
(6) Aggregate cost of accompanying departmental staff: $61,526
(7) (a) Transportation: $894. (e) Other expenses: $12,378
Visit to New Zealand
(2) Number of nights spent overseas: 1
(3) Mr Crean visited Wellington from 13 to 14 June 2008.
(4) Meetings attended: 6
(5) Mr Crean was accompanied by one ministerial staff member and two departmental staff.
(6) Aggregate cost of accompanying departmental staff: $6,426
(7) (a) Transportation: $143. (e) Other expenses: $578
Visit to Malaysia, Philippines and Singapore
(2) Number of nights spent overseas: 6
(3) Mr Crean visited the following:
    Singapore: 5 – 6 October, Nusajaya/ Iskandar Development Region (Malaysia): 6 October, Kuala Lumpur: 6 – 8 October, Manila: 8 – 10 October, Masbate: 10 October
(4) Meetings attended: 23
(5) Mr Crean was accompanied by two ministerial staff and two departmental staff.
(6) Aggregate cost of accompanying departmental staff: $16,572
(7) (a) Transportation: $1,699. (e) Other expenses: $16,565
Visit to Belgium, Russia, Saudi Arabia, UAE and Switzerland
(2) Number of nights spent overseas: 11
(3) Mr Crean visited the following:
(4) Meetings attended: 32
(5) Mr Crean was accompanied by two ministerial staff and three departmental staff, each for part of the visit only.

(6) Aggregate cost of accompanying departmental staff: $57,757

(7) (a) Transportation: $165
(c) Other expenses: $13,834

Visit to Peru

(2) Number of nights spent overseas: 6
(3) Mr Crean visited Lima from 17 to 21 November.
(4) Meetings attended: 24
(5) Mr Crean was accompanied by two ministerial staff. Five departmental officers travelled to Lima from Canberra to support both Mr Smith’s and Mr Crean’s participation in the APEC Ministerial Meeting and associated bilateral programs.

(6) Aggregate cost of accompanying departmental staff: $86,755

(7) (a) Transportation: Nil. (c) Other expenses: $315

Mr McMullan – Parliamentary Secretary for International Development Assistance

Visit to Vanuatu

(2) Number of nights spent overseas: 2
(3) Mr McMullan visited Port Vila from 11 to 13 June 2008.
(4) Meetings attended: 11
(5) Mr McMullan was accompanied by one ministerial staff member and one departmental staff member.

(6) Aggregate cost of accompanying departmental staff: $2,932

(7) (a) Transportation: Nil. (c) Other expenses: $58

Visit to France and Switzerland

(2) Number of nights spent overseas: 6
(3) Mr McMullan visited the following:
   Ste Maxime (France): 22 - 24 June, Geneva: 24 - 25 June
(4) Meetings attended: 16
(5) Mr McMullan was accompanied by one ministerial staff member.
(6) Aggregate cost of accompanying departmental staff: Nil

(7) (a) Transportation: $971. (c) Other expenses: $5,555

Visit to South Africa, Kenya and Ghana

(2) Number of nights spent overseas: 9
(3) Mr McMullan visited the following:
   Johannesburg 30 August - 1 September, Pretoria 1 - 2 September, Nairobi 2 - 3 September, Accra 3 - 5 September
(4) Meetings attended: 39
(5) Mr McMullan was accompanied by one ministerial staff member and two departmental staff.
(6) Aggregate cost of accompanying departmental staff: $34,373

(7) (a) Transportation: $1,344. (c) Other expenses: $8,220
Visit to Belgium
(2) Number of nights spent overseas: 4
(3) Mr McMullan visited Brussels from 14 to 16 September
(4) Meetings attended: 7
(5) Mr McMullan was accompanied by one ministerial staff member and one departmental staff member.
(6) Aggregate cost of accompanying departmental staff: $12,936
(7) (a) Transportation: $40. (e) Other expenses: $1,215

Visit to PNG
(2) Number of nights spent overseas: 4
(3) Mr McMullan visited the following:
    Port Moresby: 2 and 5 September, Kokopo 3 - 5 September, Palmalmal: 4 September
(4) Meetings attended: 17
(5) Mr McMullan was accompanied by one ministerial staff member and two departmental staff.
(6) Aggregate cost of accompanying departmental staff: $10,260
(7) (a) Transportation: $1,500. (e) Other expenses: $1,895

Mr Kerr – Parliamentary Secretary for Pacific Island Affairs
Visit to Samoa and New Zealand
(2) Number of nights spent overseas: 6
(3) Mr Kerr visited the following:
    Apia: 8 - 12 June, Wellington: 13 - 14 June
(4) Meetings attended: 22
(5) Mr Kerr was accompanied by one ministerial staff member.
(6) Aggregate cost of accompanying departmental staff: Nil
(7) (a) Transportation: $362. (e) Other expenses: $1,271

Visit to China
(2) Number of nights spent overseas: 5
(3) Mr Kerr visited Xiamen from 6 to 10 September.
(4) Meetings attended: 15
(5) Mr Kerr was accompanied by one ministerial staff member.
(6) Aggregate cost of accompanying departmental staff: Nil
(7) (a) Transportation: $47. (e) Other expenses: $124

Visit to New Caledonia
(2) Number of nights spent overseas: 4
(3) Mr Kerr visited the following:
    Noumea: 11-15 November, Mt Dore: 12 November, St Louis: 12 November, Kone (Northern Province): 12 November, Vavouto: 12 November, Goro: 14 November
(4) Meetings attended: 17
(5) Mr Kerr was accompanied by one ministerial staff member and one departmental staff member.
(6) Aggregate cost of accompanying departmental staff: $4,743
Mr Murphy – Parliamentary Secretary to the Minister for Trade
Visit to Chile, Brazil, Argentina and Ghana
(2) Number of nights spent overseas: 12
(3) Mr Murphy visited the following:
   Santiago: 13 - 16 April, Sao Paulo: 16 - 17 April, Buenos Aires: 17 - 18 April, Accra: 19 - 23 April
(4) Meetings attended: 42
(5) Mr Murphy was accompanied by two departmental staff members.
(6) Aggregate cost of accompanying departmental staff: $25,474
(7) (a) Transportation: Nil. (e) Other expenses: $4,198

Visit to Japan
(2) Number of nights spent overseas: 4
(3) Mr Murphy visited Yokohama from 27 to 30 May 2008.
(4) Meetings attended: 25
(5) Mr Murphy was accompanied by one ministerial staff member.
(6) Aggregate cost of accompanying departmental staff: Nil
(7) (a) Transportation: $1,323. (e) Other expenses: $6,222

Minister for Health and Ageing and Parliamentary Secretary: Overseas Travel
(Question Nos 1014, 1035 and 1037)
Senator Ronaldson asked the Minister representing the Minister for Health and Ageing, upon notice, on 25 November 2008:
Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007; if so, for each trip:
  (1) What was the purpose.
  (2) How many nights were spent overseas.
  (3) What were the dates and venues.
  (4) How many meetings did the Minister or Parliamentary Secretary attend.
  (5) How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.
  (6) What was the aggregate cost.
  (7) Can an itemised account be provided of the costs for the following: (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and their staff.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:
In the Health and Ageing portfolio, only the Minister for Sport, the Hon Kate Ellis MP and the Parliamentary Secretary to the Minister for Health and Ageing, Senator the Hon Jan McLucas travelled overseas on parliamentary or ministerial business between 25 November 2007 and 25 November 2008. Information for each trip is as follows:
The Hon Kate Ellis MP

Trip 1
(1) Minister Ellis travelled to New York (for youth portfolio related activities*) and Montreal to attend the World Anti Doping Agency (WADA) Meeting from 7-13 May 2008.
   * refer DEEWR
(2) Four nights.
(3) 7-9 May 2008 – New York, United States of America
    9-11 May 2008 – Montreal, Canada
    11-13 May 2008 – In transit to Sydney
(4) Minister Ellis attended seven meetings
(5) One Ministerial staffer and one departmental officer travelled with the Minister. The Ministerial staffer accompanied the Minister to New York and Montreal from 7-13 May 2008. The departmental officer travelled to Montreal, Canada from 8-13 May 2008.
(6) Information about the cost of overseas travel by Ministers, Parliamentary Secretaries, their spouses and personal staff, is contained in the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and includes details of the dates and purpose of travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and media reports.
(7) Refer to (6).

Trip 2
(1) To attend the Olympic Games from 5-18 August 2008 and to chair and co-host the 4th Commonwealth Sports Ministers Meeting (CSMM) on 9 August 2008.
(2) 13 nights were spent overseas
(3) 5-13 August 2008 – Beijing, China;
    13 August 2008 – Tianjin, China;
    13-16 August 2008 – Beijing, China;
    16-17 August 2008 – Qingdao, China;
    17 August 2008 – Beijing, China
    18 August – In transit to Sydney
(4) Minister Ellis attended eight meetings.
(5) One Ministerial staffer and two departmental officers travelled with the Minister. The Ministerial staffer accompanied the Minister to Beijing, Tianjin and Qingdao, China from 5-18 August 2008. One departmental officer travelled to Beijing, Tianjin and Qingdao, China from 5-18 August 2008. The second departmental officer travelled to Beijing, China for the CSMM from 7-12 August 2008.
(6) Information about the cost of overseas travel by Ministers, Parliamentary Secretaries, their spouses and personal staff, is contained in the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and includes details of the dates and purpose of travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and media reports.
(7) Refer to (6).
Trip 3
(1) To attend the Paralympic Games from 4-11 September 2008.
(2) Seven nights.
(3) 4-10 September 2008 – Beijing, China,
(4) Minister Ellis attended two meetings.
(5) One Ministerial staffer and one departmental officer travelled with the Minister. The Ministerial staffer accompanied the Minister to Beijing, China from 4-11 September 2008. The departmental officer travelled to Beijing, China from 4-11 September 2008.
(6) Information about the cost of overseas travel by Ministers, Parliamentary Secretaries, their spouses and personal staff, is contained in the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and includes details of the dates and purpose of travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and media reports.
(7) Refer to (6).

Trip 4
(1) Minister Ellis travelled to New York for meetings with US Government and sporting organisations and to Montreal to attend the World Anti Doping Agency (WADA) Meeting from 20-25 November 2008;
(2) Four nights.
(3) 20-21 November 2008 – New York, United States of America;
21-23 November 2008 – Montreal, Canada
(4) Minister Ellis attended seven meetings
(6) Information about the cost of overseas travel by Ministers, Parliamentary Secretaries, their spouses and personal staff, is contained in the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and includes details of the dates and purpose of travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and media reports.
(7) Refer to (6).

Senator the Hon Jan McLucas
(1) To attend the Australia-Papua New Guinea Ministerial Forum.
(2) Three nights.
(3) 22-24 April 2008 – Madang, Papua New Guinea,
24-25 April 2008– Port Moresby, Papua New Guinea.
(4) Senator McLucas attended three meetings.
(6) Information about the cost of overseas travel by Ministers, Parliamentary Secretaries, their spouses and personal staff, is contained in the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and includes details of the dates and
purpose of travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and media reports.

(7) Refer to (6).

**Minister for Resources and Energy and the Minister for Tourism: Overseas Travel**

*(Question Nos 1023 and 1024)*

Senator Ronaldson asked the Minister for Resources and Energy and Minister for Tourism, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007: if so, for each trip:

1. What was the purpose.
2. How many nights were spent overseas.
3. What were the dates and venues.
4. How many meetings did the Minister or Parliamentary Secretary attend.
5. How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.
6. What was the aggregate cost.
7. Can an itemised account be provided of the costs for the following: (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and their staff.

Senator Carr—The Minister for Resources and Energy and Minister for Tourism has provided the following answer to the honourable senator’s questions:

The Honourable Martin Ferguson AM MP, Minister for Resources and Energy and Minister for Tourism, has represented Australia overseas on eight separate occasions between 25 November 2007 and 25 November 2008 – questions (1) to (5) are answered in tabular form below.

<table>
<thead>
<tr>
<th>Country</th>
<th>Date</th>
<th>Nights O’seas</th>
<th>Purpose</th>
<th>Number Meetings</th>
<th>Min staff</th>
<th>Dept staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAPAN</td>
<td>13-17 March 2008</td>
<td>Four</td>
<td>Represented Australia at the 2008 Chiba Gleneagles Dialogue and participate in bilateral discussions with government and industry interlocutors.</td>
<td>Seven</td>
<td>One</td>
<td>Two</td>
</tr>
<tr>
<td>PAPUA NEW GUINEA</td>
<td>22-24 April 2008</td>
<td>Two</td>
<td>Participate in the Australian delegation to the 18th PNG-Australia Ministerial Forum.</td>
<td>One</td>
<td>One</td>
<td>Three</td>
</tr>
<tr>
<td>TIMOR LESTE</td>
<td>6-7 May 2008</td>
<td>One</td>
<td>Further develop the bilateral relationship with regard to the Joint Petroleum Development Area (Sunrise development).</td>
<td>Four</td>
<td>One</td>
<td>Two</td>
</tr>
<tr>
<td>Country</td>
<td>Date</td>
<td>Nights O’seas</td>
<td>Purpose</td>
<td>Number Meetings</td>
<td>Min staff</td>
<td>Dept staff</td>
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</tr>
<tr>
<td>SAUDI ARABIA &amp; UNITED STATES OF AMERICA</td>
<td>20-27 June 2008</td>
<td>Six</td>
<td>Represented Australia at major oil producers and consumers conference in Jeddah, Saudi Arabia (22-23 June) Attend Australian American Leadership Dialogue FORUM08, Washington (23-25 June)</td>
<td>Two (one at each location)</td>
<td>One</td>
<td>Two</td>
</tr>
<tr>
<td>JAPAN &amp; THAILAND</td>
<td>3-9 Aug 2008</td>
<td>Six</td>
<td>Bi-lateral discussions with ministerial counterparts and senior business executives on portfolio issues, Japan (3-6 August) Participate in the East Asian Summit Energy Ministers’ Meeting and bi-lateral discussions in Thailand (6-9 August)</td>
<td>Ten (Japan) &amp; 12 (Thailand)</td>
<td>One</td>
<td>One</td>
</tr>
<tr>
<td>CHINA</td>
<td>20-23 Aug 2008</td>
<td>Three</td>
<td>Present keynote address to the Australia China Mining and Minerals Dinner, Beijing and participate in bi-lateral discussions with government and industry interlocutors.</td>
<td>11</td>
<td>One</td>
<td>One</td>
</tr>
<tr>
<td>INDIA</td>
<td>2-8 Nov 2008</td>
<td>Six</td>
<td>Present keynote address to the International Mining and Mineral Exhibition, Kolkata and participate in bi-lateral discussions with government and industry interlocutors. Present keynote address at 5th Australia-Japan Conference and participate in bi-lateral discussions with government and industry interlocutors.</td>
<td>26</td>
<td>One</td>
<td>Two</td>
</tr>
<tr>
<td>JAPAN</td>
<td>18-21 Nov 2008</td>
<td>Three</td>
<td></td>
<td>Seven</td>
<td>One</td>
<td>One</td>
</tr>
</tbody>
</table>

(6) For cost information regarding each overseas visit, the Hon Senator is referred to the report Parliamentarians’ travel costs paid for by the Department of Finance and Deregulation.

(7) The provision of an itemised account would cause an unreasonable diversion of departmental resources to complete.

Finance and Deregulation: Program Funding

(Question No. 1050)

Senator Abetz asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 3 December 2008:

(1) How much money has been returned following underspends in programs in each portfolio for the 2007-08 financial year?
(2) How much depreciation funding has been used for recurrent spending by departments or agencies from December 2007 to June 2008?

(3) (a) How many policy proposals were costed by the Budget Group of the department for the 2008-09 Budget; and (b) what was the average length of time that was spent by officers in the Budget Group on costing each policy proposal for the 2008-09 Budget?

(4) How much ‘time off in lieu’ was accrued by staff in the Budget Group of the department from 1 January 2008 to 30 June 2008?

(5) How much non-taxation revenue was collected from outside the general government sector in the 2007-08 financial year and then subsequently spent by departments or agencies under section 31 of the Financial Management and Accountability Act 1997?

Senator Sherry—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

(1) I can advise that, for the 2007-08 financial year, the Minister for Finance and Deregulation (the Finance Minister) adjusted the appropriations available to agencies pursuant to section 8 (1) of the Appropriation Act (No. 1) 2007-08 and withheld the issuing of a total amount of $3.2 billion. This compares with an amount of $2.4 billion in 2006-07. These amounts represent annual administered appropriations which remain unexpensed at the end of the respective financial year and have effectively been returned to the budget.

(2) It is generally not possible for a department or agency to use depreciation funding to increase other operating expenses above budgeted levels without incurring an operating loss. One of the key controls in the budget framework is the limits on the capacity of agencies to budget for, and incur, operating losses. The framework does not allow an agency to budget for a loss without seeking the approval of the Finance Minister. This process is one of the ways that the Government is able to examine an agency’s financial situation, including any indication that agencies are not overspending on the amount of recurrent funding they have received.

In terms of expenditure, agencies are currently funded for depreciation as well as other operating costs and such funding is appropriated as a single amount for each entity. Each dollar of funding is not, however, separately tracked to determine the specific accounting line to which it relates. Nevertheless, as part of the accountability and transparency of their operations, agencies are required to prepare financial statements on an annual basis and include detailed data such as cash flow by item as well as a breakdown of depreciation expenses.

(3) (a) Neither the number of policy proposals costed by Budget Group nor the average length of time spent by relevant officers on costing each policy proposal for the 2008-09 Budget are statistics that are recorded by the Department of Finance and Deregulation (Finance).

(4) Budget Group staff accrued a total of 5,056 hours of formal Time Off In Lieu (TOIL) from 1 January to 30 June 2008. Formal TOIL reflects those additional hours of work which are formally approved by managers and entered into a central Finance records system. Managers may also provide informal TOIL but Finance holds no central records of informal TOIL hours.

(5) The amount of revenue spent by agencies pursuant to section 31 of the Financial Management and Accountability Act 1997 is not collected centrally. However, this information is published for each agency in their financial statements.

Finance and Deregulation: Program Funding
(Question No. 1051)

Senator Abetz asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 3 December 2008:
(1) Are departments and agencies required to seek the approval of the Minister to budget for an operating loss; if so: (a) which agencies did the Minister approve to budget for an operating loss for the 2007-08 financial year; and (b) for each agency, what was the reason for each operating loss?

(2) Has the Minister given approval for any agencies to budget for an operating loss for the 2008-09 financial year; if so, what was the reason for each of these agencies needing to budget for an operating loss?

(3) Did the Minister receive any requests for approval to budget for an operating loss that were not approved; if so, what were the reasons for these requests not being approved?

(4) Which departments or agencies had an operating loss in the 2007-08 financial year had not received approval to budget for an operating loss from the Minister?

(5) How many departments or agencies had an operating loss in the 2007-08 financial year and had requested approval to budget for an operating loss which was not approved by the Minister?

Senator Sherry—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

Yes. The Minister for Finance and Deregulation (the Finance Minister) approved 34 entities to budget for an operating loss in 2007-08 compared to 15 entities in 2006-07. The reasons for the approvals in 2007-08 were (see explanations of reasons* below):

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>Reason for Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton Research and Development Corporation</td>
<td>Other</td>
</tr>
<tr>
<td>Australian Pesticides and Veterinary Medicines Authority</td>
<td>Other</td>
</tr>
<tr>
<td>Export Wheat Commission</td>
<td>Other</td>
</tr>
<tr>
<td>Land and Water Australia</td>
<td>Timing</td>
</tr>
<tr>
<td>Australian Commission for Law Enforcement Integrity</td>
<td>Higher net expenditure, Accounting</td>
</tr>
<tr>
<td>Federal Court of Australia</td>
<td>One-off costs, Accounting</td>
</tr>
<tr>
<td>Australian Crime Commission</td>
<td>Timing</td>
</tr>
<tr>
<td>Australian Federal Police</td>
<td>Accounting, Timing</td>
</tr>
<tr>
<td>Attorney-General’s Department</td>
<td>Timing</td>
</tr>
<tr>
<td>Australian Fisheries Management Authority</td>
<td>One-off costs</td>
</tr>
<tr>
<td>Australian War Memorial</td>
<td>Accounting</td>
</tr>
<tr>
<td>Department of Veterans’ Affairs</td>
<td>One-off costs</td>
</tr>
<tr>
<td>Film Australia</td>
<td>Accounting</td>
</tr>
<tr>
<td>Sydney Harbour Federation Trust</td>
<td>Higher net expenditure</td>
</tr>
<tr>
<td>Director of National Parks</td>
<td>Timing</td>
</tr>
<tr>
<td>Australian Film Commission</td>
<td>Timing, Other</td>
</tr>
<tr>
<td>Australia Council</td>
<td>Timing</td>
</tr>
<tr>
<td>Indigenous Land Corporation</td>
<td>Timing</td>
</tr>
<tr>
<td>Office of Commonwealth Ombudsman</td>
<td>Timing</td>
</tr>
<tr>
<td>Aged Care Standards and Accreditation Agency</td>
<td>Timing</td>
</tr>
<tr>
<td>Australian Sports Anti-Doping Authority</td>
<td>Timing</td>
</tr>
<tr>
<td>Cancer Australia</td>
<td>Higher net expenditure</td>
</tr>
<tr>
<td>Australian Sports Commission</td>
<td>One-off costs</td>
</tr>
<tr>
<td>Private Health Insurance Administration Council</td>
<td>Timing</td>
</tr>
<tr>
<td>Department of Health and Ageing</td>
<td>Higher net expenditure</td>
</tr>
<tr>
<td>Centrelink</td>
<td>Other</td>
</tr>
<tr>
<td>Commonwealth Rehabilitation Services Australia</td>
<td>Other</td>
</tr>
<tr>
<td>Department of Human Services</td>
<td>Timing</td>
</tr>
<tr>
<td>Medicare Australia</td>
<td>Other</td>
</tr>
</tbody>
</table>
### Department/Agency Reason for Loss

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>Reason for Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian National Audit Office</td>
<td>Timing</td>
</tr>
<tr>
<td>Australian Public Service Commission</td>
<td>Accounting</td>
</tr>
<tr>
<td>Australian Taxation Office</td>
<td>One-off costs</td>
</tr>
<tr>
<td>Australian Competition and Consumer Commission</td>
<td>Accounting</td>
</tr>
<tr>
<td>Australian Bureau of Statistics</td>
<td>Higher net expenditure</td>
</tr>
</tbody>
</table>

*Explanation of reasons:*

**Timing** - Losses usually resulting from differences in timing between revenue and expenses - for example, an agency may have been asked to perform additional duties to be funded in another financial year.

**Accounting** - Adjustments to non-cash expenses due to accounting treatments such as revaluations, write-downs or recalculation of accrued employee entitlements or depreciation are classified under this category.

**One-Off Costs** – These are losses resulting from one-off factors, such as the spending of cash reserves to fund new systems or office relocation costs.

**Higher net expenditure (financial health)** – These losses may be due to a number of factors and are likely to be an indicator that the erosion of equity will continue in the future.

**Other** – Losses that do not fit into the above four categories. This may include reasons such as lower than budgeted income (eg a reduction in the total amount of levies collected from industry as a result of the drought), or higher than expected costs.

(2) Yes. As at 18 March 2008, the Finance Minister approved the following departments and agencies to budget for operating losses in the 2008-09 financial year for the following reasons:

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>Reason for Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton Research and Development Corporation</td>
<td>Other</td>
</tr>
<tr>
<td>Australian Pesticides and Veterinary Medicines Authority</td>
<td>Other</td>
</tr>
<tr>
<td>Australian Fisheries Management Authority</td>
<td>One-off costs</td>
</tr>
<tr>
<td>Australian Transactions Report and Analysis Centre</td>
<td>One-off costs</td>
</tr>
<tr>
<td>Federal Court of Australia</td>
<td>One-off costs, Accounting</td>
</tr>
<tr>
<td>Human Rights and Equal Opportunity Commission</td>
<td>Timing</td>
</tr>
<tr>
<td>Australian Institute of Aboriginal and Torres Strait Islander Studies</td>
<td>Timing, accounting</td>
</tr>
<tr>
<td>Geoscience Australia</td>
<td>Timing</td>
</tr>
<tr>
<td>Department of Transport and Regional Services</td>
<td>Other</td>
</tr>
<tr>
<td>Australian Maritime Safety Authority</td>
<td>Accounting</td>
</tr>
<tr>
<td>Australia Council</td>
<td>Timing</td>
</tr>
<tr>
<td>National Museum of Australia</td>
<td>Timing</td>
</tr>
<tr>
<td>Australian Public Service Commission</td>
<td>Accounting</td>
</tr>
<tr>
<td>Administrative Appeals Tribunal</td>
<td>Other</td>
</tr>
</tbody>
</table>

(3) Yes. The Finance Minister did not approve requests from two agencies to budget for operating losses in the 2008-09 financial year for the following reasons:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Parliamentary Counsel (OPC)</td>
<td>As approval would have locked in higher than sustainable expenses, it was suggested that a more appropriate funding structure be sought.</td>
</tr>
<tr>
<td>Australian Institute of Health and Welfare (AIHW)</td>
<td>As a large percentage of AIHW’s revenue comes from the provision of services to predominantly government agencies, it was suggested that a reassessment of cost of services and levels of services provided be undertaken.</td>
</tr>
</tbody>
</table>
The following departments and agencies incurred operating losses in 2007-08 without the Finance Minister’s prior approval for the following reasons:

<table>
<thead>
<tr>
<th>Department/Agency</th>
<th>Reason for Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Communications and Media Authority</td>
<td>Higher net expenditure</td>
</tr>
<tr>
<td>Austrade</td>
<td>Higher net expenditure</td>
</tr>
<tr>
<td>Department of Families, Housing, Community Services and Indigenous Affairs</td>
<td>Other</td>
</tr>
<tr>
<td>Child Support Agency</td>
<td>Higher net expenditure</td>
</tr>
<tr>
<td>General Practice Education and Training Limited</td>
<td>Other</td>
</tr>
</tbody>
</table>

One. The Department of Families, Housing, Community Services and Indigenous Affairs was the only entity which had requested approval to budget for an operating loss in 2007-08 and which was not approved by the Finance Minister.

**Immigration and Citizenship: Program Funding**

(Question No. 1057)

Senator Abetz asked the Minister for Immigration and Citizenship, upon notice, on 3 December 2008:

(1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister’s portfolio:

   (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall; (ii) how much was the underspend; and (iii) what was the reason for the underspend.

   (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall; (ii) how much was the overspend; and (iii) what was the reason for the overspend.

(2) Will any agencies and/or departments in the Minister’s portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

Senator Chris Evans—The answer to the honourable senator’s question is as follows:

(1) (a) (i) DIAC Departmental Expenditure (excluding Systems for People Program which is funded as a separate departmental program)

   (ii) $40.8m underspend.

   (iii) The majority of the underspend was in respect of the Department’s quarantined funding arrangements which are for specific items which are volatile in relation to funding needs.

(1) (a) (i) DIAC Administered Expenditure

   (ii) $18.262m underspend.

   (iii) The reasons for the Administered underspend are as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget ($’000)</th>
<th>Cost ($’000)</th>
<th>Underspend ($’000)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Migrant English Program</td>
<td>167,495</td>
<td>157,826</td>
<td>(9,669)</td>
<td>The AMEP is a demand driven program which was underutilised by eligible clients in 2007-08.</td>
</tr>
<tr>
<td>Program</td>
<td>Budget ($'000)</td>
<td>Cost ($'000)</td>
<td>Underspend ($'000)</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------</td>
<td>--------------</td>
<td>--------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Enforcement of Immigration Law</td>
<td>28,255</td>
<td>20,755</td>
<td>(7,500)</td>
<td>This item relates to write off of detention debts where recovery is considered unlikely. Lower detainee numbers in 2007-08 resulted in lower total detention debts. Consequently, the amount of debt actually written off was also lower.</td>
</tr>
<tr>
<td>Refugee &amp; Humanitarian</td>
<td>34,110</td>
<td>33,699</td>
<td>(411)</td>
<td>While the allocated funding for the Asylum Seeker Assistance Scheme was based on an estimate of 2,000 persons, the actual number of persons assisted for 2007-08 was 1,867.</td>
</tr>
<tr>
<td>Other</td>
<td>12,811</td>
<td>12,129</td>
<td>(682)</td>
<td>As a result of:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Migration Agent Registration Fees, collected by the department and transferred directly to the Migration Agent Registration Authority (MARA), being slightly lower than estimated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower number of Unaccompanied Humanitarian Minor wards than anticipated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Final payments to community grants were carried over as some activities were not completed until the next financial year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fewer Act-Of-Grace claims lodged than anticipated.</td>
</tr>
</tbody>
</table>

(1) (b) (i) DIAC Departmental Expenditure - Systems for People Program  
(ii) A $7.5 m underspend in capital which was offset by a $5.4 m overspend in operational expenditure giving a net underspend of $2.1 m.  
(iii) This outcome was attributable to changes to the categorization of expense between capital and operating costs from those originally budgeted.  

(1) (b) (i) Migration Review Tribunal and Refugee Review Tribunal Programs.  
(ii) $186,000 overspend.  
(iii) The reason for the overspend is that changes in case law and legislation progressively increased the complexity of reviews. Although this had the effect of reducing the number of cases that Members decided over the year, it resulted in increased costs per review.  

(1) (b) (i) DIAC Administered Expenditure  
(ii) $1.882m overspend.  
(iii) The reasons for the Administered overspend are as follows:  

QUESTIONS ON NOTICE
QUESTIONS ON NOTICE

Program Budget Cost Overspend Comments
Offshore Asylum Seeker Management 21,482 23,362 1,880 The overspend relates to unanticipated additional costs, as a result of the closure of Offshore Processing Centres.
Grants for migrant community services 32,019 32,021 2 Expenditure was slightly higher than forecast.

(2) DIAC Departmental Expenditure

Yes. The 2007-08 surplus as reported in DIAC’s Annual Report is $35.4m in respect of Departmental expenditure. The Department has an agreed funding model with government which provides funding for workloads and the cost of services we deliver and an annual reconciliation is undertaken. A reconciliation for 2007-08 has not yet been finalised and the actual amount to be returned to budget is not currently known.

(2) DIAC Administered Expenditure

Funding for Administered Programs is provided on a financial year basis and unused administered appropriations lapse each financial year.

Special Minister of State: Program Funding

(Question No. 1058)

Senator Abetz asked the Special Minister of State, upon notice, on 3 December 2008:

(1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister’s portfolio:

(a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.

(2) Will any agencies and/or departments in the Minister’s portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) The two programs within my Finance and Deregulation portfolio responsibilities are Ministerial and Parliamentary Services and the Australian Electoral Commission (AEC).

(a) Yes.

(i) The Ministerial and Parliamentary Services program.

(ii) For the 2007-08 financial year, the Ministerial and Parliamentary Services program had an underspend of $19,007 as detailed below.

<table>
<thead>
<tr>
<th>Program</th>
<th>2007-08 Actual</th>
<th>Budget ($’000)</th>
<th>Variance ($’000)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministerial and Parliamentary Services</td>
<td>310,926</td>
<td>329,933</td>
<td>-19,007</td>
<td>-6</td>
</tr>
</tbody>
</table>

(iii) The underspend arose from the costing of staff salaries at the maximum pay rate and a full capacity of staff, with savings realised due to staff being paid at varied levels.

(b) Yes.

(i) The Australian Electoral Commission.
(ii) For the financial year 2007-08, the AEC had an overspend of $9.9 million as detailed below. The AEC had previously obtained approval from the then Finance Minister to incur an operating loss of up to $10 million.

<table>
<thead>
<tr>
<th>Program</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td>Australian Electoral Commission</td>
<td>194,474</td>
</tr>
</tbody>
</table>

(iii) The overspend arose from the implementation of the targeted enrolment stimulation program from March 2007, into 2007-08, which involved bringing the electoral roll up to date. The Commission conducted further enrolment-related advertising in the lead-up to the 2007 election to complement the program. However, the Australian Electoral Commission could not absorb the costs of the enrolment stimulation initiatives as well as deliver the 2007 election within its operating budget, hence approval was sought for an operating loss. The Commission financed the loss from cash reserves accumulated in previous years.

(2) Yes. Details of money returned in the 2008-09 Budget as a result of underspends has been provided for all agencies in the Finance and Deregulation portfolio.

The Department of Finance and Deregulation, including its portfolio agencies, is returning a total of $204.94 million in the 2008-09 financial year as a result of underspends in the 2007-08 financial year. This consists of a $5.0 million return of unused Telstra 3 sale funding, and $199.94 million return of annual administered appropriations pursuant to section 8 of the Appropriation Act (No.1) 2007-08.

Finance and Deregulation: Program Funding

(1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister’s portfolio: (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall; (ii) how much was the underspend; and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall; (ii) how much was the overspend; and (iii) what was the reason for the overspend.

(2) Will any agencies and/or departments in the Minister’s portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

Senator Sherry—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

(1) I can advise that the three programs within the Finance Minister’s portfolio, other than those for which the Special Minister of State is responsible, are:
- Superannuation;
- Property Management; and
- Insurance and Risk Management.

(a) Yes.

(i) The Superannuation and Property Management programs.
For the 2007-08 financial year, the Superannuation and Property Management programs had underspends, as detailed below:

<table>
<thead>
<tr>
<th>Program</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation</td>
<td>$5,204,840</td>
<td>$5,480,865</td>
<td>($276,025)</td>
<td>-5%</td>
</tr>
<tr>
<td>Property Management</td>
<td>$44,772</td>
<td>$49,598</td>
<td>($4,826)</td>
<td>-10%</td>
</tr>
</tbody>
</table>

The underspend in the Superannuation program related to lower than estimated civilian superannuation expenses of $268 million, primarily driven by the difference in planned asset earnings, discount rate and accrual estimates used to calculate the superannuation expenses and liabilities for outcomes and revised budget estimates.

The underspend in the Property Management program was due to gains on revaluations, which were due to higher than budgeted movements in the property market. As a result, there was an increase in the value of a number of properties, including the Perth, Adelaide, Melbourne and Parramatta Law Courts. There was also a higher than budgeted gain on the sale of Tuggeranong Office Park.

(b) Yes.

(i) The Insurance and Risk Management program.

(ii) For the financial year 2007-08, the Insurance and Risk Management program had an overspend, as detailed below:

<table>
<thead>
<tr>
<th>Program</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance and Risk Management</td>
<td>$105,228</td>
<td>$101,747</td>
<td>$3,480</td>
<td>3%</td>
</tr>
</tbody>
</table>

The overspend in the Insurance and Risk Management program is attributable to Comcover and relates almost entirely to the difference between the budget estimate and the actual value of insurable claims (insurance claims expense) made against the Commonwealth (and reported to Comcover by agencies), which are expensed in accordance with AASB1023.

(2) The Department of Finance and Deregulation, including its portfolio agencies, is returning a total of $204.94 million in the 2008-09 financial year as a result of underspends in the 2007-08 financial year. This consists of a $5.0 million return of unused Telstra 3 sale funding, and $199.94 million return of annual administered appropriations pursuant to section 8 of the Appropriation Act (No.1) 2007-08.

Veterans’ Affairs: Program Funding

(Question No. 1078)

Senator Abetz asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 3 December 2008:

(1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister’s portfolio:

(a) have underspends for the 2007-08 financial year; if so, for each underspend:

(i) in what program did it fall,

(ii) how much was the underspend, and

(iii) what was the reason for the underspend; and
have overspends for the 2007-08 financial year; if so, for each overspend:

(i) in what program did it fall,
(ii) how much was the overspend, and
(iii) what was the reason for the overspend.

(2) Will any agencies and/or departments in the Minister’s portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

Senator Faulkner—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) The Department’s total overall variance to budget for 2007-08 was a $108 million underspend. There were four major items contributing to this variance and 27 other programs with minor variances due to unanticipated patterns of usage.

The four major programs that had variances to budget were:

(a) (i) Military Rehabilitation and Compensation Act 2004/Safety, Rehabilitation and Compensation Act 1988 – Adjustment to liability provision;
(ii) $93 million; and
(iii) the amount expensed against this program was reduced as a result of an actuarial report which resulted in a reassessment of current and future liabilities for the scheme. This is an accounting treatment of a liability provision that has no cash impact.

(b) (i) Income Support Pensions;
(ii) $65 million; and
(iii) there are two major components to this variance:
   1. Telephone Allowance bonus was budgeted for in this program but paid in the Telephone Allowance Program ($21 million); and
   2. the estimate for Income Support Pensions was underspent by $44 million due to less take up than expected of aspects of this program. For example the One-off Bonus for Older Australians payment was estimated based on a population of 327,000 but only taken up by 308,000.

(i) Telephone allowance;
(ii) $21 million; and
(iii) Telephone Allowance bonus was paid in this program but budgeted against Income Support Pensions program.

(i) Treatment in public and private hospitals;
(ii) $40 million; and
(iii) an increased number of invoices was received from State hospitals due to increased activity in prior years, which only became apparent when invoices were received in the following financial year.

(2) The Department will not return any money to the budget from underspends as the majority of its programs are demand driven and cash is only drawn when required. The Department also did not return any funds through the Section 8 of the Appropriation Act (No 1) 2007-08 process.
**Human Services: Program Funding**

*(Question No. 1107)*

Senator Abetz asked the Minister for Human Services, upon notice, on 3 December 2008:

(1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the *Financial Management and Accountability Act 1997* (the Act) for each department and/or agency that operates under the Act in the Minister’s portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.

(2) How much depreciation funding for each department or agency in the Minister’s portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

Senator Ludwig—The answer to the honourable senator’s question is as follows:

(1)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Regulation 10 commitment from 1/12/07 to 30/06/08 ($m)</th>
<th>Amount of commitment approved at agency level ($m)</th>
<th>Amount of commitment approved by the Minister for Finance and Deregulation ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Department of Human Services</td>
<td>$95.214</td>
<td>$95.214</td>
<td>$0</td>
</tr>
<tr>
<td>Medicare Australia</td>
<td>$229.815</td>
<td>$229.815</td>
<td>$0</td>
</tr>
<tr>
<td>Centrelink</td>
<td>$619.699</td>
<td>$619.699</td>
<td>$0</td>
</tr>
</tbody>
</table>

(2)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Amount of depreciation funding available as at 30/06/08 ($m)</th>
<th>Amount of depreciation funding spent in the 2007-08 financial year ($m)</th>
<th>Amount of depreciation funding spent in the 2007-08 financial year to directly replace assets for which it was appropriated ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Department of Human Services</td>
<td>Accurate records not held since the implementation of accrual accounting and the Machinery of Government changes to the structure of Departments.</td>
<td>$46.072</td>
<td>$46.072</td>
</tr>
<tr>
<td>Medicare Australia</td>
<td>Accurate records not held since the implementation of accrual accounting and the Machinery of Government changes to the structure of Departments.</td>
<td>$46.207</td>
<td>$46.207</td>
</tr>
</tbody>
</table>
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Agency</th>
<th>Amount of depreciation funding available as at 30/06/08 ($m)</th>
<th>Amount of depreciation funding spent in the 2007-08 financial year ($m)</th>
<th>Amount of depreciation funding spent in the 2007-08 financial year to directly replace assets for which it was appropriated ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centrelink</td>
<td>Accurate records not held since the implementation of accrual accounting and the Machinery of Government changes to the structure of Departments.</td>
<td>$173.405</td>
<td>$154.669</td>
</tr>
</tbody>
</table>

Of the $619.699m authorised at agency level, $120.014m required the agreement of the Minister for Human Services as the spending proposals involved payments outside the forward estimates.

**Climate Change**

*(Question No. 1164)*

**Senator Johnston** asked the Minister for Climate Change and Water, upon notice, on 4 December 2008:

1. Is the department refusing to process applications for accreditation under the Greenhouse Friendly initiative pending proposed changes to regulatory approval in the Carbon Pollution Reduction Scheme (CPRS) White Paper; if so, what is the rationale for this position.
2. Is the Minister aware that some companies have spent hundreds of thousands of dollars complying with the department’s onerous requirements including independent auditing and third party reviews in order to achieve accreditation under the existing scheme?
3. Does the Minister believe that notwithstanding any new regulatory scheme that may be adopted under the new CPRS that companies that have already completed their accreditation application under the Greenhouse Friendly scheme should be allowed to have their applications determined.
4. Will the Minister instruct the department to immediately determine any completed applications that they are currently holding under the Greenhouse Friendly initiative; if not, why not.
5. Will companies that already have Greenhouse Friendly accreditation be given preferential treatment when it comes to accreditation under the new CPRS; if so, will this treatment also apply to companies that have completed and lodged their applications for Greenhouse Friendly accreditation prior to the commencement of the CPRS.

**Senator Wong**—The answer to the honourable senator’s question is as follows:

1. The Department of Climate Change is continuing to process applications under the Greenhouse Friendly initiative.

   The Government’s Greenhouse Friendly initiative has been in operation since 2001. Changes to the Government’s approach to carbon neutrality and offsets are now needed in light of introduction of the Carbon Pollution Reduction Scheme (CPRS). As the Government’s Carbon Pollution Reduction Scheme: Australia’s Low Carbon Future White Paper noted, there will be inherently less scope for offsets in covered sectors as a result of a near economy wide CPRS.

   In the lead up to the CPRS, companies could be taking action to reduce their emissions based on the expectation of a future carbon price. Therefore it will become increasingly difficult to demonstrate the additionality of abatement projects under the Greenhouse Friendly program.
Greenhouse Friendly has been an effective and successful avenue for participation in the voluntary carbon market in Australia. Recognising the investment to date by Greenhouse Friendly participants, transitional arrangements to the CPRS will apply. Under these arrangements, no new abatement provider Eligibility Statements will be accepted after 27 May 2009. Product and service provider carbon neutral applications will be accepted until 1 July 2010.

The Government is developing a national standard for carbon neutrality and offsets that will provide national consistency and give consumers confidence in the voluntary carbon offset market. The national standard will provide stakeholders with new opportunities for offsets and carbon neutrality.

(2) Yes. The independent audit and third party verification arrangements are important for maintaining Greenhouse Friendly’s reputation as a robust and credible approach to carbon neutrality.

(3) Yes. Please see the response to question 1.

(4) Please see the response to question 1.

(5) Companies that have Greenhouse Friendly approval to provide greenhouse gas abatement are able to sell carbon offset credits into the voluntary carbon market. While the Carbon Pollution Reduction Scheme: Australia’s Low Carbon Future White Paper states that there will be no offsets within the Scheme before the matter is considered in 2013, forestry providers can opt in to the Scheme and generate carbon pollution permits for their carbon sequestration from 2010.

Australian Broadcasting Corporation
(Question No. 1228)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 20 January 2009:

(1) In regard to Australian Broadcasting Corporation (ABC) 936 and ABC Northern Tasmania:
   (a) (i) how many radio news items in total did the ABC broadcast concerning this protest, and for each news item, what was the date of broadcast, station, position in bulletin and its duration, and (ii) what was the cumulative time of these news items;
   (b) how many radio interviews did the ABC hold with members of the SWST group or their spokespersons, Australian Greens politicians, Wilderness Society representatives or any other associated group regarding this protest, and for each interview can the: (i) station, (ii) program, (iii) position in bulletin, (iv) interviewer, (v) interviewee, and (vi) time for each interview, be identified; and
   (c) how many radio interviews did the ABC hold with Forestry Tasmania or other forest industry representatives regarding this protest, and for each interview can the: (i) station, (ii) program, (iii) interviewer, (iv) interviewee, and (v) time for each interview, be identified.

(2) In regard to all ABC television: (a) how many television news items did the ABC broadcast concerning this protest; and (b) for each television news item, what was the date of broadcast, station and its duration.

(3) In regard to ABC online: (a) how many online items did the ABC broadcast concerning this protest; and (b) can a copy of each online news item be provided.

(4) How many journalists, cameramen, sound recordists etc. did the ABC have covering this protest story.

(5) (a) What was the total cost of the ABC’s coverage of this protest in terms of resources committed; and (b) can an itemised list of these costs be provided.
**Senator Conroy**—The answer to the honourable senator’s question is as follows:

(1) Between 12 and 23 January 2009, ABC News broadcast or published on radio, TV and online 121 stories on the protest and its aftermath. This included 15 stories on TV news, 85 on radio news and 21 online. The story was not only a forestry story but also a significant law and order story. The stories included comments from all sides of the debate (Government, police, forestry workers and protesters) and ABC News believes the coverage was impartial and balanced over the course of the protest.

Of the 100 stories broadcast on radio and TV news:
- 54 included comments from protesters, representatives of protest groups, or Greens representatives.
- 23 included comments from Forestry Tasmania or other industry representatives.
- 5 included the fact that Forestry Tasmania declined to comment.
- 39 included comments from police or the Police Minister.

The ABC does not measure balance by simply counting numbers of stories, the length of ‘grabs’ of actuality, or by the numbers of perspectives or how often they are run. The ABC is required to achieve balance 'as soon as reasonably practicable and in an appropriate manner'. Journalists are expected to include, ‘as far possible … principal relevant views on matters of importance’ and to be impartial and to base their editorial judgements on news values.

(a) (i) 85. See attached table for details. (ii) 59 min 78 sec.

Time includes presenter introductions, reporters’ packages, grabs of actuality from interviews with people involved, reporting (in indirect speech) of comments by people involved, reporting when key players were not commenting, copy-only stories (with no actuality) and headline stories in news updates.

(b) ABC Local Radio Tasmania broadcast 4 interviews.

<table>
<thead>
<tr>
<th>Station:</th>
<th>936 Local Radio (Statewide)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program:</td>
<td>Statewide Mornings with Louise Saunders</td>
</tr>
<tr>
<td>Position in Bulletin:</td>
<td>N/A - Interview</td>
</tr>
<tr>
<td>Date and Time of Broadcast:</td>
<td>Monday 12 January 09:14:25</td>
</tr>
<tr>
<td>Interviewer:</td>
<td>Louise Saunders</td>
</tr>
<tr>
<td>Interviewee:</td>
<td>Christo Mills, SWST (Still Wild Still Threatened)</td>
</tr>
<tr>
<td>Duration:</td>
<td>5m 43s</td>
</tr>
<tr>
<td>Station:</td>
<td>936 Local Radio (Statewide)</td>
</tr>
<tr>
<td>Program:</td>
<td>Statewide Mornings with Louise Saunders</td>
</tr>
<tr>
<td>Position in Bulletin:</td>
<td>N/A - interview</td>
</tr>
<tr>
<td>Date and Time of Broadcast:</td>
<td>Tuesday 13 January 09: 56:43</td>
</tr>
<tr>
<td>Interviewer:</td>
<td>Louise Saunders</td>
</tr>
<tr>
<td>Interviewee:</td>
<td>Vica Bayley from the Wilderness Society</td>
</tr>
<tr>
<td>Duration:</td>
<td>2m 28s</td>
</tr>
<tr>
<td>Station:</td>
<td>936 Local Radio (Statewide)</td>
</tr>
<tr>
<td>Program:</td>
<td>Statewide Mornings with Louise Saunders</td>
</tr>
<tr>
<td>Position in Bulletin:</td>
<td>N/A - interview</td>
</tr>
<tr>
<td>Date and Time of Broadcast:</td>
<td>Tuesday 13 January 10: 05:39</td>
</tr>
<tr>
<td>Interviewer:</td>
<td>Louise Saunders</td>
</tr>
<tr>
<td>Interviewee:</td>
<td>Ula Majewski from SWST (Still Wild Still Threatened)</td>
</tr>
<tr>
<td>Duration:</td>
<td>3m 8s</td>
</tr>
<tr>
<td>Station:</td>
<td>936 ABC Hobart</td>
</tr>
<tr>
<td>Program:</td>
<td>Breakfast with Andy Muirhead</td>
</tr>
</tbody>
</table>
Monday, 15 June 2009

Position in Bulletin: N/A – interview
Date and Time of Broadcast: Monday 19 January: 09:33
Interviewer: Andy Muirhead
Interviewee: Ula Majewski from SWST (Still Wild Still Threatened)
Duration: 3m 8s

(c) ABC Local Radio Tasmania broadcast 2 such interviews.

Station: 936 Local Radio (Statewide)
Program: Statewide Mornings with Louise Saunders
Position in Bulletin: N/A - interview
Date and Time of Broadcast: Tuesday 13 January 09: 48:27
Interviewer: Louise Saunders
Interviewee: Steve Whiteley, District Forest Manager
Duration: 6m 42s
Station: 936 ABC Hobart
Program: Breakfast with Andy Muirhead
Date and Time of Broadcast: Monday 19 January 09: 37:00
Interviewer: Andy Muirhead
Interviewee: Steve Whiteley, District Forest Manager
Duration: 3m 27s

ABC Local Radio Tasmania also broadcast two interviews with ABC News Reporters providing updates.

Station: 936 Local Radio (Statewide)
Program: Statewide Drive with Joel Rheinberger
Position in Bulletin: N/A – Interview/Update
Date and Time of Broadcast: Monday 12 January 09: 17:10
Interviewer: Joel Rheinberger
Interviewee: Nicole Price, ABC News Reporter providing Update
Duration: 9m 40s
Station: 936 ABC Hobart (Statewide)
Program: Statewide Drive with Joel Rheinberger
Position in Bulletin: N/A – Interview/Update
Date and Time of Broadcast: Tuesday 13 January 09: 17:10
Presenter: Joel Rheinberger
Reporter: Nicole Price, ABC News Reporter providing Update
Duration: 8m

(2) (a) 15 (9 TV News Updates; 6 7.00pm TV News). (b) 12 January ABC1 3 items 28s, 26s, 2m 24s

<table>
<thead>
<tr>
<th>Date</th>
<th>Station</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 January</td>
<td>ABC 1</td>
<td>3 items 40s, 34s, 1m 54s</td>
</tr>
<tr>
<td>14 January</td>
<td>ABC 1</td>
<td>3 items 24s, 25s, 1m 54s</td>
</tr>
<tr>
<td>15 January</td>
<td>ABC 1</td>
<td>3 items 35s, 28s, 2m 4s</td>
</tr>
<tr>
<td>17 January</td>
<td>ABC 1</td>
<td>1 item 1m 5s</td>
</tr>
<tr>
<td>18 January</td>
<td>ABC 1</td>
<td>1 item 20s</td>
</tr>
<tr>
<td>23 January</td>
<td>ABC1</td>
<td>1 item 2m 5s</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
(3) (a) 21. (b) Available from the Senate Table Office.

(4) There are 23 staff directly involved in program production and presentation in Local Radio in Tasmania. Those working on the shifts that covered the story did so as part of their normal story search. No extra resources were involved in covering the story.

For Radio and TV News, the coverage was done using the staff who had been rostered to work in News before the protest began. No extra reporters or crews were rostered.

During the time that the protest was under way, the ABC had between two and six general day shift reporters and two to three camera operators who could have been assigned to the story. Each day, one cameraman and one reporter were assigned to travel to the protests. An office-based reporter would also have been involved in telephone interviews each day.

(5) (a) The ABC is unable to state the costs incurred specifically for covering this story. The coverage simply formed part of the daily operating costs incurred by ABC Local Radio and ABC News. The story was covered by staff rostered to work before the protest began. No significant additional costs were incurred, other than about three hours overtime for a News staff member as a result of illness.

(b) No itemised list of these costs can be provided.

Moncrieff Electorate: Funding
(Question No. 1279)

Senator Mason asked the Minister representing the Attorney-General, upon notice, on 5 February 2009:

With reference to the Government’s funding of organisations and projects between 3 December 2007 and 20 January 2009:

(a) which organisations and projects within the Moncrieff electorate received funding from the department;

(b) how much funding did each organisation or project receive; and

(c) for what purpose was each funding commitment made.

Senator Wong—The Attorney-General has provided the following answer to the honourable senator’s question:

Details of organisations and projects that were funded by the Attorney-General’s Department in the Moncrieff Electorate between 3 December 2007 and 20 January 2009 are set out in the below table;

<table>
<thead>
<tr>
<th>Project and/or Organisation</th>
<th>Total Funding</th>
<th>Purpose of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold Coast Legal Service (and Citizens Advice Bureau) *</td>
<td>$409,312</td>
<td>Community Legal Services Program. To provide legal assistance services to disadvantaged members of the community, including those with disabilities.</td>
</tr>
<tr>
<td>Gold Coast City Council</td>
<td>$32,000</td>
<td>Natural Disaster Mitigation Program, Storm Tide Decision Support System. For the development of a visually-based, adaptable software tool to assist in emergency management planning for, and identification and evacuation of at-risk populations during storm tide events.</td>
</tr>
<tr>
<td>Project and/or Organisation</td>
<td>Total Funding</td>
<td>Purpose of Funding</td>
</tr>
<tr>
<td>----------------------------</td>
<td>--------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Benowa State High School P&amp;C Association **</td>
<td>$5,000</td>
<td>National Community Crime Prevention Programme Small Grant. This project installs security mesh window screens to the business education building of the Benowa State High School. This crime prevention measure will act as a deterrent and protect the investment in technology.</td>
</tr>
<tr>
<td>Broadbeach Junior AFL Football Club **</td>
<td>$5,000</td>
<td>National Community Crime Prevention Programme Small Grant. This project will provide a CCTV system to deter vandalism of Broadbeach Junior AFL club facilities and deter petty crime during games.</td>
</tr>
<tr>
<td>Broadbeach Kindergarten **</td>
<td>$4,026</td>
<td>National Community Crime Prevention Programme Small Grant. This project will install a CCTV system at the Broadbeach Kindergarten to deter and record crime at the site.</td>
</tr>
<tr>
<td>Broadbeach State School P&amp;C Association **</td>
<td>$5,000</td>
<td>National Community Crime Prevention Programme Small Grant. The project will install a CCTV system to monitor the boundaries of Broadbeach State School.</td>
</tr>
<tr>
<td>Broadbeach Surf Life Saving Club Inc. **</td>
<td>$5,000</td>
<td>National Community Crime Prevention Programme Small Grant. This project purchases lockers to store valuables to keep club members’ property safe whilst they do beach and water patrols.</td>
</tr>
<tr>
<td>Chevron Island Village Incorporating Cronin Island **</td>
<td>$5,000</td>
<td>National Community Crime Prevention Programme Small Grant. This project procures equipment to provide the means to initiate and complete a consultative study, with educational materials and electronic seminars between out community and authorities, on feasible, effective and efficient crime prevention measures for the community.</td>
</tr>
<tr>
<td>Combined Martial Arts Academy Social Club **</td>
<td>$5,000</td>
<td>National Community Crime Prevention Programme Small Grant. This project purchases a microphone and speakers, a laptop, kick shields and wave masters. The equipment will be used to conduct self defence seminars and workshops for the community.</td>
</tr>
<tr>
<td>Croatian Sports Centre Gold Coast Inc **</td>
<td>$5,000</td>
<td>National Community Crime Prevention Programme Small Grant. This project installs a security system to the Croatian Sports Centre. This crime prevention measure is aimed at discouraging criminal and unruly behaviour.</td>
</tr>
<tr>
<td>Project and/or Organisation</td>
<td>Total Funding</td>
<td>Purpose of Funding</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Gold Coast Pistol Club LTD **</td>
<td>$5,000</td>
<td>National Community Crime Prevention Programme Small Grant. This project provides a reliable and consistent power source to the security system that will overcome nuisance tripping and power outages. The aim of the project is to prevent the number of occurrences of security system failures.</td>
</tr>
<tr>
<td>Southport Pony &amp; Hack Club **</td>
<td>$2,500</td>
<td>National Community Crime Prevention Programme Small Grant. This project installs sensor lighting to illuminate the Southport Pony &amp; Hack Club car parking area, where there have been thefts from vehicles. Secondly the project allows for a qualified self defence coach to facilitate an educational self defence workshop on Club grounds for the participation of the Club’s women and children to equip them with basic self defence skills.</td>
</tr>
<tr>
<td>Transformation Ministries International Limited **</td>
<td>$2,045</td>
<td>National Community Crime Prevention Programme Small Grant. The organisation would like to incorporate recreational activities such as camping, boating and fishing into the Transformational Ministries Rehabilitation program, to help divert individuals from drug taking and crime. This project purchases an outboard motor to enable these activities.</td>
</tr>
<tr>
<td>Centacare Brisbane ***</td>
<td>$2.85 million</td>
<td>Family Relationship Centre. The centre is a source of information and confidential advice for families at all stages in their life. Where families separate, the centre provides information, advice and dispute resolution (such as mediation) to help people reach agreement on parenting arrangements without going to court.</td>
</tr>
<tr>
<td>Centacare Brisbane ***</td>
<td>$0.14 million</td>
<td>Supporting Children after Separation. The program assists children from separating families to deal with issues arising from the breakdown in their parents’ relationship and to participate in decisions that impact on them.</td>
</tr>
<tr>
<td>Foundations Child and Family Support Ltd. ***</td>
<td>$0.47 million</td>
<td>Children’s Contact Centre. The centre assists children of separated parents to have contact, establish and maintain a relationship, with their other parent and family members. The services provide a safe place to assist parents with the change over of children and supervised contact where appropriate.</td>
</tr>
<tr>
<td>Project and/or Organisation</td>
<td>Total Funding</td>
<td>Purpose of Funding</td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Foundations Child and Family Support Ltd. ***</td>
<td>$0.66 million</td>
<td>Parenting Orders Program. The program assists separating families in high conflict over parenting arrangements. It involves a case worker intensively managing parents and getting them to understand the effect their conflict is having on their children. Family members, including children, can receive a range of services such as counseling, mediation and group work education as part of this program.</td>
</tr>
<tr>
<td>Relationships Australia Queensland (RAQ) ***</td>
<td>$3.89 million for Qld ****</td>
<td>Family Dispute Resolution. This is a process conducted by an independent practitioner/s to assist members of families, including separated families, to resolve their disputes. Examples of family dispute resolution processes are mediation and conciliation. Family dispute resolution services can help separating families resolve disputes as an alternative to going to court.</td>
</tr>
<tr>
<td>Relationships Australia Queensland (RAQ) ***</td>
<td>$2.95 million for Qld ****</td>
<td>Family Counselling. Professional counsellors assist individuals, couples and families, including separating families, to resolve relationship issues that arise at various stages of their relationships.</td>
</tr>
<tr>
<td>Centacare Brisbane ***</td>
<td>$0.55 million for Qld ****</td>
<td></td>
</tr>
</tbody>
</table>

* The Community Legal Services Program provides funding on a financial year basis. The figure above includes financial year funding for 2007–08, 2008–09 and for one-off funding provided in June 2008.

** Grants were announced by the then Minister for Justice and Customs on 5 September 2007. Contracts were then formed with the Organisations over the next three months, with payments being finalised soon after.

*** Funding for organisations is the total over the two full financial years.

**** RAQ and Centacare Brisbane are funded under Family Relationship Services Program to provide a range of family services. In the Moncrieff electorate, RAQ has an outlet at Mermaid Beach. Centacare Brisbane has an outlet at Clear Island Waters. There is no information available to determine the attribution of funding allocation directly to the electorate for family dispute resolution as funding is provided for the whole of Queensland.

**Government Advertising**

(Question Nos 1335 to 1357)

Senator Ronaldson asked all ministers, upon notice, on 26 February 2009:

(1) How many communication campaigns were conducted by the department and/or its agencies for the 2008 calendar year.

(2) For each of the above campaigns:
   (a) what was the name of the campaign;
   (b) which department had the responsibility for the campaign;
   (c) which agencies were short-listed and which were finally selected for:
       (i) advertising creative,
       (ii) public relations, and
       (iii) market research;
(d) did the relevant Minister or any of that Minister’s personal staff take part in the decision to select the successful agency or agencies; if so, whom;

(e) can a breakdown be provided for:
   (i) creative agency costs,
   (ii) television placement costs,
   (iii) print placement costs,
   (iv) radio placement costs,
   (v) mail outs, brochures and booklet costs,
   (vi) Internet costs,
   (vii) public relations agency costs, including additional costs for any activities undertaken by those agencies or their agents,
   (viii) market research agency costs, and
   (ix) the total cost of the campaign; and

(f) what were the start and end dates for the airing of the electronic advertising components.

Senator Sherry—On behalf of all ministers, the Minister for Finance and Deregulation has supplied the following answer to the honourable senator’s question:

(1) In the calendar year 2008, 16 advertising campaigns above the value of $250,000 were undertaken by Financial Management and Accountability Act 1997 (FMA Act) agencies.

Advertising activity with expenditure less than $250,000 is not subject to the Guidelines on Campaign Advertising. Consequently, Finance does not have detailed information on these campaigns.

(2) (a) and (b) Table 1 provides details of the name of each relevant campaign and the responsible department.

(c) Finance does not currently hold information about short-listed agencies. It is not a practice of government to release the names of suppliers that have been unsuccessful in a selection process. For advertising campaigns above $250,000, information about agencies selected will be published in the first full-year report on government advertising, scheduled to be tabled by Finance by the end of the third quarter in 2009. The duplication of this collation would be an unreasonable diversion of departmental resources.

(d) Under the new Guidelines on Campaign Advertising, Chief Executives are responsible for certifying that any campaigns developed within their agency comply with the Guidelines and related Government policies, including financial management and procurement policies. Therefore, the tendering and commissioning of services is undertaken by departments in line with their Chief Executive Instructions.

Ministers are responsible for authorising campaign development in their portfolios, consistent with normal financial management processes, and for authorising the launch of a campaign. While Ministers do not have responsibility for campaign development, they have a legitimate interest in the development of campaigns in their portfolios. It is reasonable that Ministers be briefed at strategic stages of campaign development. The Finance publication Business Planning Processes for Campaign Information and Communication Activities provides this advice.

(e) (i) Finance does not currently hold details of the agencies selected to undertake advertising activities across Government.

The full-year report on campaign advertising, for campaigns above $250,000, by Australian Government departments and agencies will provide further details on costs associated with
campaign development and implementation, including advertising consultants. It is expected that this report will be tabled by the end of the third quarter in 2009.

(ii) to (iv) Table 1 provides a breakdown of media related costs for campaigns above the value of $250,000 undertaken by FMA Act agencies that occurred in calendar year 2008.

(v) Finance does not currently hold details of costs associated with mail-outs and the production of brochures and booklets across Government.

The full-year report on campaign advertising, for campaigns above $250,000, by Australian Government departments and agencies will provide further details on costs associated with campaign development and implementation. It is expected that this report will be tabled by the end of the third quarter in 2009.

(vi) Table 1 provides a breakdown of online media related costs for campaigns above the value of $250,000 undertaken by FMA Act agencies that occurred in calendar year 2008.

(vii) to (viii) Finance does not currently hold details of the agencies selected to undertake public relations and market research activities across Government.

The full-year report on campaign advertising, for campaigns above $250,000, by Australian Government departments and agencies will provide further details on costs associated with campaign development and implementation. It is expected that this report will be tabled by the end of the third quarter in 2009.

(ix) Table 1 provides a total of media related costs for campaigns above the value of $250,000 undertaken by FMA Act agencies that occurred in calendar year 2008.

The full-year report on campaign advertising, for campaigns above $250,000, by Australian Government departments and agencies will provide further details on costs associated with campaign development and implementation. It is expected that this report will be tabled by the end of the third quarter in 2009.

(f) Table 1 provides information about the months in which electronic media appeared in relation to campaign advertising activity undertaken by FMA Act agencies in calendar year 2008 above the value of $250,000.

Table 1: Media expenditure on campaign advertising by FMA Act agencies in 2008

<table>
<thead>
<tr>
<th>Agency</th>
<th>Campaign</th>
<th>Media expenditure ($m)</th>
<th>Timing of electronic media</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>TV</td>
<td>Press</td>
</tr>
<tr>
<td>Agriculture, Fisheries and Forestry</td>
<td>Australian Quarantine &amp; Inspection Service</td>
<td>2.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Attorney-General’s Australian Customs Service</td>
<td>National Security</td>
<td>1.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Australian Federal Police</td>
<td>SmartGate</td>
<td>—</td>
<td>0.2</td>
</tr>
<tr>
<td>Australian Taxation Office</td>
<td>Missing Persons Week*</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Australian Taxation Office</td>
<td>First Home Saver Account</td>
<td>0.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Agency</td>
<td>Campaign</td>
<td>Media expenditure ($m)</td>
<td>Timing of electronic media</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-------------------------------</td>
<td>------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TV</td>
<td>Press</td>
</tr>
<tr>
<td>Climate Change</td>
<td>Climate Change Household</td>
<td>2.9</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>Action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defence</td>
<td>Defence Force Recruiting</td>
<td>21.3</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Defence Force Reservist*</td>
<td>—</td>
<td>0.2</td>
</tr>
<tr>
<td>Education, Employment and Workplace</td>
<td>Child Care Tax Rebate</td>
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<td>Relatives*</td>
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<td>Education, Employment and Workplace</td>
<td>Economic Security</td>
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<td>Strategy (Phase 1)</td>
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<td>Families, Housing, Community Services</td>
<td>Smartraveller</td>
<td>1.4</td>
<td>0.3</td>
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<td>and Indigenous Affairs</td>
<td>Australian Better Health</td>
<td>4.2</td>
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<td>Initiative</td>
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<td>Heath and Ageing</td>
<td>Binge Drinking</td>
<td>5.4</td>
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<td>Skin Cancer Awareness</td>
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<td>Child Support Scheme*</td>
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‘Media spend’ relates to the gross media cost of placing advertising in the media (it does not include production costs or consultant fees).
QUESTIONS ON NOTICE

Private Health Insurance
(Question No. 1367)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 March 2009:

1. Was any formal briefing or minute to the Minister on the most recent private health insurance premium round personally signed by the secretary or a deputy secretary of the department.

2. Were the Minister’s written queries to insurers consequent or additional to formal or informal approaches by officials of the department or the Private Health Insurance Administration Council (PHIAC).

3. Were other funds, which were not written to by the Minister, approached by PHIAC or the department on the content of the premium applications with a view to revising premium increases downwards.

4. In addition to the Minister’s written approaches, did the Minister or the Minister’s office have conversations with the chief executives or chairmen of any health insurers about matters relating to premium applications or the general parameters of premium decisions, between their lodgement and the Government’s formal notification to insurers of the outcome of the premium round.

5. At any time, were the Australian Health Insurance Association or the Health Insurance Restricted Membership Association of Australia approached directly by the Minister, her office or the department and encouraged to maximise restraint in their members most recent round of premium change applications.

6. Did the secretary and/or any deputy secretary of the department or the head of the division of that department responsible for private health insurance make personal representations to either private health insurers or the two industry associations.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

1. Yes.

2. The question is unclear, but my Department has an on-going dialogue with Funds as do I.

3. Not that I am aware of.

4. Apart from my public comments at the AHIA launch, at which I believe you were present, no.

5. Yes. On 26 November 2008, the Minister wrote to the Australian Health Insurance Association and the Health Insurance Restricted Membership Association of Australia.

6. No.