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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
Temporary Chairs of Committees—Senators Guy Barnett, Cory Bernardi,
Thomas Mark Bishop, Carol Louise Brown, Patricia Margaret Crossin,
Michael George Forshaw, Gary John Joseph Humphries, Annette Kay Hurley,
Stephen Patrick Hutchins, Gavin Mark Marshall, Julian John James McGauran,
Claire Mary Moore, Stephen Shane Parry, Hon. Judith Mary Troeth and Russell Brunell Trood

Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz

Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Stephen Shane Parry

Senate Party Leaders and Whips

Leader of the Australian Labor Party—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy
Leader of the Liberal Party of Australia—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Leader of the Nationals—Senator Barnaby Thomas Gerard Joyce
Deputy Leader of the Nationals—Senator Fiona Nash
Leader of the Australian Greens—Senator Robert James Brown
Deputy Leader of the Australian Greens—Senator Christine Anne Milne
Leader of the Family First Party—Senator Steve Fielding
Chief Government Whip—Senator Kerry Williams Kelso O’Brien
Deputy Government Whips—Senators Donald Edward Farrell and Anne McEwen
Chief Opposition Whip—Senator Stephen Shane Parry
Deputy Opposition Whips—Senators Judith Anne Adams and David Christopher Bushby

The Nationals Whip—Senator John Reginald Williams
Australian Greens Whip—Senator Rachel Mary Siewert
Family First Party Whip—Senator Steve Fielding

Printed by authority of the Senate
## Members of the Senate

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

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

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

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

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

[The above ministers constitute the cabinet]
**Rudd Ministry—continued**

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<td>Hon. Tanya Plibersek MP</td>
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<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery</td>
<td>Hon. Warren Snowdon MP</td>
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<td>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</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Assistant Treasurer</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
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<td>Minister for Early Childhood Education, Childcare and Youth and Minister for Sport</td>
<td>Hon. Kate Ellis MP</td>
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<td>Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change</td>
<td>Hon. Greg Combet AM, MP</td>
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<td>Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery</td>
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<td>Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government</td>
<td>Hon. Maxine McKew MP</td>
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<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Western and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
<td>Hon. Bill Shorten MP</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr SC, MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade</td>
<td>Hon. Anthony Byrne MP</td>
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<td>Hon. Laurie Ferguson MP</td>
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<td>Parliamentary Secretary for Industry and Innovation</td>
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SHADOW MINISTRY

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<td>Leader of the Opposition</td>
<td>The Hon. Malcolm Turnbull MP</td>
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<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 Infrastructure and COAG and Shadow Minister</td>
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<td>Shadow Special Minister of State and Shadow Cabinet Secretary</td>
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[The above constitute the shadow cabinet]
| Shadow Minister for Financial Services, Superannuation and Corporate Law | The Hon. Chris Pearce MP |
| Shadow Assistant Treasurer | The Hon. Tony Smith MP |
| Shadow Minister for Sustainable Development and Cities | The Hon. Bruce Billson MP |
| Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House | Mr Luke Hartsuyker MP |
| Shadow Minister for Housing and Local Government | Mr Scott Morrison |
| Shadow Minister for Ageing | Mrs Margaret May MP |
| Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence | The Hon. Bob Baldwin MP |
| Shadow Minister for Veterans’ Affairs | Mrs Louise Markus MP |
| Shadow Minister for Early Childhood Education, Childcare, Status of Women and Youth | Mrs Sophie Mirabella MP |
| Shadow Minister for Justice and Customs | The Hon. Sussan Ley MP |
| Shadow Minister for Employment Participation, Training and Sport | Dr Andrew Southcott MP |
| Shadow Parliamentary Secretary for Northern Australia | Senator the Hon. Ian Macdonald |
| Shadow Parliamentary Secretary for Roads and Transport | Mr Don Randall MP |
| Shadow Parliamentary Secretary for Regional Development | Mr John Forrest MP |
| Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs | Senator Marise Payne |
| Shadow Parliamentary Secretary for Energy and Resources | Mr Barry Haase MP |
| Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector | Senator Mitch Fifield |
| Shadow Parliamentary Secretary for Water Resources and Conservation | Mr Mark Coulton MP |
| Shadow Parliamentary Secretary for Health Administration | Senator Mathias Cormann |
| Shadow Parliamentary Secretary for Defence | The Hon. Peter Lindsay MP |
| Shadow Parliamentary Secretary for Education | Senator the Hon. Brett Mason |
| Shadow Parliamentary Secretary for Justice and Public Security | Mr Jason Wood MP |
| Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry | Senator the Hon. Richard Colbeck |
| Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate | Senator Concetta Fierravanti-Wells |
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Wednesday, 17 June 2009

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

BUSINESS

Withdrawal

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

That the government business order of the day relating to the Social Security and Veterans’ Entitlements Amendment (Commonwealth Seniors Health Card) Bill 2009 be discharged from the Notice Paper.

Question agreed to.

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

FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

In Committee

Consideration resumed from 16 June.

The Temporary Chairman (Senator Trood)—The committee is considering the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and a related bill and is considering opposition amendment (3) on sheet 5817 to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, moved by Senator Abetz. The question is that the amendment be agreed to.

Question negatived.

Senator Xenophon (South Australia) (9.33 am)—I move amendment (2) standing in my name on sheet 5829 to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009:

(2) Schedule 5, item 2, page 58 (after line 23), at the end of subitem (5), add:

; and (c) the likely effects on the relevant industry or industry sector of any modern award that the Commission is considering, or is proposing to make, including on productivity, labour costs and the regulatory burden on businesses.

This amendment relates to award modernisation. I alluded to this amendment last night. When Senator Abetz moved the coalition’s amendment I indicated that I could not support that because I believed that an alternative approach would be better in relation to considering the various issues that are of concern to the coalition and, indeed, to the government.

This amendment would also require the AIRC to consider the likely effects on the relevant industry or industry sector of any modern award that the commission is considering or is proposing to make, including on productivity, labour costs and the regulatory burden on business. I think that covers all those issues of concern that the coalition considered but in a way that is consistent with parts A and B of the clause. This is about taking into account, for instance, the concerns of the horticulture industry. It provides additional guidance in relation to conditions that should be considered in the transition on to modern awards. In relation to horticulture, for instance, my office has had extensive discussions and I have had discussions with the SA Riverland horticulture industry and this amendment, I think, would fairly take into account the concerns of the industry whilst protecting the interests of workers in that industry. I urge my colleagues to support this amendment. I think it would take up some of the concerns of the coalition but in a way that is entirely consistent with the structure of the current legislation.

Senator Arbib (New South Wales—Minister for Employment Participation and
Minister Assisting the Prime Minister for Government Service Delivery (9.35 am)—
The government notes that Senator Xenophon’s amendment is largely covered by factors that are already included in part 10A of the Workplace Relations Act 1996, which is being preserved by the bill. The language in the amendment is also consistent with the provisions in section 134 of the Fair Work Act. ‘The modern awards objective’. Therefore the government has no objection to the passage of this amendment.

Senator ABETZ (Tasmania) (9.35 am)—
We had a discussion on this last evening. My contribution to that might have been described as, in effect, a cognate debate on these two matters. I indicated the coalition’s position: we thought our amendments were better. Senator Xenophon did not see his way clear to agreeing. The minister said only last night that he could not find his way clear to supporting us, and I have a funny feeling that, despite being given the benefit of a new morning, he has not changed his mind overnight. In the circumstances, we say of Senator Xenophon’s amendment: we are not sure that it is going to do any good, in reality, but it definitely will not do any harm and, as a result, we are happy to support it.

Senator SIEWERT (Western Australia) (9.36 am)—The Greens are not inclined to support this amendment, in fact, for the reasons that the government articulated. We think the concerns that Senator Xenophon has raised and the issues that this amendment addresses are already covered in the legislation, so we are not inclined to support the amendment.

Senator XENOPHON (South Australia) (9.37 am)—I just want to take issue with Senator Abetz saying that he does not think this will do much good. The coalition amendment moved last night and voted on this morning talked about issues of profitability to be taken into account—I take it that that is correct. This amendment takes into account issues of productivity, labour costs and the regulatory burden on businesses. With respect to Senator Abetz, I think it covers broader grounds and it encompasses the concerns of the coalition. As Senator Arbib, the Minister for Employment Participation, said, it is already reflected in part in other parts of the legislation. But by putting it here, fairly and squarely, it is a matter that must be considered in the award modernisation and the transition process.

Senator ABETZ (Tasmania) (9.38 am)—I do not want to delay the debate too long, but I am astounded that the good Senator Xenophon tells us this morning that his amendment in fact covers broader grounds, because I thought last night the argument against our amendment was that it went too far and his was cast more narrowly and was therefore more acceptable to the government. It is amazing what a good night’s sleep can do to us in the Senate chamber! Senator Xenophon, you have not convinced me with your logic, but you still have my vote.

Question agreed to.

Senator ABETZ (Tasmania) (9.38 am)—I move opposition amendment (4) on sheet 5817 to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009:

(4) Schedule 5, page 66 (after line 11), at the end of the Schedule, add:

14 Part 10A award modernisation process is not intended to result in an increase in labour costs

(1) The Part 10A award modernisation process is not intended to result in an increase in labour costs for employers.
(2) An employer’s labour costs in respect of an employee or outworker is the actual cost to the employer to employ the employee or engage the outworker:

(a) including wages and incentive-based payments, and additional amounts such as allowances and overtime; and

(b) disregarding the effect of any deductions that are made as permitted by section 324 of the FW Act.

Note: Deductions permitted by section 324 of the FW Act may (for example) include deductions under salary sacrificing arrangements.

(3) An employer suffers a modernisation-related increase in labour costs in respect to any employee or outworker if, and only if:

(a) a modern award made in the Part 10A award modernisation process starts to apply to the employer when the award comes into operation; and

(b) the employer’s labour costs are higher after the modern award comes into operation than the employer’s labour costs were immediately before the modern award came into operation; and

(c) the increase in labour costs is attributable to the Part 10A award modernisation process.

15 Orders remedying an increase in labour costs

(1) If FWA is satisfied that an employer, or a class of employers, to whom a modern award applies has suffered a modernisation-related increase in labour costs, FWA may make an order (a relief from increased labour costs order) varying particular terms of the modern award as they relate to the employer or the class of employers that FWA considers appropriate to remedy the situation.

(2) FWA may make a relief from increased labour costs order on application by:

(a) an employer who has suffered a modernisation-related increase in labour costs; or

(b) an organisation that is entitled to represent the industrial interests of such employer.

(3) FWA must not make a relief from increased labour costs order in relation to an employer or a class of employers if:

(a) FWA considers that the modernisation-related increase in labour costs is minor or insignificant; or

(b) FWA is satisfied that the employer or employers have been adequately compensated in other ways for the increase, such as through increased productivity or flexibility.

(4) FWA must ensure that a relief from increased labour costs order is expressed so that it does not apply to an employer unless the employer has actually suffered a modernisation-related increase in labour costs.

16 Relief from increased labour costs order continues to have effect as long as modern award continues to cover the employer or employers

A relief from increased labour costs order in relation to an employer or a class of employers to whom a particular modern award applies continues to have effect (subject to the terms of the order) for so long as the modern award continues to cover the employer or employers, even if it stops applying to the employer or employers because an enterprise agreement starts to apply.

17 Inconsistency with modern awards and enterprise agreements

A term of a modern award or an enterprise agreement has no effect in relation to an employer to the extent that it is less beneficial to the employer than a
term of a relief from increased labour costs order that applies to the employer.

18 Application of provisions of FW Act to relief from increased labour costs orders

The FW Act applies as if the following provisions of that Act included a reference to a relief from increased labour costs order:

(a) subsection 675(2);

(b) subsection 706(2).

This amendment is to add a part. The amendment seeks to insert a new provision that provides the equivalent employer version of the take-home pay orders outlined in the preceding part of the legislation. The provision recognises and seeks to enshrine a provision within the existing award modernisation request that promises no increase in costs of labour. The provision details what a labour cost may include and describes the circumstances under which an employer may suffer an increase in labour costs related to the transition to a modern award. When Fair Work Australia finds that an employer has suffered a modernisation related increase in labour costs, it is empowered to vary the particular instrument as it applies to that particular employer. Such an order remains in effect while the modern award continues to cover the employer.

I will just indicate how this amendment might work. Where a particular business can demonstrate that it will suffer an increased cost as a result of transitioning to a modern award, it may seek assistance from Fair Work Australia. Fair Work Australia must be satisfied that any costs are due to the operation of the modern award and that no other compensation exists for that increased cost—for example, more flexibility. Fair Work Australia may vary the modern award as it relates to the business in a manner that it deems appropriate. This is similar in nature to the incapacity-to-pay provisions relating to redundancy pay that have previously existed in many awards and other state industrial legislation.

It is expected that this avenue will be rarely used and will therefore not impinge on the universal rollout of common rule federal awards. However, where business viability is jeopardised, an avenue can exist for relief. This allows further relief from increased costs in addition to the five-year default phase-out of state based differences, as will be sought by our amendment (6).

Senator SIEWERT (Western Australia) (9.41 am)—The Greens are opposing this amendment. I am sure that comes as no surprise to the opposition. We think this amendment fundamentally undermines the award modernisation process and, more importantly, the amendment means that employers will never have to provide their employees with the benefits of the new safety net. The requirement for the transition provisions allows for increased costs to be phased in, and we believe that is an adequate measure to take into account the consequences of the award modernisation process for business. Therefore we will not be supporting this amendment.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (9.42 am)—The government is also opposing the amendment. The government considers that modern award specific transitional arrangements should be developed by the AIRC after consideration of submissions with interested parties. This process is already underway. Initial submissions on transitional arrangements in modern awards were due on 29 May 2009.

The government has made a detailed submission to that proceeding and has requested the commission to deal with transitional pro-
visions in a flexible way that best meets the requirements of the relevant industry or occupation covered by the modern award; to work closely with the parties, as they are best placed to deal with the intricacies of their industry; and to utilise the full five-year phasing-in period in a flexible way—for example, in some industries, a shorter phasing-in period may be appropriate, while in others the commission could even consider deferring transition to certain conditions. The government submission encourages the commission to work closely with the parties to examine any cost impact and to take account of the economic circumstances facing the industry. The submission recognises that the representatives of employers and employees are best placed to develop transitional arrangements that take account of any particular characteristics of their industry or occupation and that balance employer and employee interests.

The opposition has completely ignored the fact that, as well as the five-year phasing-in provision in the award itself, there is already in this bill the capacity for employers to manage their way through exceptional circumstances. Individual employers covered by transitional agreements may apply to Fair Work Australia to phase in any changes to base rates of pay that result from the making of a modern award. They can make the application if it is necessary to ensure the ongoing viability of their business. This is in schedule 9, part 4, clause (14).

Question negatived.

Senator ABETZ (Tasmania) (9.44 am)—The next amendment on the running sheet is in the name of the opposition. Given the singular lack of success that I have been having with opposition amendments, Senator Fisher is going to be moving this one on behalf of the opposition!

Senator FISHER (South Australia) (9.44 am)—I move opposition amendment (5) on sheet 5817 to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009:

(5) Schedule 5, page 66 (after line 11), at the end of the Schedule, add:

Part 5—Factors requiring award modernisation request

Workplace Relations Act 1996

19 After section 576C

Insert:

576CA Minister must make award modernisation request

(1) If the Minister has made or varied an award modernisation request to accommodate one industry based on any of the factors set out in subsection (2), the Minister must also make or vary an award modernisation request ordering the Commission to create a modern award to accommodate every other industry in which any of those factors exist.

(2) The factors are:

(a) the potential for the modern award to impact upon continuing business viability;
(b) low profit margins;
(c) peak operating times;
(d) limited capacity to bear significant cost increases;
(e) different business models and streams of revenue from other activities;
(f) the labour-intensive nature of the industry;
(g) high labour costs as a proportion of total expenses;
(h) high award reliance.

In doing so, I will provide some explanation as to what the amendment will achieve and why the opposition considers it to be necessary. The government’s well-publicised
promise to ensure that the award modernisation process would not increase costs for business and would not disadvantage employees has been unkept in the most spectacular fashion thus far. This amendment goes directly to the heart of that promise. This amendment will provide that, if the minister has varied an award modernisation request to accommodate one industry based on a number of factors listed in the amendment, the minister must also make a similar request ordering the commission to create a modern award to accommodate every other industry in which any of those factors exist. It should be no surprise to the government that the factors listed in subsection (2) of the amendment are identical to the factors upon which the Deputy Prime Minister says she has relied in justifying her carve-out of the restaurant and catering sector, the factors listed in her letter to the President of the Industrial Relations Commission of 29 May as the reasons for which the government has appropriately seen fit to create a special case for the restaurant and catering sector.

Why is this amendment necessary? You would think that the fabric of the so-called Fair Work Act, together with the good work of the Australian Industrial Relations Commission, would deliver the government’s promise of award modernisation not increasing costs for business and not disadvantaging employees. But the stream of traffic to preceding Senate committee inquiries considering the matter and the stream of traffic to my office and my colleagues’ offices demonstrates that this is not so. The stream of traffic demonstrates that the first port of call, the Australian Industrial Relations Commission, working on the fabric of the Workplace Relations Act, is not responding to enacting the government’s promise and is not able, apparently, to respond to the concerns of business. Business gives us concerns along the following lines. A grape producer from South Australia, Mr John Harvey from Chalk Hill Wines, says that the proposed transfer of grape growing from the Federal Court horticultural award to the wine industry award, in his case:

… will increase our costs of production, further reduce our competitiveness and market share and force existing growers out of the sector.

Derek Cameron, Chairman of the McLaren Vale Grower’s Council, said:

The change to that wine industry award in its current form will seriously increase costs associated with employment and contracting staff, likely to cripple an industry at a time when it is struggling with oversupply and low grape prices.

Joch Bosworth, of Edgehill Vineyards, said:

The movement to the wine industry award in its current form greatly increases costs associated with night vineyard spraying, grape harvesting, contracting work.

Neil Delroy, of Agribusiness Research and Management, said:

The wine industry award—and this goes right to the point—is essentially designed for the processing, packaging and retail of wine, and does not provide the flexibility we need in agricultural enterprise to have when we have to manage the vagaries of the seasonal nature of production and the vagaries of weather, plus pests and diseases.

Vineyard labour costs currently represent approximately 50 per cent of the total site cost for grape growing.

There is very little negotiability for the price of the final product we produce in this industry.

We have completed a forward labour cost projection for one of our operations based on the proposed award and anticipate a minimum increase to our labour costs of 7.1 per cent.

Those are the sorts of concerns that are being relayed by the industry. They are the concerns that have been put in testimony by this industry to the Australian Industrial Relations Commission in their case in justifying their argument as to why the wine grape in-
Industry should not be coupled in one and the same award with the wine industry. After all, they have some different models because there may be different revenue streams under consideration. I will come back to that shortly.

It is clear that the industry needs relief in a way that is not being provided by either the current act or the Australian Industrial Relations Commission. So where to then? One would think that the Minister for Employment and Workplace Relations might be able to provide some assistance. Indeed, the minister would have us believe that she has provided some assistance to the restaurant and catering sector. The Minister for Employment Participation may shortly choose to respond to my question of last night about the extent of the consultation that the government says it is undertaking in respect of the wine grape sector. But, when the industry has been to the minister, it has not necessarily found even a response forthcoming from the minister, let alone relief. In terms of the case that the industry has put to the Industrial Relations Commission, Mr Mark McKenzie, the Executive Director of Wine Grape Growers Australia, for example, tells me that, despite multiple submissions from his association about the traditional length of independent wine grape production with horticulture award provisions, 'The full bench of the commission has decided to parcel us up with the wine industry award instead.' So, as I reminded Senator Arbib last night, wine grape producers have not been conferred with by the government. I am sure he will get back to me in that respect.

Similarly, Mr Neil Delroy told me he found Minister Arbib’s response in question time a couple of days ago suggesting a process of extensive consultation ‘interesting’. He said:

I have had no response at all from the email I sent to the Deputy Prime Minister or the agricultural minister. I have not heard of any consultation with the industry whatsoever from the Deputy Prime Minister’s office.

So the industry say they are not even getting a response, let alone relief, when they go to the Deputy Prime Minister. The existing act, the existing recourse to the Australian Industrial Relations Commission and, one would think, the prospect of some relief from the minister have not delivered and the government has not delivered on its promise to not increase costs for business and to not disadvantage employees through the award modernisation process. It is pretty clear that the government has not got a policy, has not got a plan and has not got a process to deliver on its promise.

Senator Abetz—But they’ve got ideology.

Senator FISHER—They do indeed, Senator Abetz. This amendment is to ensure that the government, through its legislation, has a transparent plan and that the Industrial Relations Commission will be required to deliver on it. How this amendment will achieve that is quite simple. The factors listed in the amendment and the factors to justify the variation of award modernisation request are the very factors listed by the Deputy Prime Minister in her letter to the President of the Australian Industrial Relations Commission of 28 May. Those are the very factors that she considers, on her own say-so, justify special treatment of the restaurant and catering sector. Other industries have the same. The government knows they deserve the same. This amendment is about requiring the commission to deliver them the same. It does that by going one step further than the Deputy Prime Minister’s letter in respect of the restaurant and catering sector and one step further than the Deputy Prime Minister’s variation of her award modernisation request.
The Deputy Prime Minister would have us believe that for the restaurant and catering sector—according to her covering letter—she has amended her request to require the commission to create a separate modern award for the restaurant and catering industry. The fine print of the administrative direction, the variation of award modernisation request—as it is so beautifully called—says:

The Commission should create a modern award covering the restaurant and catering sector. The covering letter has the Deputy Prime Minister saying that she is amending her request to require the commission to create a separate modern award, yet the very request says:

The Commission should create a modern award...

One would have thought the commission would not be so unwise as to not create a separate modern award for the restaurant and catering sector, but there is more. She goes on to say that she is amending her request to require the commission to create a separate modern award, yet the very request says:

The Commission should create a modern award...

If the Minister has made or varied—her administrative direction in respect of an industry for—any of the factors—listed in the amendment—the Minister must also make or vary an award modernisation request ordering the Commission to create a modern award to accommodate every industry in which those factors exist.

This should be no surprise to the government because, as the esteemed Professor Ron McCallum has publicly pointed out to the government:

In the modernising process, it's the minister that has the power to direct...

It was reported that he said:

Ms Gillard now had extraordinary powers and was using them more than he had expected.

He said:

... this modernising process gives the power to the minister to order the commission to do things. This amendment will allow her, in appropriate circumstances, to require the commission to do things where appropriate—that is, because a particular industry deserves special treatment because of special factors that they share in common with the very industry, the restaurant and catering sector, that Ms Gillard has already considered appropriate for some form of protection from the brunt of her award overhaul. The opposition urges the Senate to support this amendment. Minister, I look forward to your answer to my question.

Senator FIELDING (Victoria—Leader of the Family First Party) (9.58 am)—I have had a look at this amendment and am inclined to support the opposition's position on this because the government has realised there is a problem. Quite clearly, if there were not a problem, the Deputy Prime Minister would not have written to the Industrial Relations Commission in the way she did.
The problem that the government have now is they have singled out one industry by saying that it is special. Where do you draw the line? Where do you draw the line with the next industry that comes along and says, ‘Hey, we are special’?

This is the dilemma that you have. The problem that I have is that the Deputy Prime Minister has written to the Industrial Relations Commission on 29 May, a copy of which I have. It is a fairly detailed letter and it quite clearly has raised a legitimate concern in the area of restaurants and caterers, but where do you draw the line? Where do you draw the line to say that they are special and another group is not? This is the problem or dilemma that you are going to have, so I think that what the opposition has put forward here has got some merit. Unless you folks can come up with a better argument than what I have seen publicly, I think it really does deserve support. What about the industries that have the same problems or similar issues? Where do you draw the line? I have trouble not supporting the opposition’s amendment. I think it is a reasonable submission, a reasonable amendment, and I am inclined to support it.

Senator MARSHALL (Victoria) (10.00 am)—The problem you face, Senator Fielding, by going down this path is that you invite every industry, every subpart of every industry and every employer to say, ‘My circumstances are somewhat different to everybody else’s and I cannot fit into the global picture.’ For years—and you would have heard this too—the opposition got up in here, railed against us and said: ‘The award system is terrible. There are thousands and thousands of awards. There are too many.’ This government, as a part of modernising a fair industrial relations system, has gone through this very thorough, complicated and difficult process, which is being managed very well by the Australian Industrial Relations Commission, to significantly reduce the number of awards. I think it is good for industrial relations in this country and good for the industrial relations system.

It is true that a number of industries and a number of subparts of industries are being put into modernised awards or different awards, but the process of consultation is incredibly thorough. People get to make their submissions and argue with the Australian Industrial Relations Commission, which then takes that on board and puts out draft modern awards. The process of consultation then begins. It is true that in some specific cases, such as the restaurant and catering industry in particular, parties have managed to make a significant case for the Minister for Employment and Workplace Relations to intervene and to say to the Australian Industrial Relations Commission, ‘You need to do that.’

It is clear the minister has that power. If cases can be made in other industries then I am sure the minister, using that power, will also accede to that. What you do not want to do is simply put a legislative framework in place which invites everybody to mount that argument whether it is meritorious or not. I come back to the point that what that will do is invite everybody to say: ‘I am special. I am different. I should have my own arrangements, my own award and I do not want to have anything across the board.’ I think what is happening now is a managed, structured process that is delivering outcomes. The people best able to manage this are the Australian Industrial Relations Commission on the whole.

Senator Fisher—It is failing.

Senator MARSHALL—You say it is failing. It is not failing at all. It is going through the process. It is a complicated and difficult process.
Senator Fisher—Why did the minister write to the president on 29 May?

Senator MARSHALL—We are aware of that. I have already addressed that. I do not know why you laugh at that, Senator Fisher. It is a bit strange.

Senator Abetz—It is a hopeless explanation.

Senator MARSHALL—It is not a hopeless explanation. I am saying that when a genuine case has been made out the minister has acted. What the opposition want to do, Senator Fielding, is sabotage this process with these sorts of amendments. What they want to do is invite everybody to make that argument and to make that case, and all that will do is add chaos. The provisions are there. When they need to be used, they can be used and they have been used. The people who do this are the industrial relations experts. The Industrial Relations Commission has evolved over 100 years and is managing this process. On the whole, it is the one best left to manage this process.

Senator ABETZ (Tasmania) (10.04 am)—Senator Marshall has given us, yet again, a great insight into how Labor do business. If you can make a special case to the Minister for Employment and Workplace Relations, you will get preferred treatment. That is the way they do business. If you can make a special case to the Minister for Employment and Workplace Relations, you will get preferred treatment. That is the way they do business. What we as a coalition are saying is that what we need is transparency and an opportunity for everybody to take their case to the independent body and for that case to be considered on its merits. What Senator Marshall basically said was, ‘If you can curry favour with the minister, if you can somehow make a special case, then she might look after you.’ We know that is how Labor do business.

Indeed, it is no surprise that the minister at the table on this is Senator Arbib from the New South Wales right. That is New South Wales Labor from Sydney coming to Canberra and doing business in this way. That is the hallmark of Labor governments all around this country: curry special favour with the minister and you will get a special deal. That is what the Labor Party is all about, cutting the special deal and doing the deal.

What we are saying is—and I think Senator Fisher has put it exceptionally well—that we need a transparent process where you do not have to weave your way through the carpet loops by crawling into the minister’s office seeking special favours. You ought to be able to make an application, put your case and have it judged openly and transparently rather than simply by the minister’s goodwill. I think that is a very important differentiation between what Senator Marshall has put on behalf of the Australian Labor Party and what we are saying as a coalition.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (10.06 am)—I cannot let that go by. On the one hand we have got Senator Abetz saying, ‘We should not be talking to people and consulting.’ On the other hand we have got Senator Fisher saying, ‘We should be doing it; we are not talking and we should be consulting.’ You cannot have it both ways in this. We have been 100 per cent clear. This is a major reform. This had been left in the too-hard basket by the opposition during their 12 years in government. When you were pursuing Work Choices, this is the one area where you decided it was too hard and too difficult—‘Let’s leave it behind and not get into the detail.’

This is something that business actually want. You claim to be the champions of business. Go out and talk to business. They want this reform. They do not want thousands and thousands of antiquated awards.
This is about reducing red tape. This is about reducing costs for business, making it easier in the industrial relations system. And there is a role to play for the AIRC here. This, Senator Fisher, is about judging each case on its merits. This is about flexibility in the legislation. I fully support the comments of Senator Marshall on this.

I will also just go to a couple of other points that have been raised by Senator Fisher, because there does need to be some clarity. Either there are some misunderstandings or Senator Fisher is ill informed. In relation to the AIRC matter re horticulture and wine growing, this matter is not finalised. The AIRC said in a statement on 22 May 2009:

"While some urged us to include independent wine grape growing in the Horticulture Award 2010, or at least apply some of the provisions of that modern award to independent wine grape growing, the extent to which current horticulture awards and NAPSA actually apply to independent wine grape growing was not readily apparent. We invite further submissions on this issue."

That matter has not been resolved. They are seeking further information and further submissions. It is quite clear, Senator Fisher. That is the statement from the AIRC.

Senator Fisher made some statements regarding the AIRC in relation to the restaurant and catering industry too. The AIRC are acting right now on this request. In a statement made in Melbourne on 5 June 2009, they said:

[3] In order to comply with this paragraph it will be necessary to identify precisely the coverage throughout Australia of the proposed restaurant and catering industry award and consider its terms, including those relating to hours of work, penalty rates and overtime. It will also be necessary, as a preliminary matter, to settle a procedure and a timetable for dealing with the proposed award and for any variation to the Hospitality Modern Award.

There it is—a statement from the AIRC.

Senator Fisher has left, but I will still raise this, and I may raise it again: there is consultation going on with the sectors. There has been consultation—there have been meetings—with the restaurant and catering sector. There have been meetings with the retail sector. There have been meetings with the horticulture sector, and last night I mentioned one of those meetings, which took place on 26 May. In relation to the wine grape growers, I am advised that correspondence has been received very, very recently. That matter will be pursued and examined and there will be discussions. But the correspondence was only received very recently. Senator Fisher has made a number of statements which I believe are ill informed.

Senator Fielding, in relation to some of your concerns I think Senator Marshall has told you that this is about providing flexibility. This is about streamlining the system. Business are calling for it. They have been asking for it for years and years and years. I will give you one quote which I think is very important. This is what the Australian Chamber of Commerce and Industry said in 2005:

"Workplace relations policy is too important for horse and buggy era approaches to persist."

… many businesses are subject to overlapping, multiple sets of regulation (both state and federal) within the one workplace. For example production staff may be under one federal award, transport staff under another federal award and clerical staff under a separate state award – all containing differing rights and obligations.

This creates a situation in which employers and employees face profound difficulties in identifying workplace rights and obligations.

This is a reform that is difficult. There is no doubt about it. But it is the right reform. It is the right reform for workers, to provide fairness, but at the same time it is the right re-
form for business, to provide simplicity and reduce red tape. It will be especially important for small business, and that is why we are opposing the amendment.

Senator ABETZ (Tasmania) (10.12 am)—It seems that the Australian Labor Party can get away with simply renaming something and then can accuse the opposition of not having done anything about it in the past. It is a bit like AusLink 2. Allegedly we did nothing about infrastructure. ‘Forget AusLink 1 and AusLink 2; we’ll just rename it the Nation Building Program and, all of a sudden, we can accuse the coalition of never having had a nation-building plan.’ Well, we did not have a ‘nation-building plan’ because we actually called it AusLink 1 and AusLink 2.

It is the same with industrial relations. Sure, we did not have award modernisation. Senator Arbib is right. But anybody who has followed this debate knows that we used the term ‘award rationalisation’. That was part of the industrial relations discussion year after year with us. That is what our policy was. That is what we were pursuing. But Labor, instead of continuing to call it award rationalisation, change the name to ‘award modernisation’ and all of a sudden they can accuse the coalition of never having pursued award modernisation. That is right. It is because we had a different name for it: award rationalisation. This is the sort of spin—the 24-hour news cycle, the Hollowmen factor—that motivates the government, not only every day but every single minute that they are in this place or around the country.

Senator Arbib gave us a quote from the ACCI, expressing concern about the horse and buggy era with awards. If that is the case, if business—and especially small business, allegedly—are clamouring for this, why are we being inundated with the sorts of complaints that we are by these very same business organisations, by the wine growers? I suppose they are not small businesses. I suppose the horticulture sector are not small businesses. I suppose the restaurant and catering sector—wait a minute, we have looked after them, haven’t we? There is a special little deal for them. But why not the others that fall into exactly the same category, the same circumstances that were outlined in Ms Gillard’s letter?

In writing to the President of the Australian Industrial Relations Commission, Ms Gillard, in the fourth paragraph of that letter, said: ‘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.’ Guess what? The aged-care sector has that. I do not think they even know what profit margins are these days. The horticulture sector is exactly the same. I suppose the one saving grace is that the restaurant and catering sector looks after the latte set, and that is why the Labor Party are willing to champion their cause. Of course Senator Arbib is laughing, but that is about the only rationale for it—that the Labor Party’s commitment to the latte set makes them indebted to the restaurants and caterers because they provide them with their caffeine fix every morning. I confess: I indulge as well.

As soon as you move out of the metropolitan areas with their cafes and restaurants and get into the horticultural sector—the stone fruit sector, the berry fruit sector, the wine growers—you will find they can be forgotten about. They are mainly in the rural and regional seats that, chances are, the coalition hold or that tend to vote in a particular direction. But the latte set will be looked after by Senator Arbib and his mates in the New South Wales Right.
Good luck to the restaurants and caterers. We say that what has been done for them should be done not by way of special deals and special pleading to the minister but through a transparent process that would be available to every sector on application, and not just because they have been able to curry favour with a minister. Once again, I think this highlights some of the fundamental differences in approach to government between Labor and the alternative government, the coalition. We look for transparency, we look for openness and we look for equal access for the various sectors of the economy; we are not into special deals.

Secondly—and I have said this a number of times throughout these debates on industrial relations—one of the key factors that we take into account in judging legislation and amendments is the impact on small business. There is no doubt that this amendment will be of great assistance to small business, and I would be interested to know if there were in fact a sector, be it aged care, against this amendment. The wine growers, the horticultural sector—the list goes on. I think Senator Arbib either knows in his heart of hearts that they want this amendment or—and this may also be the case—the government has not consulted with these people and that is why he is not necessarily aware of their concerns.

It was interesting to note that Senator Arbib told us certain things—if I got the note down right—‘will be examined’. They are in the future tense: ‘will be examined’. Why haven’t they been examined already and why should we be passing this legislation unamended on the promise that some time in the future Senator Arbib and his mates in government might examine it? We want the assurance now for small business, and that is why we as a coalition will be seeking to insist on this amendment. We have allowed a number of amendments to go through on the voices but this one is of such fundamental importance to the small business sector that we will be dividing.

Senator SIEWERT (Western Australia) (10.19 am)—The Greens will be opposing this amendment. This amendment, if it went through, would effectively undermine the whole of the award modernisation process and would mean that every time the minister asked the AIRC to take into account other factors or to review a decision, as they did, for example, with the Clerks—Private Sector Award, basically all awards would have to be reviewed. We do not think that is acceptable. At the time that this was first debated, in March last year when the award modernisation process was started, we did express our concern. We recognised that this was an extremely complicated process. We indicated then our concerns about potential ministerial intervention and interference. This amendment takes that to the extreme. It is not something that we think we can support.

We also note that this is all about employers; it is not about looking at workers losing key conditions as a result of award modernisation. We have always said we are keen to ensure that there is a safety net for wages and conditions for workers, so this is not an amendment we will be supporting. We think it goes far too far. Having said that, we do recognise that there are issues. That is why we asked the government to agree to a review of the award modernisation process within two years not four years. The government has agreed to that. The minister has taken action, for example, in respect of the Clerks—Private Sector Award which, as I mentioned yesterday, would have exempted large numbers of employees. We think that there are provisions there if necessary. We do not think that this amendment should be supported, because it basically undermines the whole process. If that is what the opposition is about then that is what would be achieved by this amendment.
Senator XENOPHON (South Australia) (10.21 am)—I indicate that I am not inclined to support the coalition’s amendment for a number of reasons. Firstly, under the current provisions that relate to the AIRC the commission must have regard to the state of the national economy and the likely effects on the national economy with specific reference to the likely effects on the level of employment and inflation. Secondly, the amendment that has just been passed, which was about the likely effects on the relevant industry or industry sector of any modern award including on productivity, labour costs and regulatory burden on business, would cover the concerns of the coalition.

My concern with the coalition’s amendment is that it is so prescriptive that it takes away any degree of flexibility for the commission in order to do its work. There is a framework for the commission to take into account issues, such as productivity and labour costs, which I think are a key concern of the coalition, and I understand that. Also I commend Senator Abetz for referring to the specific instances in the horticulture industry for the wine grape growers. I too have had representations, particularly from the Riverland horticulture industry. Firstly, can the minister indicate in respect of the horticulture industry, particularly in the Murray-Darling Basin where things are pretty tough through a combination of drought, climate change and overallocation, whether he is aware of those concerns? Secondly, what steps is it likely that the minister will take in relation to those concerns? Does the minister say, in relation to the current factors that the AIRC must consider, that those concerns would have to be considered, including the state of the Murray-Darling Basin, in the context of the horticulture industry?

Senator ARBIB (New South Wales)—I think last night I made the point that there was a meeting with representatives from the horticulture sector. Obviously, it could not cover the whole sector. That was held on 26 May with the Deputy Prime Minister’s office. Further correspondence and submissions have been received, including in the last couple of days. The department is ana-
lysing that material to make considered recommendations. Yes, Senator, I will pass on your sentiments and thoughts in relation to the Murray-Darling. I am sure those matters will be considered when the horticulture examination takes place.

Senator XENOPHON (South Australia) (10.26 am)—The specific question is: given the state of the Murray-Darling Basin, is that one of the factors that will be considered by the Deputy Prime Minister in relation to this whole issue of award modernisation. It is a yes or no matter.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (10.26 am)—Yes.

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

The committee divided. [10.31 am]
(The Chairman—Senator the Hon. AB Ferguson)

| Ayes | 33 |
| Noes | 32 |
| Majority | 1 |

AYES

Abetz, E.  
Back, C.J.  
Bernardi, C.  
Boswell, R.L.D.  
Bushby, D.C.  
Colbeck, R.  
Cormann, M.H.P.  
Ferguson, A.B.  
Fifield, M.P.  
Heffernan, W.  
Johnston, D.  
Macdonald, I.  
Minchin, N.H.  
Parry, S.  
Ronaldson, M.  
Scullion, N.G.  
Williams, J.R.  
Ryan, S.M.  
Trood, R.B.  

NOES

Arbib, M.V.  
Brown, C.L.  
Carr, K.J.  
Conroy, S.M.  
Farrell, D.E.  
Feeney, D.  
Furner, M.L.  
Hogg, J.J.  
Hutchins, S.P.  
Ludwig, J.W.  
Marshall, G.  
McLucas, J.E.  
Moore, C.  
Pratt, L.C.  
Siewert, R.  
Wortley, D.  

Question agreed to.

Senator ABETZ (Tasmania) (10.36 am)—I confess I rise with some hesitation because I said I was giving the last amendment to Senator Fisher with the hope that we might actually win a vote in the chamber—and we have. So I would be delighted if Senator Fisher could provide ongoing assistance to me! I thank the chamber for the last vote. We are now at opposition amendment (6) dealing with the default superannuation request. On behalf of the opposition, I move opposition amendment (6) on sheet 5817 to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009:

(6) Schedule 5, page 66 (after line 11), at the end of the Schedule, add:

| AYES |
| Adams, J. |
| Barnett, G. |
| Birmingham, S. |
| Boyce, S. |
| Cash, M.C. |
| Coonan, H.L. |
| Eggleston, A. |
| Fielding, S. |
| Fisher, M.J. |
| Humphries, G. |
| Joyce, B. |
| Mason, B.J. |
| Nash, F. |
| Payne, M.A. |
Part 6—Superannuation

*Fair Work Act 2009*

20. At the end of paragraph 139(1)(i)
Add “but ensuring that employers can nominate any complying superannuation fund as the default fund”.

*Workplace Relations Act 1996*

21. At the end of paragraph 576J(1)(i)
Add “but ensuring that employers can nominate any complying superannuation fund as the default fund”.

In moving that amendment, we are in fact covering a discussion and debate that we had when the Fair Work Bill was considered by this place. It is the coalition’s very strong view that there needs to be some consideration of this yet again, in fairness to workers, employers and the superannuation industry.

This amendment will retain superannuation as a matter that can be included within a modern award but it will provide discretion for an employer to nominate an alternative complying superannuation fund as the default. This does not impinge upon existing freedom of choice obligations. The amendment changes both the provisions in the Workplace Relations Act 1996 and the Fair Work Act 2009.

The amendment will work in the following way. First of all, the employee of course should have a say. Then there would be, as Labor has it, the default system of having a particular fund. But we say that between those two positions there should be the opportunity for an employer to nominate an alternative default super fund—for example, if you want a green friendly, a religious friendly or whatever friendly super fund; or indeed if you want a state based super fund as an alternative to the existing fund or funds as nominated by the Australian Industrial Relations Commission in the award modernisation process. An employee could choose to use the employer’s nominated fund or of course any other fund using their choice of fund entitlement. It would be fair to say, and I am sure all senators have had representations from the superannuation industry outlining and confirming this in great detail, that there are concerns that there are now substantial monopolies being created in the superannuation sector under award modernisation.

For example, a monopoly has been awarded in relation to award covered employees in the following industries: textiles, clothing and footwear; hair and beauty—something that Senator Arbib and I of course are keenly interested in, and Senator Marshall, not to leave him out of the picture—general retail; fast food and higher education. Many of these industries are major employers of award covered employees. In other industries competition is restricted to a limited number of industry funds. Award modernisation will effectively lock all other superannuation funds out of a large segment of the market. There is no real rationale expressed by the Australian Industrial Relations Commission to indicate why it supports the particular fund that is nominated in a particular award. There is no robust mechanism where the Australian Industrial Relations Commission says, ‘We have checked out all the super funds and we believe this is the best one for the workers and the industry.’ It is just a deal done in relation to the award that then puts it in there and gets the tick from the Australian Industrial Relations Commission.

We believe the employee should have a say. In the event that the employee does not nominate then it is up to the employer, should they wish, to nominate a super fund. And in the event that the employer does not wish to nominate a super fund either then we say that, yes, it makes sense to have the default fund in the award. We have no difficulty with injecting this degree of competi-
tion—and what is more it will ensure that the award nomination funds remain competitive and responsive to their members if they know that individual employers and individual employees can nominate other superannuation funds. My time speaking here today is short so I will contain my remarks there in relation to this matter. But I do refer honourable senators to the more extensive debate that we had during the Fair Work Bill discussion. I commend the amendment to the chamber.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.42 am)—I have to apologise to the chamber for not being here for the last vote. That was due to inadvertence in my office—my own inadvertence, that is. I was on my way to the chamber when the vote was held. I seek leave of the committee for that vote to be recommitted.

Senator ABETZ (Tasmania) (10.42 am)—by leave—Madam Chair, the chickens have come home to roost for Senator Brown. We all recall when a coalition senator, for exactly the same reason as Senator Brown, inadvertently missed a vote in this place. And there was Senator Brown, high and mighty, condemning the coalition for being incompetent and unable to run themselves. ‘What a rabble the opposition was,’ he said. But of course when the self-righteous Leader of the Australian Greens does exactly the same thing it is covered with glory—it must be something good because it is Senator Bob Brown who has somehow inadvertently missed a vote.

I say to Senator Brown: read the Hansard. I am not addressing anybody personally; I am saying that Senator Brown should read the Hansard of the comments he made when a coalition senator missed a vote. He should read it and delete the word ‘coalition’ and instead insert the words ‘Australian Greens’.

The hypocrisy will hit you in the face like nothing else. We said at the time that these things happen to senators on all sides and that for those who seek to make cheap political capital when there is such an occasion it will undoubtedly be revisited upon them.

Can I say to this chamber I am one of the fortunate ones, having been here even longer than Senator Brown and not having missed a division. That is more by good luck than good management, because inadvertence and other factors come into play from time to time. That is why a sensible—and I know that is a foreign word to the Australian Greens—approach to these matters and an acceptance of mistakes by senators all around the chamber is something that will occur in the day-to-day activities of the chamber as a whole and in the individual lives of senators in this place. But when you come into this place and seek to make cheap political capital and say how well organised the Australian Greens are, how good the Australian Greens are, what wonderful leadership the Australian Greens provide to the community and, ‘We do not miss votes’—

Senator Milne—Jealousy is a curse, Senator Abetz.

Senator ABETZ—Here we go. The Deputy Leader of the Australian Greens is saying, ‘Jealousy is a curse.’ I suppose I should be jealous for not having missed a division like the Leader of the Australian Greens. Really, this is the Australian Greens mentality writ large. If anybody else makes a mistake, it is to be condemned; if the Australian Greens do—the untouchable Australian Greens—it is to be seen as a virtue. When we point it out to them, it is only because we are jealous we did not make the same mistake. This is how small-minded the Australian Greens are and this is the sort of intellectual robustness that they bring, unfortunately, to
serious policy debates in this chamber as well.

Can I say—and I said it at the time, and other coalition senators said it at the time—when you try to make cheap political capital out of somebody else’s misfortune, be careful the same misfortune does not befall you. Today that same misfortune has befallen Senator Brown, and I invite Senator Brown—and all those in the media, by the way, who put Senator Brown on the evening news saying what a rabble the coalition was—

The TEMPORARY CHAIRMAN (Senator Hurley)—Senator Abetz, you have leave to make a short statement. The question is that leave be granted to recommit—

Senator ABETZ—I am sorry, I was not aware that there was a time limit, Madam Temporary Chair.

The TEMPORARY CHAIRMAN—Please go ahead, but I am just pointing out that this is not a debate. This is a statement by leave.

Senator ABETZ—I sought leave to make a statement; leave was granted. I accept the chair’s intervention but I am not sure on what basis. If I may continue, what I was saying, Madam Temporary Chair, was this: if you seek to make cheap political capital out of another colleague’s misfortune—

Senator Hanson-Young—Remember that, Senator Abetz.

Senator ABETZ—I do not know who made that interjection, but can I say—and I said this before—that the same misfortune has not befallen me, not because I am inherently better. As I said before, it was more by good luck than good management. But what I am pointing out today is what we sought to point out last time when Senator Brown made cheap political capital against the coalition: be careful it does not befall you, because you will look exceedingly foolish. Today that look of exceeding foolishness has fallen upon Senator Brown by his own misfortune, by his own inadvertence.

Senator Ian Macdonald—He was probably out counting his money.

Senator ABETZ—Senator Macdonald makes a cheap interjection, or not such a cheap interjection—

Senator Ian Macdonald—A very expensive interjection!

Senator ABETZ—a very expensive interjection—saying that Senator Brown was, chances are, counting out his $739,000, plus or minus what he has not properly declared.

The TEMPORARY CHAIRMAN—Senator Abetz, I ask you not to respond to interjections.

Senator ABETZ—but I will not go down that track. I would simply say that, Senator Brown, we understand your misfortune, your inadvertence. We will not stand in the way of the recommittal of the vote, but next time this sort of misfortune befalls somebody in the coalition, the Labor Party or the cross-benches keep in mind your own misfortune and you will take a much more mature and considered approach than you did last time.

Senator Joyce (Queensland—Leader of the Nationals in the Senate) (10.49 am)—by leave—I think it is really important that Senator Brown realise, if he is going to recommit this vote, what it is about. What Senator Fisher moved is something terribly important to horticultural producers, especially in the requirements they need to keep them viable. In our area, in areas such as St George, this is going to have overwhelming ramifications. Those producers have been watching this vote and they believed that at that point in time they had actually got somewhere—and now, because Senator Brown missed a division, we have to go
through the process of recommitting it. This has huge ramifications for people in that industry. I ask Senator Brown, if he wants the vote recommitted, to strongly consider his position, the ramifications for those people in the horticultural industry and the effect it will have if we go forward and change it.

I would also like to bring this to Senator Brown’s attention. Senator Brown came in here yesterday with a motion that he had never actually lobbied anybody over. It regarded Caroona and the coalmining in that area—an extremely sensitive issue. We were trying to get the numbers and trying to actually get somewhere on this issue, but in a point of theatrics he came in here and moved a wedge motion to try to divide the place, to blow the place to pieces, to lose support all around the shop. We were really looking forward to being engaged in this process and getting somewhere, but no, we did not do that. Yesterday it was the wedge to blow support up; today it is forgetting to turn up to the chamber to vote. This is starting to show a pattern and on both issues it is extremely unsavoury.

The CHAIRMAN—Order! Senator Joyce, you are starting to debate the amendment that was put before the chair. There is an appropriate time to do that. What we have in front of us is the fact that Senator Brown sought leave to have the amendment recommitted. If you wish to speak on that then you can, but you cannot debate the amendment. That was already dealt with on the floor of the chamber.

Senator JOYCE—I would like to speak on the process of recommittal.

The CHAIRMAN—You did get leave to make a short statement.

Senator JOYCE—In both instances this recommittal is an extremely important thing. I am absolutely 100 per cent behind what Senator Mary Jo Fisher put up in that amendment. It is absolutely vital that people in the horticulture industry understand that there was a process here a short while ago where we had actually got somewhere and delivered something back to them that is vitally important for employment in that area. I ask Senator Brown to clearly understand the ramifications of what happens if he now changes that vote and changes that position. I think it should be clearly spelt out to all the people in those horticulture industries that what Senator Brown is about to do is to make so many of those industries unviable because of the overhead that will come on top of where they are currently. Senator Brown, you should really think about that before you recommit your vote.

Senator WILLIAMS (New South Wales) (10.53 am)—by leave—I want to refer to Hansard and quote what Senator Brown said in the Senate when Senator Scullion missed a vote earlier in the year:

… this does show the opposition is in some disarray. … My only advice to the opposition is you need to get yourself in order—

Those were his exact words in Hansard. I am not going to harp on this; I am just going to say that I said that night to now Minister Arbib, ‘Those who live in glass houses should never throw stones.’ It was only 10 minutes or so later that we had another division in which one of the Labor senators was not present—I think it was Senator Bishop. The point I make is that when we make a mistake Senator Brown gets up and gives us one large spray. I will repeat what I have said: those who live in glass houses should never throw stones.

Senator IAN MACDONALD (Queensland) (10.54 am)—by leave—Of course the opposition will be following the conventions and allowing this amendment to be recommitted. We are honourable when it comes to that. But it does highlight the hypocrisy of
the Greens political movement in the way that Senator Brown, when any of us—not the Labor Party—happen to miss a vote of any sort, is most scathing—

Senator Fisher—Sanctimonious.

Senator IAN MACDONALD—Thank you, Senator Fisher. He is sanctimonious in his approach. It is simply the same as the Greens political party generally. You will recall in the Queensland election campaign that they went out telling everyone they were going to save the Traveston Crossing dam, then they gave preferences to their mates in the Labor Party, who had committed to building the Traveston Crossing dam. It shows the hypocrisy of the Greens political movement.

Senator Abetz’s magnificent speech last night again highlights the hypocrisy of the Greens political movement. I am distressed about it in my state of Queensland and it is relevant to what is happening now in that the Greens say something to get a vote in the Queensland state election, promise they will hold up—they will ensure the Traveston Crossing dam does not go ahead—and then give preferences to the only political party committed to building that dam. As a result of Greens preferences and Greens support, the Labor Party was returned in Queensland and the Traveston Crossing dam will be built. Who do we thank for that? Senator Brown, in another one of his sanctimonious hypocrisies in the way he approaches issues in this chamber and policy generally.

Senator FIELDING (Victoria—Leader of the Family First Party) (10.56 am)—by leave—We all make mistakes and recommitting the vote does make sense. Maybe Senator Brown would like to use my red scooter to get here on time, but I will not go there. This does smack of complete hypocrisy by the Greens. I am sick and tired of hearing them say some things that account for one side and when someone else makes a mistake they ping them something shocking. We are all going to make mistakes, and, fair is fair, we will recommit the vote and that is okay. I must say even the Hon. Don Chipp in his book warned Australia about the Greens ever having the balance of power. I have got to say the hypocrisy of this issue just shows the hypocrisy of everything that happens with the Greens.

Senator XENOPHON (South Australia) (10.57 am)—by leave—I have two things to say. Firstly, I support the recommittal because ultimately we ought to reflect the true will of the chamber; and, secondly, there but for the grace of God go I.

The CHAIRMAN—We have a request for leave for the amendment moved by Senator Fisher to be recommitted. Is leave granted?

Leave granted.

The CHAIRMAN—The question is that amendment (5) to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, moved by Senator Fisher, be agreed to.

The committee divided. [11.02 am]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes………….. 32
Noes………….. 32
Majority……… 0

AYES

Abetz, E. 
Back, C.J. 
Birmingham, S. 
Boyce, S. 
Bushby, D.C. 
Colbeck, R. 
Cormann, M.H.P. 
Ferguson, A.B. 
Fierravanti-Wells, C. 
Fisher, M.J. 
Humphries, G. 
Adams, J. 
Barnett, G. 
Boswell, R.L.D. 
Brandis, G.H. 
Cash, M.C. 
Cooman, H.L. 
Eggleston, A. 
Fielding, S. 
Fifield, M.P. 
Heffernan, W. 
Johnston, D.
Joyce, B.
Mason, B.J.
Payne, M.A.
Scullion, N.G.
Trood, R.B.

Macdonald, I.
Parry, S.
Ronaldson, M.
Troeth, J.M.
Williams, J.R. *

NOES
Arbib, M.V.
Brown, B.J.
Cameron, D.N.
Collins, J.
Crossin, P.M.
Faulkner, J.P.
Forshaw, M.G.
Hanson-Young, S.C.
Hurley, A.
Ludlam, S.
McLuscan, J.E.
Moore, C.
Pratt, L.C.
Sievert, R.
Wortley, D.

Bilyk, C.L.
Brown, C.L.
Carr, K.J.
Conroy, S.M.
Farrell, D.E.
Fenney, D.
Furner, M.L.
Hogg, J.J.
Hutchins, S.P.
Ludwig, J.W.
McEwen, A.
Milne, C.
O’Brien, K.W.K. *
Sherry, N.J.
Sterle, G.
Xenophon, N.

PAIRS
Bernardi, C.
Kroger, H.
McGauran, J.J.
Minchin, N.H.
Nash, F.
Ryan, S.M.

Polley, H.
Wong, P.
Bishop, T.M.
Evans, C.V.
Lundy, K.A.
Stephens, U.

* denotes teller

Question negatived.

Senator ABETZ (Tasmania) (11.05 am)—Before Senator Brown’s mea culpa and explanation of his embarrassment, I had moved, on behalf of the opposition, the reasons and rationale for opposition amendment (6) on sheet 5817. I therefore do not seek to add any further comments at this stage.

Senator FIELDING (Victoria—Leader of the Family First Party) (11.06 am)—This amendment concerns the default superannuation fund, where the Industrial Relations Commission makes a decision on who is going to have the default super fund for a particular award. The concern I have—and this debate came up last time—is about there being a fair and open process for how the Industrial Relations Commission chooses such a default fund. This is a very important issue, because when people join a new company maybe they should pay a lot more attention to their superannuation decision, but they do not, and most of the time they are left in the default fund. If we are going to be left with a default fund that is set up through awards, we certainly have to ask the question: how is that decision being made? How does the Industrial Relations Commission make a decision about which is going to be the default fund for that award? By what process is the decision made? Is there public scrutiny of it? Guess what: there is not.

In the last debate we had, I raised the issue about having a process where the Industrial Relations Commission has an open tender to allow everybody to have a fair go at competing. That is certainly good for making sure that we have market forces at work—which the Rudd government likes to use from time to time—rather than the Industrial Relations Commission using a process that is hidden, secret and not open and that certainly means that people are just a little more concerned about what is actually going on. It was quite a simple thing that I put forward last time. It was not supported in the chamber, and that is the chamber’s decision, but I am not going to give up on this issue. The Industrial Relations Commission should hold an open, public tender for the default super fund for each award. It is a big issue.

What I have got back is some review of the process again. I am looking for an absolute commitment from the Rudd government. I do not want some wishy-washy review; I want a guarantee that the Rudd government will ensure that the Industrial Relations Commission holds public tenders on a frequent basis—say, every three years—for the default fund for each award. It is a simple issue; it is not a complex one. It is a simple proposition. It has merit. I have spoken to a
lot of people in the industry—some may not like it, but it has a lot of merit—about opening it up to industry funds, corporate funds and hybrids. It is competitive forces tendering, open tendering with open criteria that allow us to make sure that each award has the best possible default fund. It is an open tendering process that is held every three years so that, if things change over those three years, it can happen; you can allow the competitive forces to reopen it again.

It is a simple issue, and I want that commitment from the government. I have been after that commitment since the last time we spoke. I got some correspondence about another review. Great. That may get by for the public, but it does not get by me. I want a commitment that the Australian Industrial Relations Commission will hold a public tendering process for the default super fund for each award rather than just nominating on the basis of who knows what criteria. If this commitment is not given, I am inclined to support the opposition in leaving it open to the employers to make that decision.

Senator SIEWERT (Western Australia) (11.10 am)—The Greens are taking the same position on this amendment as we took when a similar amendment was put up during the substantive debate on the bill. We will be opposing it. We do not support the amendment, just as we did not support it during the last debate.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (11.11 am)—The government does not support the opposition’s amendment. I do not think that is any surprise. The AIRC has provided for default funds in modern awards. These are funds which an employer can pay into on behalf of the employee who has failed to exercise their right to nominate a fund of their own choosing. The commission sought the views of stakeholders on appropriate funds and has decided to allow any fund to which an employer was contributing at 12 September 2008 to be listed as a default fund.

I make the point that all Australian employees will continue to be entitled to choose their own superannuation fund when modern awards commence on 1 January 2010. Providing safety net protection for Australians who do not exercise superannuation choice of fund is important. Employers and employees are free to agree upon a different default fund to those set out in the modern award in any enterprise agreement that they make.

Senator Fielding, in relation to the question that you asked me, I know you have had discussions with Senator Sherry—not to your agreement, obviously—but certainly you can continue those discussions with Senator Sherry and also with the new minister, Minister Bowen.

Senator FIELDING (Victoria—Leader of the Family First Party) (11.12 am)—There was a letter from the Deputy Prime Minister to the Australian Industrial Relations Commission. It was referred to before in this debate. It was quite easy for the Deputy Prime Minister to pick up a pen and write a letter and say, quite rightly, that restaurants and caterers deserve special treatment. The Deputy Prime Minister or the Prime Minister could write a similar letter instructing the Industrial Relations Commission to have an open and fair process in deciding which is the default superannuation fund for each award. It could do that—it could absolutely do that. It is quite clear that they are quite happy to write to the Industrial Relations Commission and give it directions and instructions, but, when it comes to default superannuation, for some reason they do not want to open it up.
The government is happy to do a review. Maybe at the end of that review we will actually get to a common-sense process that does open up the decision-making process of the Industrial Relations Commission to work out which is the default fund. This involves very big dollars and very big business, and it affects most Australians when they change companies. Unfortunately, a lot of Australians do not pay close enough attention to their default superannuation fund when they start new employment because they have other things on their minds. It is a good process—it is good governance—to open this up to public scrutiny.

It is a simple thing to write a letter, as the Deputy Prime Minister has previously shown on a different issue, to instruct the Industrial Relations Commission. Answer me this question: why won’t you instruct the Industrial Relations Commission to hold a public tender on a frequent basis, a reasonable basis? If you want two years or you want four, I am happy to have that debate, but they should have an open, public, tendering process for the default super fund. I worked in this industry for a while; I know the issue. It is common sense. Can you answer the question: why won’t the Rudd government instruct the Industrial Relations Commission to have an open and fair process of selecting a default superannuation fund?

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (11.15 am)—Senator, I am happy to help arrange a meeting for you with the new Minister for Financial Services, Superannuation and Corporate Law, the member for Prospect, and also for the Deputy Prime Minister to be there. Quite clearly, what you are discussing has nothing to do with the amendment. As you know, it is a very complex issue, but the government is happy to discuss this further with you.

Senator Fielding—Madam Temporary Chairman, I rise on a point of order. It has to do with this amendment. It is talking about the default superannuation—

The TEMPORARY CHAIRMAN (Senator Hurley)—That is not a point of order.

Senator ARBIB—As I was saying, Senator, this is an extremely complex issue. It is a very important issue, and I understand your passion for it. Superannuation is something that the Labor Party has always been passionate about, given that it was former Prime Minister Keating who introduced that legislation. So we, too, are passionate about it, and we are happy to have discussions with you. As I have said, I have offered to arrange a meeting with the Deputy Prime Minister and the new Minister for Financial Services, Superannuation and Corporate Law, the member for Prospect.

Senator FIELDING (Victoria—Leader of the Family First Party) (11.16 am)—Maybe the minister would like to put forward any rationale for the reasons for or against the Industrial Relations Commission having a public tendering system, other than the other process of then putting it back to the employer to choose who the default fund may be for their staff. Can you put forward a reason why you would not want the Industrial Relations Commission to have an open, public tendering process for deciding who is a default fund for each award?

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (11.16 am)—As I said, these are very detailed and complex issues. I have given you the information. I am happy to arrange a meeting for you, and you can put those questions directly to the Deputy Prime Minister, which I think is the most appropriate way to handle that.
This matter will not be resolved today in the chamber and it certainly will not be resolved by the opposition’s amendment. But, again, the government is happy to discuss it with you, and I can arrange a meeting forthwith.

Senator ABETZ (Tasmania) (11.17 am)—Is it not amazing that here we are discussing this legislation—one minute to midnight, so to speak, in relation to this amendment—and the government finally offers a meeting to Senator Fielding to discuss this issue? This was in fact canvassed by Senator Fielding in March this year—some three months ago—during the Fair Work Bill discussions. These issues were canvassed then. We as a coalition moved amendments then. Three months have elapsed, with no need to consider or treat this issue with the seriousness that now, all of a sudden, Senator Arbib tells us it deserves—only because they are desperate for a Senate vote today. What happened in the three months in between? Senator Fielding’s concerns were completely ignored and completely forgotten, and the issues that were raised three months ago were treated with contempt. And now, desperate for a vote, the government says, ‘We’ll finally open the door of Ms Gillard.’ It simply is not good enough.

A very, very reasonable question has been posed by Senator Fielding: why shouldn’t the AIRC go through such a process? Indeed, why won’t the government actually support our amendment which would allow the employer to have a bit of an individual say in superannuation funds as well? I think I know the reason in relation to the AIRC possibly not putting up these super funds for, if you like, public tender in each award. I think the AIRC would say, ‘We are not qualified to make those judgments. Our expertise is in matters of industrial relations, not in matters of superannuation investment funds and dividends, who gets what, what the fees are, what the management fees are et cetera.’ I think that is why the AIRC may well be reluctant. And, potentially, I can understand that. But I would have thought—and I do not know why I am doing the minister’s work for him here—that the AIRC could potentially, with the support of the government, outsource the issue of analysing superannuation fund tenders for the default award provisions. And, as a result, this proposal by Senator Fielding clearly could be implemented if Labor wanted to.

But I come back to the proposition that I have put here now on a number of occasions. It is amazing, isn’t it? If it is a deal with the restaurant and caterers, you do a special deal with Labor and you get a special outcome. Labor do not want a fair, open and transparent system in relation to the issues that I raised before in another discrete debate in this raft of amendments about allowing the Australian Industrial Relations Commission to determine the factors that might apply to a particular industry for the no detriment rule or for award modernisation. It is the same here: Labor do not want an open, transparent system for the default superannuation fund. Why? It is so the big unions can do big deals with big superannuation funds—rub shoulders; do the deals. That is what Sussex Street, New South Wales Labor, represented here by Senator Arbib, are all about. This is, unfortunately, Sydney, New South Wales Labor coming to Canberra to wreak the same sort of havoc on the nation as they have wreaked on New South Wales.

If the government were genuinely concerned about the best superannuation outcome for workers rather than doing the deals and the handshakes and then counting your fingers afterwards, and if Labor were genuinely concerned about the workers, why wouldn’t they allow the opposition amendment? I say this to Senator Fielding: there is nothing inconsistent between our amendment and what Senator Fielding is suggesting, and
that is allowing the employer to choose a superannuation fund in the event the employee has not chosen one; and, if neither the employee nor the employer has chosen, you have a default fund and you go through the appropriate tender process. It just seems to me that, with the rise of companies that are based on all sorts of—let us use a neutral term—‘ethical’ grounds, be it environmental concerns or religious concerns et cetera, the question is: why wouldn’t you give those companies the right to invest their superannuation dollars in superannuation companies that have a similar ethic to that business? Why would you deny them that right in a country such as Australia, unless you were into the big deals—the big unions doing big deals with big superannuation companies? That is why the Labor Party are so determined not to allow choice in this vital area.

Senator Fielding, I agree with you. I think that your idea has a lot to commend it. I simply say that the offer to discuss it should be of no comfort to you, because by the time you get to discuss it with Ms Gillard, if you ever do have a discussion with Ms Gillard about this—and I hope you never had that kiss, by the way—it will be after we have voted on this bill and then it will all be too late. That is why, the government having had more than three months to allow you the opportunity to discuss it, the promise from the table this morning by Senator Arbib is a very hollow one. I commend the opposition amendment to the chamber.

Senator Fielding (Victoria—Leader of the Family First Party) (11.24 am)—It has never been a problem of getting access to ministers, or even the Prime Minister. The issue is trying to get a common-sense result. I think that is the key, so that is the real issue here. I am genuine on this issue. I know that both sides are coming at this from a different angle. Maybe one comes from the industry side, industry funds, and one comes from the corporates. What I am trying to do is to open it up to get the best possible deal for the workers of Australia by making sure there is a competitive process, an open process and a fair process that allows a default fund that, when it is selected by the Industrial Relations Commission, is public, open and transparent so that we can be sure we are getting the best fund for that award—rather than it being broken up on history only. That is all. That is what the issue is about: making sure that we get the best possible default superannuation fund for that particular award.

There has been a lack of movement. Yes, I have had letters; yes, I have had correspondence; yes, we have had that. The issue is not about the ongoing interactions but about getting the result that I think is important for Australia and all workers when it comes to a default fund. That is the issue. I am not coming at it from being favourable to industry funds or corporates or even hybrids. I am about getting the best default fund for that particular award. And the best way of doing that is through a competitive, open tendering process. Given that the opposition’s amendment adds the words ‘but ensuring that employers can nominate any complying superannuation fund as the default fund’, I have not got anything else, and that seems to be another way of getting around it.

The TEMPORARY CHAIRMAN (Senator Hurley)—The question is that opposition amendment (6) on sheet 5817 to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, moved by Senator Abetz, be agreed to.

The committee divided. [11.30 am]

(The Chairman—Senator the Hon AB Ferguson)

| Ayes | 33 |
| Noes | 33 |
| Majority | 0 |
AYES

Abetz, E. 
Back, C.J. 
Bernardi, C. 
Boswell, R.L.D. 
Brandis, G.H. 
Cash, M.C. 
Coonan, H.L. 
Eggleston, A. 
Fielding, S. 
Fifield, M.P. 
Humphries, G. 
Joyce, B. 
Mason, B.J. 
Payne, M.A. 
Ryan, S.M. 
Troeth, J.M. 
Williams, J.R. 

NOES

Arbib, M.V. 
Bishop, T.M. 
Brown, C.L. 
Carr, K.J. 
Conroy, S.M. 
Evans, C.V. 
Faulkner, J.P. 
Forshaw, M.G. 
Hanson-Young, S.C. 
Hutchins, S.P. 
Ludwig, J.W. 
McEwen, A. 
Milne, C. 
O’Brien, K.W.K. 
Sherry, N.J. 
Sterle, G. 
Xenophon, N. 

PAIRS

Heffernan, W. 
Macdonald, I. 
McGauran, J.J. 
Minchin, N.H. 
Nash, F. 

Hogg, J.J. 
Lundy, K.A. 
Polley, H. 
Stephens, U. 
Wong, P. 

* denotes teller

Question negatived.

Senator ABETZ (Tasmania) (11.35 am)—I move opposition amendment (7) to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009:

(7) Schedule 5, page 66 (after line 11), at the end of the Schedule, add:

Part 7—State-based differences

Workplace Relations Act 1996

22 Section 576T

Repeal the section, substitute:

576T Terms that contain State-based differences

(1) For a period of 5 years starting on the day on which a modern award commences, the award is to reflect the State and Territory differences in previously existing awards.

(2) If, at the end of the period of 5 years starting on the day on which a modern award commences, the modern award includes terms and conditions of employment that:

(a) are determined by reference to State or Territory boundaries; or

(b) do not have effect in each State and Territory;

those terms and conditions cease to have effect at the end of that period.

(3) The Commission may reduce the 5 year period referred to in subsection (1) only if it is satisfied that it is appropriate to do so, having regard to:

(a) the views of the sector which the modern award is intended to cover; and

(b) the impact on employment within the sector which the modern award is intended to cover.

This amendment repeals the existing provisions and requires that modern awards are required to retain state based differences for a period of five years from when the modern award takes effect. This makes the five-year transition period the default position to be adopted by the Australian Industrial Relations Commission when making modern awards while allowing it discretion to work to a lesser period where appropriate and hav-
ing regard to the views of the affected parties and jobs within the relevant sector.

We believe that the amendment will work in the following way: the AIRC will be required when making a modern award to hear the views of the sector about the timing of phasing out state based differences and, in addition, about the impact on employment, which in our view is a very important consideration. After taking these matters into account, the commission may phase out state based differences over any period it sees fit, with the default period being a maximum of five years. There may be a lesser period stipulated if the impact on employment is negligible and the parties are happy to phase out any differences in a lesser period. For example, the retail sector may say: ‘We will have an increase in overtime penalties on Sundays by 25 per cent. At the moment, given the current economic situation, that would cause us to lose staff or reduce trading times. Let’s transition in the penalty rate equally at an additional five per cent over five years.’ The retail sector may also say: ‘Let’s transition it at zero per cent in year 1, two per cent in year 2, three per cent in year 3, 10 per cent in year 4 and 10 per cent in year 5.’

Other sectors, such as mining, for example, already have a federal award, and the impact of award modernisation may be negligible. The sector may agree that the impact on employment is also minimal and that the award should come into total effect straightaway.

The ability to phase out the state based differences, or transitioning, is referred to at item 12 of the latest award modernisation request. The AIRC has set aside specific time to hear from sectors about the timing of transition. Therefore it just seems to the coalition to make sense to provide that flexibility to ensure that we do not have a further attack on the cost of employment in this country.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (11.38 am)—The government is not supporting this amendment. This amendment would entrench state based differences in awards for five years. All such differences would cease to operate after five years. This ‘big bang’ approach is a recipe for chaos. It would deprive employers and employees of a sensible and smooth transition to the new system and would prolong current inconsistencies in terms and conditions. By contrast, the government has created an orderly process. This process is already underway and the commission is well advanced in consulting with stakeholders in developing the provisions.

The AIRC is able to determine award-specific transitional arrangements after consideration of submissions from interested parties. In doing so, it is open to the commission to use the full five-year period to phase in these arrangements where appropriate. Importantly, this recognises that the representatives of employers and employees are best placed to develop transitional arrangements that take account of any particular characteristics of their industry or occupation, including the staging of any phase-in arrangements and the period over which phasing in occurs.

This amendment would pull the rug out from under the AIRC and send the parties back to the drawing board, and for no real purpose. The commission is already acutely aware of the need to consider a smooth and orderly transition. It is acutely aware of the need to ensure a gradual adjustment to any cost increase. Passing this amendment would not make any difference to this but would create massive inconvenience for all con-
cerned. For these reasons, again, the government opposes the amendment.

Senator ABETZ (Tasmania) (11.39 am)—With great respect: I do not know if the minister was reading from briefing notes, but I would invite him to listen to what was actually said and have a look at exactly what the amendment is. To suggest that this would entrench state awards for five years is completely fallacious. It is wrong. I said in my introductory comments in support of the amendment that it would be up to the AIRC to phase out—and I even gave the example of the mining sector, which might not even want any transition period—but that there should be flexibility. So to say that this would be entrenching it for five years is patently wrong. I do not know where the minister got that idea from.

Further, to suggest that we would be pulling the rug out from under the AIRC—I think that was the term used by the minister—is also patently wrong. I said in my comments—and the amendment will bear it out—that the AIRC may phase out state based differences over any period it sees fit, with the default period being five years. In other words, the AIRC would be empowered. That is hardly pulling the rug out under it. So the two reasons the minister tried to give in opposing this amendment have fallen flat. Undoubtedly he will come up with another reason, because the idea of flexibility is something that Labor clearly have an ideological difficulty with.

Given the propensity of the minister to quote, I quote the Australian Chamber of Commerce and Industry, who said on 11 June:

The Government’s award modernisation process should not come at the expense of increasing employers’ costs or introducing new or additional inflexibilities. If it does, the Government should have no hesitation in directing the tribunal to have another go.

It would be a perverse outcome that employers, when faced with the alternatives, may prefer the former array of “outdated” awards.

The government’s ham-fisted approach in relation to this transition bill is unfortunately going very much to a scenario where employers will say that the outdated or ‘horse and buggy’ era of awards that the minister referred to may well be preferred to that which the Labor Party, with their usual spin, are now describing as award modernisation.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (11.43 am)—I just respond by saying to Senator Abetz that all the necessary flexibility is already in the system. The AIRC has taken all its submissions on the basis of the current laws, passed in March 2008—passed, I might say, by the opposition too. If this amendment were passed, the AIRC would presumably have to tear up the many submissions already received and rehear the issues, for no practical effect. The AIRC already has the flexibility it needs to phase in over the five years. Again, that is why we are opposing the amendment.

Senator ABETZ (Tasmania) (11.43 am)—The argument before was: ‘It’s going to entrench state awards for five years; that’s why we’re against it.’ Now, having had that argument exposed as flawed, the minister has changed the argument to say: ‘There’s no need for this amendment because the flexibility that we are seeking is already in the legislation.’ It is that sort of mixed message that is confusing employers and causing great uncertainty within the economy. It is little wonder that unemployment is heading north at a very, very fast rate. Time is short. I commend the opposition amendment to the chamber and indicate that we will be seeking to divide on this one.
Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (11.44 am)—Can I say to Senator Abetz that I do not want to extend this debate any longer, but you obviously had not been listening to my first remarks where I did talk about the flexibility that is already in place. That is just one of the arguments—not the whole argument but one of the arguments—that I spoke about. But I will resist any further comments as well.

Question put:

That the amendment (Senator Abetz's) be agreed to.

The committee divided. [11.49 am]

(The Temporary Chairman—Senator RB Trood)

Ayes……….. 31
Noes……….. 31
Majority……. 0

AYES

Abetz, E. 
Back, C.J. 
Bernardi, C. 
Boswell, R.L.D. 
Brandis, G.H. 
Cash, M.C. 
Cormann, M.H.P. 
Ferguson, A.B. 
Fierravanti-Wells, C. 
Fisher, M.J. 
Johnston, D. 
Mason, B.J. 
Nash, F. 
Payne, M.A. 
Troeth, J.M. 
Williams, J.R.

NOES

Arbib, M.V. 
Bishop, T.M. 
Brown, C.L. 
Carr, K.J. 
Conroy, S.M. 
Farrell, D.E.

Forshaw, M.G. 
Hanson-Young, S.C. 
Hutchins, S.P. 
Ludwig, J.W. 
Marshall, G. 
McLucas, J.E. 
O’Brien, K.W.K. 
Sherry, N.J. 
Sterle, G. 
Xenophon, N.

Furner, M.L. 
Hurley, A. 
Ludlam, S. 
Lundy, K.A. 
McEwen, A. 
Moore, C. 
Pratt, L.C. 
Siewert, R. 
Wortley, D.

PAIRS

Cooman, H.L. 
Heffernan, W. 
Joyce, B. 
Macdonald, I. 
McGauran, J.J.J. 
Ronaldson, M. 
Ryan, S.M.

Hogg, J.J. 
Wong, P. 
Stephens, U. 
Milne, C. 
Polley, H. 
Faulkner, J.P. 
Evans, C.V.

* denotes teller

Question negatived.

Senator ABETZ (Tasmania) (11.53 am)—by leave—I move opposition amendments (8) to (10) to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009:

(8) Schedule 22, page 257 (after line 15), at the end of section 137A, add:

Application of right of entry penalties to employers

(8) An employer who refuses entry to an employee organisation on the grounds of seeking an order or interim order under this section, and acts expeditiously and in good faith in seeking that order, is not subject to right of entry penalties under Part 3-4 of this Act.

(9) Schedule 22, page 257 (after line 32), after paragraph 137B(1)(e), insert:

(ea) the views of the employer; and

(10) Schedule 22, page 257 (after line 33), after subsection137B(1), insert:

(1A) For the purposes of paragraph (1)(d), any agreement or understanding includes prior judicial and administrative decisions under previous legislation or involving related or predecessor employee organisations.
The purpose of these amendments is to provide for the application of right of entry penalties to be suspended where an employer has acted expeditiously and in good faith in seeking a representation order. Allow me to seek to explain. Where an employer has a site and there is a dispute about union representation, the employer can seek the assistance of Fair Work Australia to resolve the dispute. While this is occurring, our amendment would protect the employer from being penalised for stopping entry to union officials as that employer would not know which union is entitled to represent employees until after the union representation order has been made by Fair Work Australia. A key requirement is that the employer would have had to act quickly and in good faith to seek an order and cannot use it as a way of shutting unions out in nefarious circumstances.

Our amendments would require Fair Work Australia to have regard to the views of the employer when making an order. The current provision focuses on the nuances of union rules and may result in a lengthy proceeding about historical coverage and such matters. An employer should be entitled to make its views known to Fair Work Australia, and Fair Work Australia should be required to take those views into account just as it is already required to take into account the views of employees.

Our amendments would also require Fair Work Australia to have regard to previous demarcation decisions and outcomes. There is a large history of such cases and there is a danger that Fair Work Australia may have to go over old ground once again, which is unnecessary and inefficient. Our amendments merely allow Fair Work Australia to take account of those previous decisions and outcomes when making any new orders. This will allow union representation orders to be obtained much more quickly and effectively while minimising any operational disruption, job delays, job losses or productivity. In short, the reason we are moving these amendments is once again to assist small business in this vexed area of union right of entry and representations. There are clearly circumstances that can be foreseeable where the employer can act in good faith and simply not know what is required and, as a result, if they act expeditiously and go to Fair Work Australia, the issue can be resolved. In those circumstances a small businesses should not have the threat of penalties being imposed in that very small, very discrete area of circumstance that I have just detailed. I commend opposition amendments (8) to (10).

Senator SIEWERT (Western Australia) (11.56 am)—The Greens do not support the provision in the bill for new representation orders and consequently it will come as no surprise that we do not support the opposition amendments. As I said in my speech on the second reading, 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 would increase as a result. However, we note that the new orders are not limited to right of entry disputes; indeed, there may not even need to be any actual dispute at all. We note the amendments the government moved in the House that clarify the dispute need only be threatened, pending or probable, and, like the senators who contributed to the majority report of the committee inquiry, we do not believe additional representation orders are necessary. We believe they will have the potential to breach the rights of workers to freedom of association and therefore believe they do not have a place in our industrial relations system. So, as we do not support the provisions in the bill, we will not support these amendments.
Senator XENOPHON (South Australia) (11.57 am)—I indicated in my second reading contribution that the coalition’s proposed changes to 137A appeared to be in response to a request for greater clarity from persons submitting to the committee inquiry. Could the government address those concerns? I did indicate the rationale in relation to the changes to 137B, especially as to the views of an employer in relation to the making of an order. It does not seem so clear to me, but perhaps Senator Abetz could further clarify that. I thought it was actually covered broadly in the legislation in any event. I do have a concern in relation to rights of entry, given the debate we had on the previous bill. I think it is important that that not be held up particularly in relation to the issue of out-workers, something I have been quite concerned about. If I could get some further clarification from both the government and the opposition, I would appreciate that.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (11.59 am)—Senator Xenophon, the first question you raised was actually raised in the House, and the government have moved an amendment in the House which will have that effect. So my understanding is that that matter has been resolved.

We are opposing opposition amendment (8). This amendment allows employers to refuse right of entry when a business is subject to a demarcation dispute, which would deprive employees of access to their union at the workplace merely because there is an application for a representation order. This amendment is draconian and unnecessary. It would create a perverse incentive to make such applications and delay the resolution of those applications in order to avoid a union seeking access to its members. This could, for example, be misused by an employer in a bargaining situation to prevent a union representing people. But it is important to note that where a demarcation issue is causing difficulties there is already the capacity to seek an interim representation order. For these reasons, the amendment is opposed.

Amendment (9) requires employers’ views to be considered when making a representation order. This is unnecessary as the consequences for the employer of not making an order are already a factor that Fair Work Australia must consider. An amendment requiring greater regard for existing representation orders is also unnecessary as the bill already prevents Fair Work Australia from making a new order that would be inconsistent with an existing representation order.

The TEMPORARY CHAIRMAN (Senator Trood)—Senator Arbib, you said you were opposing opposition amendments (8) and (10). I take it you are also opposed to (9); is that correct?

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.02 pm)—Yes.
Senator ABETZ (Tasmania) (12.02 pm)—I will respond to Senator Xenophon. In relation to our amendment seeking to include the views of the employer, I would have thought that it would not be a matter of concern for anybody in this chamber. Employers are actually the people doing the employing, and I would have thought it would make good sense for the employers to have a say. If I understood the minister correctly, he said that this would be allowed anyway. If that is what the minister is saying, the worst case that can be made against this particular amendment is that we will be protecting employers with a belt and braces and there is nothing to undermine the regime. We are not so sure that the employers have got the belt on the trousers courtesy of the government legislation and that is why we are seeking to affix the braces. We believe there has in fact been no cogent argument other than it might just be otiose or duplicating. If that is the only danger, for the sake of looking after the employers, we see no difficulty with that.

In relation to Senator Xenophon’s concerns about outworkers, firstly, as I understand the regime, there is a specific, separate regime in relation to right of entry dealing with outworkers. Secondly, as I understand the industry, there is no real difficulty in determining which union represents those workers. They are very clearly looked after by one particular union. Thirdly, I would say to Senator Xenophon that our amendments will only apply—and I stress this—when there is an application already before Fair Work Australia to determine the rights of representation. When a proactive step has been taken and an application is already before Fair Work Australia for their consideration but for which there has not yet been a determination, to visit a penalty upon an employer who is confused but has acted in good faith and is saying, ‘I’m waiting on Fair Work Australia to make a determination, but I honestly do not believe this union to be covering the workers,’ I would have thought that an employer in those circumstances should avoid having a penalty applied to them.

That is the very discrete area that we are looking at in relation to our amendments. I commend them to the Senate. If Senator Xenophon has any other questions, I would say to him: given the hour, only ask them if there is a real chance of me being able to convince you to vote for the amendments.

Senator XENOPHON (South Australia) (12.05 pm)—I have nothing further to ask Senator Abetz—

Senator Abetz—I get the drift!

Senator XENOPHON— but I do have a question for the minister. I do not support the amendments but I understand the concern of the opposition on the views of employers. The government has said that that has already been squared off in other parts of the legislation. Can the minister give an unambiguous undertaking that in the review of the act that will occur in two years time this specific issue on how the views of employers are taken into account with respect to demarcation disputes will be specifically looked at and that it will be something that will be the subject of not only review but reporting, taking into account its operation with respect to this particular issue?

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.07 pm)—We commit to examining those provisions. If there is ever any evidence that an employer’s views are not being taken into consideration then of course we will certainly look at that.

Senator ABETZ (Tasmania) (12.07 pm)—The minister has just countenanced the very real possibility that an employer’s views might not be taken into account. That will be
reviewed in two years time and in the event that that is proven to be the case they will then change the legislation. That is exactly the point I was seeking to make, Senator Xenophon, and that is why I would commend to you having our braces on this piece of legislation—because even the government doubts the efficacy of the belt that they say they are providing for these trousers for the employers. We are saying that our braces will actually work. And if after two years when the legislation is reviewed it is shown that the braces are no longer needed then that is fine—repeal our amendment then. But in the meantime the concession, I think unwittingly made by the minister, clearly shows the need for this amendment.

Senator XENOPHON (South Australia) (12.08 pm)—I am more of a belt than a braces man, and I think that the belt here ought to work. I did not quite interpret it in that way, to address the point made by Senator Abetz. As I understand it there will be a general review, and this issue of how it works in the context of employers’ views being taken into account would be one of the matters that would be looked at. If there are ways to improve the system and if there are indeed anomalies, they could be dealt with. But I am satisfied that what is proposed will provide sufficient safeguards and that to support this amendment at this stage in the current context could lead to some ambiguity, from the discussions I have had with the government in relation to this, with some unintended consequences. I am assured by the minister’s assurances and I will stick with the belt not the braces this time.

Senator ABETZ (Tasmania) (12.09 pm)—I wonder if the minister would be so kind as to share with the whole Senate what the ambiguity and unintended consequences might be of this particular amendment. It just seems to me that when a government is flummoxed, does not have an argument and cannot put forward something cogent then resort is had to ‘ambiguity and unintended consequences’ as the catch-all argument as to why you should reject an amendment when there is no other argument on offer. So I would be interested to hear what the minister has to offer in that regard.

The TEMPORARY CHAIRMAN (Senator Trood)—We will hear from you when you are ready, Minister. The minister has the call. But perhaps, in light of his indisposition, I might call Senator Abetz.

Senator ABETZ—The minister has needed all this time to find out what the ambiguity and uncertainties might be. It is a pity the Hansard does not record the time taken through these long silences to indicate the difficulty the minister has with this particular matter.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.11 pm)—I am just trying to get you a detailed answer, Senator Abetz. I might just take another second and then come back to you.

Honourable senators interjecting—

Senator ARBIB—We believe that this would create an imbalance in terms of ‘what about the employees views and how would they be taken into account?’ It also duplicates existing obligation. Again, the inconsistency there is in relation to how employees are taken into account. That is why we are opposing it and that is the answer to your question.

Senator ABETZ (Tasmania) (12.12 pm)—I daresay that out there in radio land a lot of people are chuckling at the moment in relation to that response. The assertion was that there was ambiguity and uncertainty with the opposition amendments. We had this embarrassing long, deathly silence and then finally the minister comes up with, and
is armed with, this absolutely explosive response: it will create imbalance. That is just another word. Undoubtedly someone looked up a thesaurus or something and said, ‘What’s another word for ambiguity or uncertainty?’ And then they said, ‘Let’s try the word imbalance this time.’

Senator Fifield—Next it will be, ‘It’s the vibe.’

Senator ABETZ—Yes, that lawyer from The Castle that I was able to refer to last night in another speech referring to Senator Brown’s three-quarters of a million dollar slush fund comes to mind, Senator Fifield. It’s the vibe. That is what Minister Arbib is relying on here—the vibe. He says that there will be an imbalance. But I cannot see how there is an imbalance by allowing employer representation. At worst, as the minister said before, employers’ views are already there and are already taken into account; but we are told that the factors to be taken into account are the wishes of the members of the workplace group, and the extent to which particular employee organisations represent the employees in the workplace and the nature of that representation.

So it seems to me that we still do not really have a situation where employers are looked after in 137B. The employees’ views are already in the legislation, as I read out. Just for clarity, that is in 137B(1), subclauses (b) and (c). So the employees’ views are taken into account. I would be interested if the minister could point out in that regime of (a) to (f) where the employers’ views are taken into account. Fair Work Australia will take into account the consequences of not making the order for any employer or organisation concerned, the wishes of members of the workplace and the extent to which particular employee organisations represent the employees in the workplace and the nature of that representation. Why would it create an imbalance if you allowed the employers to have a say as well? This is just a one-way street and, if I might say, that is one of the tests that I have said we apply to this legislation and to amendments. We ask: does it impact small business or jobs adversely and does it have an unwarranted increase in union power? Clearly this allows the union to have a say but not the employer or employer organisations.

Senator ARBIB—In relation to the question that Senator Abetz raised about employers, under 137B(1)(e), in order for Fair Work Australia to consider this they will need to take the views of employers into account.

Senator ABETZ—Where?

Senator ARBIB—That is (e). For Fair Work Australia to be able to consider it, they will need to take into account the views of the employers.

Senator ABETZ—Given the minister’s response, let us go through this in some considerable detail. Proposed section 137B(1) says, amongst other things:

(1) In considering whether to make an order under subsection 137A(1) in relation to a particular workplace group, FWA must have regard to—
a number of things, including—

(b) the wishes of the members of the workplace group …

Where on earth does it say in that section that Fair Work Australia must have regard to the wishes of the employer? It does not say that anywhere. What it does say is that Fair Work Australia may have regard to ‘the consequences of not making the order for any employer, employees or organisation concerned’. But that does not mean that they need to take the wishes of the employer into account. If that is what subsection (e) means, why do you need the specific subsection (b), which says that Fair Work Australia ‘must have regard to the wishes of the members of the workplace group’?

If this is going to be dealt with equitably, you would then be saying the opposition amendment is not needed but that you will delete subsection (b). We say it does make good sense to take into account the wishes of the members of the workplace group, and to specifically state that the wishes of the employer of that particular workplace group should be taken into account as well. With great respect, Minister, what you are asserting is not in the legislation. Can I say to Senator Xenophon that the belt he has been told about by the government is fraying and I am not sure it is going to be doing the job that he was told it would do.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.20 pm)—I happen to agree with the minister that subparagraph (e) is a cover-all. It covers employers, employees and organisations concerned, which I assume could be either employer organisations or employee organisations, and covers the field quite neatly. But what is also in the clause is subclause (b), that Fair Work Australia ‘must have regard to the wishes of the members of the workplace group’, so why not the wishes of the employer? You cannot have this argument both ways. If the employer is sufficiently catered for in subclause (e), can you explain why the employee is not sufficiently covered in subclause (e)? Why do you need this—to use my own analogy—belt and braces approach for the purposes of employees but definitely not for employers?

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.22 pm)—Senator, I think I answered that question directly when I talked about the effect this will have on workers in relation to freedom of association with regard to (b). But can I just add that 137B(1)(e) requires Fair Work Australia to consider the consequences of not making the order for any employer, employees or organisation. It is reasonable to look at the consequences on an employer. Not all
employees are members of a union. We look at the wishes of members and consequences to other employees and, of course, the employer.

Senator ABETZ (Tasmania) (12.22 pm)—I think I am going to save myself breath from now on because clearly the minister does not have a response to this. I fully agree with the minister that there are employees that are not members of unions. Subclause (e) says:

(e) the consequences of not making the order for any employer, employees or organisation concerned;

This clearly countenances employees. It does not just say, ‘employees who are members of a trade union’. It says ‘employees’ generically, irrespective of whether they are a member of a union or not. So, once again, the argument falls over. Having started off with ambiguity, uncertainty, imbalance and all the other excuses, with great respect, the rationale does not fit. But of course we know why the minister is insisting, in the face of overwhelming logic, and good argument, Senator Xenophon will not find his way clear to support the opposition amendments. As a result, I would not wish anybody to think that the fact that we will not be seeking to divide is an indication that we do not hold a very strong view in relation to this. I believe that the discussion in the Hansard will show that the coalition has put a very strong case forward, but given the time constraints we will not be seeking to divide.

Question negatived.

Senator SIEWERT (Western Australia) (12.26 pm)—I move Greens amendment (1) on sheet 5818 to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009:

(1) Schedule 3, page 25 (after line 29), after item 9, insert:

9A All kinds of transitional instrument: application of better off overall test

(1) FWA may make a determination under this item on application by a person covered by a transitional instrument.
(2) If FWA is satisfied that the transitional instrument would not pass the better off overall test in section 193 of the FW Act, FWA may make any order that FWA considers appropriate to remedy the situation, including:

(a) an order terminating the instrument;
(b) an order varying the instrument to comply with the better off overall test.

This amendment relates to allowing Fair Work Australia to terminate transitional instruments that would not pass the better off overall test. We believe the biggest gap in the government’s transitional arrangements is letting unfair Work Choices AWAs continue virtually indefinitely. I raised this during my speech on the second reading and in fact raised it in debate on the forward with fairness bill in March last year. The ALP, quite rightly, spent the previous three years strenuously opposing Work Choices AWAs and their ability to undermine the award safety net. AWAs that ripped away wages and conditions from workers were at the forefront of the campaign against Work Choices and of course the ALP election victory. Yet the ALP is prepared to let those workers continue to be ripped off and denied collective bargaining until their agreements pass their nominal expiry date, and that can be as late as 2013. As I said in my speech on the second reading, Work Choices is not quite dead yet. It will have a slow death and it will not be dead until the last AWA is terminated.

The Greens do not believe the presence of statutory individual agreements that fall below the safety net represent a fair and just industrial relations system. The Australian 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 under the more favourable conditions of the award or a superior collective agreement that covers the employer. We moved amendments in respect of the Workplace Relations Amendment (Transition to Forward to with Fairness) Bill 2008 to provide a mechanism for employees to terminate unfair AWAs. These amendments were unfortunately not supported by the government and many workers have stayed on unfair AWAs ever since.

Workers must be given the opportunity to terminate agreements that do not meet the conditions of the new safety net. I include here, too, a number of employees who were employed on AWAs subsequent to the ALP being elected and then bringing in their legislation. The point of a safety net is that it is universal. It provides for wages and conditions that we as a community believe are the minimum that all workers should enjoy. The new, modern safety net must therefore be available to all workers. The Greens amendment provides for employees to apply to Fair Work Australia and for it to terminate or vary an agreement that would not pass the better off overall test. It is an amendment implementing recommendation No. 1 of the majority ALP senators’ report on this bill.

We believe that Australian workers must not be condemned to working under recognised substandard conditions. We do not believe they should be under those conditions any longer. We believe that the government had an opportunity to fix that. They have not taken it and we cannot understand, quite frankly, why they believe it is okay for certain workers to be under substandard conditions when the government had the opportunity to ensure that they are not. Because the government did not take that opportunity, this amendment provides for that. Nobody can say that AWAs are dead until workers are off them, which could be as far away as 2013. That puts paid to the government’s claims that AWAs are dead. They are not
dead and the government have not done anything about getting those workers who are still subject to them off them. This amendment does that.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.30 pm)—This amendment is based in large part on a recommendation made by the majority of the Senate Standing Committee on Education, Employment and Workplace Relations in its report into the inquiry into the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. The government did not agree with that recommendation and accordingly will not be supporting this amendment. From 1 July until 31 December 2009, enterprise agreements will be assessed under the current ‘no disadvantage’ test, not the ‘better off overall’ test. This amendment would require Fair Work Australia to assess workplace instruments under different tests, depending on when they were made. This is simply not feasible from an administrative standpoint.

This amendment would also in effect require Fair Work Australia to retrospectively apply a test against instruments that, for the most part, have operated for some time. The government believes that it is simply not reasonable to shift the goalposts on employers and employees by having Fair Work Australia unilaterally terminate or vary agreements that were validly made between the parties under the laws in place at the time. It is true that under Work Choices employees were placed on unfair agreements. The Fair Work Act will consign those agreements to history. However, the government is mindful of the need to give certainty to all parties. The bill provides that once these agreements have reached their nominal expiry date, all of the options of the Fair Work system, including good faith bargaining, become available.

As well, employees who are on substandard Work Choices agreements will have the full benefits of the National Employment Standards from 1 January 2010 as well as entitlement to be paid the relevant minimum wage for the employee’s classification. This will be the case whether or not the agreement has passed its nominal expiry date. These measures will go a significant way to mitigating the effects of those agreements.

Senator ABETZ (Tasmania) (12.32 pm)—This will surprise the Australian Greens, I am sure: the coalition will be opposing the Greens amendment! I forget the words that Senator Siewert used in relation to all of the opposition amendments, but I simply indicate to her that I adopt that form of words, other than changing the word ‘coalition’ to ‘Greens’.

Senator SIEWERT (Western Australia) (12.33 pm)—It will come as no surprise to Senator Abetz that I am not shocked or surprised. We do not accept the government’s arguments on this point. The fact is that these workers are still going to be on AWAs. In view of the late time and the need to progress this debate, I am not going to call a division, but I am not calling a division.

Question negatived.

Senator SIEWERT (Western Australia) (12.33 pm)—by leave—I move Australian Greens amendments (2) and (3) on sheet 5818 to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009:

(2) Schedule 3, item 18, page 29 (line 4) to page 30 (line 7), omit the item, substitute:

18 Individual agreement-based transitional instruments: automatic termination when enterprise agreement comes into operation

(1) This item applies if:

CHAMBER
(a) an enterprise agreement (the *proposed enterprise agreement*) is made that covers the employee and the employer; and

(b) the proposed enterprise agreement comes into operation.

(2) If the employee and the employer are covered by an individual agreement-based transitional instrument, that agreement is terminated when the proposed enterprise agreement comes into operation.

(3) Schedule 13, item 2, page 166 (lines 9 to 37), omit subitems (2) and (3), substitute:

(2) The employee is taken, for the purposes of the FW Act, to be at that time an employee who is or will be covered by an enterprise agreement or a proposed enterprise agreement.

These two amendments pick up what we think is a persuasive argument made by Professor Andrew Stuart that new enterprise agreements should automatically replace any individual transitional arrangements. Again, these amendments implement a recommendation from the majority report of the Senate Standing Committee on Education, Employment and Workplace Relations inquiry into the bill. The amendments provide for AWAs or ITEAs to be terminated when an enterprise agreement covering an employee on an AWA or an ITEA comes into operation. Amendment (3) allows for employees on AWAs covered by a proposed enterprise agreement to engage in bargaining for that agreement.

Work Choices AWAs serve two purposes. They allow employers to provide substandard wages and conditions but also to deunionise workplaces and thwart collective bargaining. The Greens amendments are an extension of the primary role of collective bargaining under the Fair Work Act. We believe that all workers who will be covered by an enterprise agreement should have the ability to participate in the negotiations for that agreement and to have that agreement apply to them. The conditional termination provisions in the bill do not go far enough in achieving this aim. The requirement for employers to agree to a conditional termination where the individual transition instrument has not passed its nominal expiry date means that few of these workers who are stuck on unfair AWAs for the next four years will have the opportunity to collectively bargain.

Both unions and employer groups indicated to the Senate inquiry that the conditional termination provisions would not be effective. We must remember that the workers stuck on the worst AWAs are likely to be the most vulnerable workers. Conditional termination provisions relying on the support of employers are going to be useless for this particular group of employees and workers. The amendments put forward by the Greens are designed to ensure that those workers who have lost the most under Work Choices have the best chance to regain fair conditions of employment. We do not want to see workers subjected to grossly inferior agreements for any longer than is absolutely necessary. I have articulated in this place, in debates on the various pieces of legislation on industrial relations, how Work Choices has impacted most significantly on vulnerable workers, and these amendments are particularly focused on those vulnerable workers. I commend the amendments to the Senate.

**Senator ARBIB** (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.36 pm)—The government will oppose Australian Greens amendments (2) and (3). The government considers that the transitional arrangements contained in the bill will ensure a fair, certain and orderly transition to the new system for all employees and employers, including those covered by AWAs and
ITEAs. The bill gives certainty to employees and employers by providing that AWAs and ITEAs will continue to apply until they are terminated. Once an AWA or ITEA has been terminated, an enterprise agreement that covers the employee and employer would then apply. It is important to emphasise that as soon as an AWA or ITEA reaches its nominal expiry dates either party may terminate the agreement unilaterally 90 days after Fair Work Australia has made its approval decision. The parties may also agree to terminate an AWA or ITEA at any time.

In addition to these termination provisions, the bill also provides that employees and employers covered by an AWA or ITEA may enter into a conditional termination which would enable the employee to fully participate in and benefit from collective bargaining for the proposed new enterprise agreement whether or not their individual agreement has passed its nominal expiry date. Conditional terminations will facilitate the orderly transition of employees and employers covered by an AWA or ITEA to a new enterprise agreement by terminating the individual agreement as soon as the proposed new enterprise agreement comes into operation.

Senator SIEWERT (Western Australia) (12.38 pm)—As I said earlier, at the Senate inquiry employers, employees and unions indicated that they did not think that the conditional termination provisions would be effective. I must admit I cannot see them being effective either, particularly for that group of workers we are talking about who are most vulnerable. I know the minister will have seen the research that showed that the workers most affected by Work Choices were our most vulnerable workers in the community. They are the ones who have been subjected to no bargaining and unfair AWAs and have lost the most wages and conditions. You are talking about a group of people who are in situations where their employers are highly unlikely to use the conditional termination provisions. So I am asking why the government thinks the provisions are going to be effective when employers, employees and unions have indicated that they do not think they are going to be effective. A lot of this depends on that provision being effective. I would really like to know why the government thinks these provisions are going to be effective, particularly for that group of our most vulnerable workers.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.40 pm)—This comes back to where we started with our election commitments—an orderly transition. We cannot overturn all the provisions, all the legislation of Work Choices overnight. This was a commitment that we made. This provides the orderly transition. But also, Senator Siewert, remember that for many of the workers on those sorts of agreements the national employment standards will apply.

Senator SIEWERT (Western Australia) (12.40 pm)—I do not understand why the government thinks that automatically replacing transitional arrangements with the new enterprise agreements is not orderly. I do not think that the amendments that we are proposing will necessarily lead to some major disorder in our industrial relations system. I am wondering why the government thinks that they will.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.41 pm)—If workers are on those agreements, once the agreement has reached its nominal expiry date then they can enter into a new agreement. That is the reason we believe we have the balance right here. And, again, there will
be national employment standards, so if an agreement is below those standards then obviously those workers will benefit from those standards, again creating and putting fairness back into the system. That is why we think we have the balance right and that is why we think those workers will benefit and will not be disadvantaged in the long run.

Senator SIEWERT (Western Australia) (12.42 pm)—With all due respect, you did not answer my question. I asked why you do not think this process would be orderly if one of the reasons for not supporting it is that you wanted an orderly process and you promised an orderly process. One of the issues that you raised in response to my previous question was the nominal expiry date. Can you confirm that in some instances the nominal expiry date is in fact 2013? So you are talking about a considerable period of time between now and the nominal expiry date before these employees can be covered.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.42 pm)—There is a simple answer to that. To do what you say—to take away all the conditions under an agreement, an AWA or a ITEA, and replace it with a collective agreement—would mean those workers would not get a vote on it, so they would lose those conditions. That is why we believe this is a more orderly transition.

Senator SIEWERT (Western Australia) (12.43 pm)—That is a point that we are also making, that workers should have the right to be involved in discussion of a collective agreement. That would cover it. I will not be calling a division on these amendments, in view of the time, but I would like it noted that the government did not support these amendments.

Senator Abetz—And the coalition does not support these amendments!

Senator SIEWERT—And the coalition does not either. Senator Abetz, I took that from the comments you made earlier, that you were not supporting any of the Green amendments. I suppose you did make the comment that you were following in my footsteps. At the beginning of the debate last night I did not say we were opposing all your amendments, so I suppose I should have done so and not kept you in suspense. It would have been fairer. I do agree. I will not be calling a division but I would like it noted that the amendments were not supported.

Question negatived.

Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 and Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, as amended, agreed to.

Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 reported without amendments and Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 reported with amendments; report adopted.

Third Reading

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (12.45 pm)—I move: That these bills be now read a third time.

Question agreed to.

Bills read a third time.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Carol Brown)—Order! It being 12.45 pm, I call on matters of public interest.

Sports News and Digital Media

Senator WORTLEY (South Australia) (12.46 pm)—I welcome the opportunity to speak on a matter of public interest. A report was recently tabled by the Senate Standing Committee on the Environment, Communi-
The ECA committee conducted four public hearings as part of this inquiry, with particular reference, among other things, to:

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

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

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

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

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

(h) The current accreditation processes for journalists and media representatives at sporting events, and the use of accreditation for controlling reporting on events; and

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

The committee believed that freedom of the press is as important in the new media environment as it ever was, and this includes ensuring the media have access to events and places, as well as having the freedom to report news about those events and from those places. While all participants in the inquiry indicated their support for a free media, it was apparent that giving practical effect to that principle, in particular in relation to access to events, is presenting some challenges in the new media environment.

It is fair to say from evidence presented to the committee that these changes to the media landscape have led to some conflict as stakeholders endeavour to avail themselves of the new opportunities as they emerge. It is important to point out, however, that there were areas of common ground, including agreement that the delivery of news had been radically affected by the emergence of digital media and that public or audience expectations of news media had changed. Both sporting and media organisations believe that there is a need for news coverage of sport and wish for sports news reporting to continue. I am sure that sports reporters and presenters, sporting organisations, media organisations and the general public are pleased with that agreement. Both sporting and media organisations also acknowledge the commercial benefits of reporting sports news.

The committee provided the opportunity for issues of concern to both media organisations and sporting bodies to be raised. The ECA committee received 43 submissions and heard evidence from media organisations and agencies and sporting bodies and representative organisations. The convergence of media technologies and the emergence of new media platforms have created new opportunities for news media organisations, sports broadcasters and sporting organisations, bringing with them challenges as existing businesses and organisations attempt to adapt to the new media environment.
events. In some cases, this included the imposition of restrictions on how news is reported.

As suggested by the title of the inquiry, a significant consideration for those involved in hearings was the delivery of news, including sport, as digital and online formats have taken hold across the media landscape. These new platforms have created new opportunities for engaging the public across the scope of stakeholders from sporting bodies to news media outlets and sports broadcasters. But these new opportunities have also spawned new conflicts between the interest groups as each side of the debate sees the other as encroaching on its traditional turf.

With a free press comes responsibility, and there are few who would argue against a journalists code of ethics. The Media Alliance journalists code of ethics overriding principle states:

Respect for truth and the public’s right to information are fundamental principles of journalism. Journalists—

... search, disclose, record, question, entertain, comment and remember. They inform citizens and animate democracy ... they scrutinise power, but also exercise it, and should be accountable.

The industrial and professional body representing journalists, the Media Alliance, acknowledges that technological advances mean that demand is overwhelming for continuous news of important sporting events on multiple platforms and that existing legislation allows fair use of data, footage and pictures from sporting events to be used for news purposes.

The Media Alliance says that it would be opposed to any regulation that would lead to a statutory body deciding what is considered to be legitimate news coverage of a sporting event. It believes that news organisations need to strike a balance with sporting bodies as to what is and is not considered fair use of material from sporting events. It is of the view also that the news industry, through the alliance code of ethics and the Press Council’s complaints procedure, has shown it is able to self-regulate. It says that this should continue and news organisations and sporting bodies should continue to negotiate in good faith over what is and what is not considered to be legitimate news coverage.

Even before sports news and entertainment gets to the point of being disseminated there is really prickly ground, particularly in the realm of media accreditation agreements. Evidence presented to the inquiry highlighted some stringent media accreditation processes demanded by some sporting bodies, which appear to be smothering media outlets’ abilities to disseminate the news. As the inquiry report states:

Some news media organisations claimed that sporting organisations were attempting to use accreditation agreements as a means “to alter or even displace the fair dealing provisions contained in the Copyright Act, the public policy underlying it and the right of news organisations to exercise their rights as copyright owners in the material they create”

The committee does accept that in some cases media organisations may be testing the boundaries of what constitutes news, and some sporting organisations are “testing the boundaries” of what can reasonably be asked of news reporting organisations in their accreditation agreements.

So the committee has recommended that media and sporting bodies—the stakeholders generally—negotiate a set of principles for news media access to sporting events for bona fide journalists, including photojournalists and news agencies, to be able to access sporting events regardless of the technological platform.

This is just one of the recommendations of the committee. The committee also urges the
government to take into account challenges presented by digital media to sports organisations’ current and future revenue prospects and options. It recommends that the current Crawford review of sports pay particular attention to the capacity of sport to invest in digital innovation. I encourage those interested in sport and the media to log on to the ECA website to access the report and read the submissions presented as part of the inquiry, because it really makes for interesting reading and highlights the arguments of the main stakeholders.

Foetal Alcohol Spectrum Disorder

Senator ADAMS (Western Australia) (12.56 pm)—I rise to speak on the important matter of foetal alcohol spectrum disorder. As a member of the Senate Select Committee on Regional and Remote Indigenous Communities, I have become very interested in the progress being made to reduce the incidence of foetal alcohol spectrum disorder. ‘Foetal alcohol spectrum disorder’ is used to describe a range of disabilities that occur as a direct result of prenatal alcohol exposure. These include physical, cognitive, behavioural and learning disabilities with lifelong implications. Diagnoses included in the foetal alcohol spectrum disorder are foetal alcohol syndrome, partial foetal alcohol syndrome, alcohol related birth defects and alcohol related neurodevelopmental disorder. Foetal alcohol syndrome is at the most severe end of the FASD framework. This syndrome has a number of abnormal characteristics which include low birth weight, deficiencies in growth, abnormal facial features, central nervous system problems, mental retardation and behavioural hyperactivity.

The Senate committee visited Fitzroy Crossing in Western Australia last year and, during a meeting with the women from the community, great concern was shown as to the number of children within the community with symptoms of foetal alcohol spectrum disorder. Grandmothers were trying to cope with hyperactive children who were uncontrollable at school and a number of families had decided to leave Fitzroy Crossing and relocate back to the outstations, where the children would not get into so much trouble. We met with two brave community women, June Oscar and Emily Carter, who between them had managed to restrict the sale of full-strength alcohol in Fitzroy Crossing in 2007. This had been a most successful initiative and after 12 months police were required to attend 28 per cent fewer alcohol related problems and there was a 36 per cent reduction in alcohol related emergency incidents at the local hospital.

Dr David Shepherd, senior doctor for Halls Creek Hospital, said in March last year:

We’ve got … mothers on the ward here now who are 13, 14-year-old mothers who are foetal alcohol syndrome kids and so they have learning difficulties and problems interacting with people and now they’ve got their own children and it is quite sad.

He talked about one mother on the ward who has the classic features of foetal alcohol syndrome holding her baby who also has foetal alcohol syndrome, and they are not able to interact with one another. This is a very, very sad state of affairs.

For too long, foetal alcohol syndrome has not received enough focus from professionals. Now, as the numbers increase, people are finally realising something must be done. In the Kimberley region of WA alone, the rate of foetal alcohol syndrome is as high as 8.5 per 1,000 live births. This rate is 100 times higher among Aboriginal children than among non-Aboriginal children. What is even more alarming is that this data is not reliable, as foetal alcohol syndrome is often underdiagnosed and under-reported. Dr
Fiona Stanley, the head of the Telethon Institute for Child Health Research in Perth, suggested to a coronial inquiry into Aboriginal deaths that as many as one in four Indigenous children could have foetal alcohol syndrome.

I note that the *West Australian* of 27 January 2009 reported that Professor Stanley has recently been appointed to a new state government body designed to improve the lives of Aboriginals. She said her institute was ‘lobbying the federal government for funding for a national foetal alcohol study and strategy’. This is something that I have been following very closely in my estimates questions to the Department of Health and Ageing and FaHCSIA. I intend to keep going with it because it is a study that needs to be pushed. The Institute of Health and Welfare also were very interested in what I had to say and in my questions about how statistics could be obtained. At the Telethon Institute for Child Health Research a team working with Professor Carol Bower have been researching foetal alcohol syndrome since 2000, and I really look forward to the results of their study.

I want to showcase what has been happening in Western Australia through the state government. I congratulate my colleague the Hon. Robyn McSweeney, Minister for Child Protection, Community Services, Seniors and Volunteering and Women’s Interests, for the work her department has put into this issue. The WA government agencies are working collaboratively to reduce the incidence of foetal alcohol spectrum disorder. As they comment:

Many children do not live with their biological parents and as adults experience mental health problems, alcohol and drug problems, inappropriate sexual behaviour, unemployment, trouble with the law and imprisonment and very few live and work independently.

The department is nearing completion of a diagnosis and treatment protocol for the broad range of FASD as well as a specialised treatment clinic. Specialist staff in Child Development Services are using the most advanced and up-to-date FASD diagnostic and management techniques. They have also made good progress with ensuring that doctors and health workers are more aware of and comfortable with diagnosing foetal alcohol syndrome, which, as I have said before, is at the more severe end of the FASD spectrum. Research has indicated that only 12 per cent of professionals are able to list all four key features of foetal alcohol syndrome. The recent provision of improved alcohol and pregnancy education materials has resulted in a 20 per cent increase in foetal alcohol syndrome reports to the WA Birth Defects Registry.

A recently funded Healthway project is ‘Alcohol and Pregnancy—Health Promotion Messages That Work’. The outcomes of focus groups and interviews with women of child-rearing age will be used to develop a selection of messages about alcohol use and pregnancy. A survey will then test the cognitive and affective impact of the proposed messages. The goal is to identify the messages that most effectively increase the intentions of women of child-bearing age, pregnant women and women planning a pregnancy to reduce or abstain from alcohol during pregnancy. I know, just from talking to women, that some really do not understand that alcohol can have such a devastating effect on their baby. Those who are lucky enough to be able to attend antenatal classes are getting this message very strongly, but unfortunately those who live in the more remote areas of Australia are missing out. So it is definitely a huge issue and there is a need to do something with alcohol restrictions.
Since the very brave women in Fitzroy Crossing managed to have full-strength alcohol banned from their community, the community of Halls Creek, which is very close to them, recently introduced a ban. Once again, it was the women of the community who drove that ban. After just a month there has been an amazing reduction in the incidence of family violence and in the number of alcohol related incidents that the police have had to attend and that hospitals have had to deal with. There definitely is a problem, but it seems that finally the communities are getting on top of it. They chose to reduce the alcohol consumption because of the Fitzroy Crossing initiative. I know that June and Emily really did suffer in their community because they had been strong enough to stand up and make sure that the ban came into place.

Statistics from the Department for Child Protection reveal that in Halls Creek 26 out of 48 children have been cared for at the hostel since it opened in October 2007, and these children have shown effects of foetal alcohol syndrome. It really is a problem, but I do believe in positivism and I think the Western Australian Department for Child Protection are on the right track in working with other departments to try to resolve the problem.

Children affected by foetal alcohol syndrome have a limited capacity to benefit from mainstream teaching environments, due to poor self-regulation and aggressive and hyperactive behaviour. In Halls Creek and Fitzroy Crossing this was a huge problem because, if a child was not diagnosed with foetal alcohol syndrome, they were not able to have special tuition or have a teacher’s aide to help them. Not all children with the syndrome have the characteristic facial features, but they may still be very aggressive and hyperactive. So the fact that we are getting more paediatricians and social workers out into the communities is going to improve the situation. Hopefully we will have more antenatal classes and more support for teachers to help them cope with these children when they come to school.

I will conclude by speaking about alcohol and pregnancy statistics in Australia. Women of childbearing age in Australia are increasingly drinking alcohol at risky and high-risk levels. Only half of their pregnancies are planned. Many pregnancies may inadvertently be exposed to alcohol before a woman knows she is pregnant. Over a third of Australian women of childbearing age are unaware of the effects of alcohol consumption on the foetus. A quarter of Australian women would continue to drink alcohol during a future pregnancy. Health professionals are poorly informed about foetal alcohol spectrum disorder, and the majority do not ask or advise pregnant women about alcohol and pregnancy. The policy about alcohol use in pregnancy is inconsistent across Australia. These are things that I am very keen to follow up.

I would also like to quote some statistics from the Australian Institute of Health and Welfare. The percentage of Indigenous babies in major cities that are of low birth weight is 12.8 per cent versus 6.1 per cent for non-Indigenous babies; in inner regional areas, 12.1 per cent versus 6.2 per cent; in outer regional areas, 13 per cent versus 6.1 per cent; in remote areas, 14.7 per cent versus 5.7 per cent; and, in very remote areas, 13.6 per cent versus 5.7 per cent. These statistics show that there really is a problem for Indigenous women compared to their non-Indigenous counterparts. I may as well say that I will continue to push this issue. I am running out of time, so I would just say that I will be very happy to have more discussions with the Australian Institute of Health and Welfare, FaHCSIA and the Department of...
I rise today to speak about two issues that I feel very passionate and concerned about: the Alice Springs town camp leases and the exemption of the Northern Territory intervention from the Racial Discrimination Act. I have been extremely concerned by the manner in which the government and the Minister for Indigenous Affairs have proceeded with the negotiations over the Alice Springs town camp leases and the way this issue has been presented. In many cases—and I am not accusing the minister of doing this—the way the government has gone about saying that they are going to be compulsorily acquiring leases has led to a blame game against Tangentyere Council. I am concerned at the way the town camp housing associations are being blamed for the appalling conditions that people live in in the camps and for the breakdown in negotiations over the leases and housing in the town camps. I absolutely agree that housing and infrastructure in town camps need to be improved—there is no doubt about that. The issue is how it occurs and how you maintain the involvement of the town campers and the Tangentyere Council.

The terrible condition of housing and other conditions in town camps are the direct result of long-term neglect by successive governments—both Labor and Liberal at both Commonwealth and Territory levels—who have failed to deliver essential basic services like water, power, sewerage, rubbish collection and the rest of those services that people outside town camps, and particularly in metropolitan areas, take for granted. The majority of water and sewerage lines into town camps are over 30 years old. The NT government and the Alice Springs town council have, all this time, refused to take responsibility for delivering any services to the camps. In many cases, the lines are maintained to the camp boundaries and the rest is left to the camps, who are not resourced to fix or maintain them. The end result is that town camp residents have to pay massive excess water bills because of leaky pipes, but they do not receive a level of maintenance or service in return for those high fees.

Unfortunately the government has followed the practice of successive governments of blaming Aboriginal residents for the appalling state of repair of their houses. Given that this government continually emphasises its commitment to an evidence based approach to policy, I ask the government: where is the evidence? The research into the reasons for poor conditions and housing maintenance problems indicates very clearly that damage by residents is not the major factor and in fact makes a very minor contribution to the poor repair of housing. The greatest factor is, quite simply, overcrowding. Things like doorknobs, hinges, showers, taps and switches wear out because of the sheer amount they are used by the excessive number of people that have to crowd into these houses. This, therefore, puts pressure on those houses.

The next major factor is faulty construction and faulty work in the first place, accounting for 16 to 28 per cent of the problems according to a recent study. As part of the Fixing Houses for Better Health program, the functioning of housing in Alice Springs town camps was compared to the national and Territory averages. This revealed that, prior to further maintenance work being done—which I will go to in a minute—critical healthy living practices were better than the NT average on seven out of 10 measures and better than the national average on three measures—things like showers,
toilets, working kitchens, lights and safe power.

This made the point that the very limited amount of maintenance money that Tangentyere and the town camp housing associations have is very clearly prioritised to target the most important issues. After work done as part of the Fixing Houses for Better Health program, Tangentyere performed better than the NT average on nine out of 10 measures and exceeded the national average on eight out of 10 measures. This was despite the use of a relatively small amount of maintenance budget of $7,500 per house. For those who do not believe it, I have actually got the table here that shows those statistics. Anyone is more than welcome to come and get them from me. The minister and the government are now proposing to take control of these houses from Tangentyere and hand it over to the Northern Territory Housing Authority which, according to these figures, performs worse on maintaining critical healthy living standards on eight out of 10 measures. In other words, Tangentyere performs better than NT housing, which is who the government proposes to hand over control to.

The sticking point on negotiations between the government, Tangentyere and the town camps housing association has not been the 40-year leases. Despite their reservation about handing over their hard-won control of their land, they have agreed to sign up. The sticking point has not been about good tenancy management either. Tangentyere have agreed to institute tenancy management reforms and to adhere to gold standard community housing tenancy and asset management principles. They have agreed to contract to an independent organisation to undertake this reform, with a gradual hand-back of management to the proposed Central Australian Affordable Housing Company once it achieves governance milestones and passes accreditation hurdles.

The sticking point is the government’s insistence that control of all housing in the town camps be handed over to the Northern Territory Housing Authority, which has a bad record on delivering public housing to Aboriginal people and which is simply not trusted by town camp residents. In fact, I have heard of a number of cases of residents moving out of the town camps into public housing, only to return to the camps after falling foul of Territory housing and being evicted. The town camps have acted for many as the place of last resort. If Territory housing takes over and starts kicking people out, we can expect to see more families sleeping in creek beds or the long grass and we will be back to dealing with the same problems of fringe dwellers that led to the creation of the camps in the first place.

I have looked into the proposed model for the Central Australian Affordable Housing Company and spoken to community housing experts about it. It is a best practice model developed with one of Australia’s leading community housing experts. It exceeds the standards currently being set for community housing that is being developed in our cities, urban and regional centres under the NRAS, the National Rental Affordability Scheme. The government did the right thing in providing funding for Tangentyere to undertake the development of this model and establish the Central Australian Affordable Housing Company. We congratulate the government for that.

In the transition period, while the Central Australian Affordable Housing Company is set up and the government puts in place its own community housing accreditation scheme, Tangentyere has proposed to partner with and contract management from Australia’s largest, and arguably most reputable,
community housing company. The work that this organisation has done in East Timor is amazing and is truly world’s best practice in housing and community development. They have gone in and trained local people to build and maintain the houses and to establish and manage their own community housing organisations. Ninety-six per cent of their staff is now Timorese. We should aspire to reach at least the same standards within our remote communities as that which we have helped achieve overseas.

Over the last few years there has been a conscious shift away from the public housing model towards a greater mix of social housing. Not-for-profit community housing associations emerged very clearly as the shining light for the future of affordable housing across the nation. In particular, these organisations stood out in the recent Senate inquiry and are preferred providers for NRAS in most cases. The Senate inquiry into affordable housing last year also heard about the crisis facing public housing and state housing authorities brought about by a combination of long-term underinvestment and an increasing focus on providing priority housing for those in greatest need. This ultimately meant that rents or ongoing investment by state governments have not been meeting the cost of ongoing management and maintenance and stock has been deteriorating. In many states, as we know, it has been sold off.

The latest study of operating deficits in public housing by the Australian Housing and Urban Research Institute highlights the massive operating deficits experienced by most state public housing authorities. The Northern Territory Housing Authority, and, to a lesser extent, Tasmania, stand out as being the worst of the worst by a long way. The Australian Housing and Urban Research Institute proposed a new model to fix public housing that they said would work almost everywhere in Australia except in NT because they were so bad.

The minister has suggested the problem is that tenancy management practices of Tangentyere and the town camp housing associations are characterised by nepotism and favouritism and this is why they must take over and hand control to Territory housing. Where is the evidence of corruption? Where is the evidence that a public housing model will produce better health and housing outcomes for town camp residents? Where is the evidence that 40-year leases will produce, and are necessary to produce, better health and housing outcomes?

I am disturbed by the manner in which consent to 40-year leases has been tied to the delivery of essential services, with communities being clearly threatened that they will not receive essential housing services if they do not comply. To the Australian Greens, this is not resetting the relationship with Aboriginal people. This is not consultation or informed consent. It is a mantra proposed firstly by the previous government and taken up by the Labor government. I cannot see how it will be possible for the government to restore the operation of the Racial Discrimination Act in the NT and still continue with the compulsory acquisition of leases and the blanket application of compulsory welfare quarantining.

I have very recently been critical of aspects of the government’s Future directions for the Northern Territory emergency response discussion paper. This paper is meant to form the basis for consultation to ‘reset the relationship’, to establish a new way forward in the NT with Aboriginal communities and to provide the necessary support to reinstate the application of the Racial Discrimination Act—the RDA—in the NT.

However, it leaves out a critical piece of information on how laws that apply on the
basis of race can be deemed ‘special measures’ that are beneficial to the community on which they are imposed. Given that the Future directions discussion paper is meant to form the basis of community consultation necessary to continue the NTER, the Northern Territory Emergency Response, and implement its minor reforms, we believe it is disingenuous to leave out this important information. I cannot see how this could be an accidental oversight on this issue, as has been discussed at length in this chamber, particularly by me; in the NT review report; and by the Human Rights Commission in its submissions.

This is an important piece of information. For any of the Northern Territory restrictions, such as compulsory income quarantining or mandatory leases, to qualify as a special measure, the government must be able to show strong evidence that the communities involved believe the measures are beneficial and support them. The UN Convention on the Elimination of All Forms of Racial Discrimination, commonly called CERD, is very clear in this regard, as are the provisions of the Racial Discrimination Act. Special measures need to be positive measures that give additional rights or preferential treatment—so-called affirmative action—designed to achieve equality of outcomes. Where a special measure requires a community to waive one of its existing rights—a negative measure—it can only ever be a special measure with the support and informed consent of the group concerned. Negative measures can only ever be temporary. In addition to informed consent, they require periodic assessment against specific, measurable outcomes. Special measures must also be necessary and proportionate.

I cannot see how 40-year leases and compulsory acquisition are necessary for the delivery of essential housing services and improvements. There is no logical link or evidence base to justify compulsory acquisition. The government simply has not made this case. Australian case law is very clear on the need for informed consent. Justice Brennan’s findings in Gerhardy v Brown are very clear. He stated:

“Advancement” is not necessarily what the person who takes the measure regards as a benefit for the beneficiaries.

It—

… is not established by showing that the branch of government or the person who takes the measure does so for the purpose of conferring what it or he regards as a benefit for the group if the group does not seek or wish to have the benefit.

So the minister’s continued assertion that she believes these to be a beneficial measure is in fact irrelevant if that belief is not shared by town camp residents wanting decent housing or communities who do not want blanket income quarantining.

We believe it is extremely strange. There is a strange description of ‘special measures’ in the Future directions discussion paper, which is why the failure to clearly explain this in the discussion paper is, in fact, very disturbing. It would seem logical to assume that the intent of the discussion paper and the consultations associated with it is to provide a basis for arguing that the communities consulted support the minor reforms to the NTER for that purpose. However, if the communities are not explicitly told the purpose of this consultation and informed of their rights up front, this clearly does not qualify as informed consent. (Time expired)

Private Health Insurance

Senator HURLEY (South Australia) (1.26 pm)—In July 2008, the Senate Standing Committee on Economics, of which I am a member, undertook an inquiry into the government’s proposal to increase the Medicare levy surcharge thresholds. On completion of the inquiry, the committee recom-
mended that the bill be passed on the basis that it is inequitable that an ever larger number of low-income Australians be forced to pay the surcharge or purchase low-value fund policies. The committee found that there was unlikely to be a major impact on either private health insurance premiums or the public health system. While acknowledging that some Australians would indeed withdraw from private health insurance as a result of the legislation, the committee felt this would not occur in such as way as to cause significant harm to a robust, competitive private industry sector. The bill was then passed by the Senate in October last year with some amendments, resulting in the thresholds being modified to $70,000 for a single and $140,000 for a couple before the surcharge became payable. The thresholds had not been adjusted in over a decade, and the bill returned the proportion of taxpayers impacted to around the eight per cent that it was originally designed to capture.

The coalition were beside themselves when the measure was announced, determined to emphasise the irreversible damage they believed the legislation would cause to the private health insurance industry and the Australian health system generally. They invoked images of millions of Australians flocking from the private system to the public, massive waiting list increases and enormous premium rises leading to the ultimate downward spiral and eventual collapse of the private health sector.

Am I exaggerating? The introduction of the coalition’s dissenting report reads:

Even on the most conservative estimates, health fund membership would plummet and premiums would rise well over the trends of recent years – driving more people out of private health and starting the downward spiral left behind in the 1990s.

In a media release of October 2008, Senator Cormann refers approvingly to industry expert evidence saying that up to a million people would abandon private health insurance. In fact, during the inquiry this notion of a downward spiral was referred to no fewer than 23 times, 17 of these by Senator Cormann and another five in response to his specific questioning—but only once was it introduced by a witness.

So I am very pleased to speak today on the reality of private health insurance premiums and membership, nearly one year after the release of the economics committee report. Despite the doom-and-gloom prophecies of the coalition, in the December quarter of 2008 private health insurance membership grew by 54,000 people, and in the March 2009 quarter it grew by a further 45,000 people. This brought the total proportion of Australians covered by private hospital insurance to 44.6 per cent—in fact, the highest proportion of people covered for hospital treatment since December 2001. Whilst this is a significant but modest growth, in effect, it is worth noting that this was during a time of economic contraction and a shrinking of demand in the economy due to the global recession.

On 2 March this year, in the regular review of health insurance premiums, the minister announced that private health insurance premiums would increase by 6.02 per cent from 1 April 2009. Considering that back in July last year forecasts of five per cent increases without the impact of the threshold increase were estimated, this puts an end to the ridiculous assertions that premiums would skyrocket, forcing droves of Australians out of private health insurance. Indeed, in September last year, the Hon. Joe Hockey predicted that premiums would rise by 12 per cent as a result of the government’s changes to the Medicare levy surcharge. It was a scaremongering figure plucked from thin air that, clearly, has not occurred. Another thrust of the opposition’s unsubstantiated claims
was that public hospitals would be subjected to overwhelming increased pressure as a result of the changes. Conveniently, the government’s significant investment in the public hospital system was ignored. The majority committee report noted the government’s investment of $3.2 billion for the National Health and Hospitals Reform Plan, including $600 million to reduce elective surgery waiting lists. The last federal budget also provided $1 billion for immediate funding to relieve pressure on public hospitals.

As of 1 July 2008, all states and territories had received their total allocated funding and had agreed to the number of additional surgeries they would complete. At the Australian Health Ministers Conference on 5 December 2008, state and territory health ministers reported that all jurisdictions had already met or exceeded their targets for 2008. The national target of 25,278 surgeries to be completed in 2008 had already been exceeded by 10,000 patients—the total, as at the end of November 2008, being 35,388 surgeries completed. The Rudd government is delivering on its commitment to reduce waiting lists for elective surgeries and to relieve pressure on public hospitals. There is no evidence that the introduction of the MLS surcharge threshold changes have had a negative impact in this area.

Furthermore, the most recent budget measures deliver on the landmark $64 billion health care agreement with the states and territories to provide record levels of funding for public hospitals. This relieves pressure on emergency departments; provides a massive $1.3 billion health and hospital fund investment in cancer infrastructure, which is a part of a total $2 billion package focused on tackling the wide disparity in cancer treatment outcomes for cancer patients in rural and regional areas; provides a $1.5 billion investment to upgrade hospitals and clinical training infrastructure across Australia; and invests $430 million in state-of-the-art research and clinical training facilities.

Why am I dredging up this past debate? The emotive language engaged in by the opposition in relation to the MLS changes is worth reflecting on in view of the government’s recent proposed changes for fairer private health incentives. The opposition’s fear campaign is beginning again, oblivious to the total failure of their previous predictions. Senator Cormann said to the Canberra Times:

This policy measure will create a tsunami of demand for public hospitals.

The Hon. Joe Hockey said:

The decision of the government … appears to be a calamity for private health insurers in Australia.

He also that it will push the cost of private health insurance ‘through the roof’. With no recourse to industry data or empirical evidence, the opposition are resorting to an exaggerated and unsubstantiated scare campaign to attack the government’s budget announcement to means-test the private health insurance rebate. Senator Cormann’s website currently claims:

Labor hates private health insurance.

… … …

This … will be a direct hit on the family budget of at least 1.7 million Australians and indirectly will result in higher premiums for all Australians—including those on very low incomes—and put even greater pressure on our public hospitals.

In a radio interview on The World Today, he further claimed:

This is a budget measure which will push up the cost of premiums immediately as a direct result of scrapping the insurance rebate above a certain income level. It will push up the cost of premiums by 66.7 per cent …

Does that sound familiar? Once again, we see the opposition wheeling out a melodra-
matic scare campaign in the face of a lack of any factual evidence to back up their claims. Where could they get factual evidence? Perhaps they could get it at a committee of inquiry on the bill. But what did Senator Cormann do instead of coming to a committee hearing to listen to experts? He instigated a strike. The Senate Standing Committee on Economics had cancelled two days of hearings that had already been arranged and then put aside two others to deal with the private health insurance bills and two other smaller matters. We had a total of four days of possible hearings. In the end, only one of those days was used for private health insurance bills because the opposition suggested only two witnesses in addition to those suggested by the secretary. Those two witnesses were then put on the hearing program.

But then, when it came to that one day, after complaining that they did not have enough time to consider the bills, the coalition committee members did not turn up to those hearings, which deliberately deprived the committee of a quorum. Pulling that stunt meant that coalition members had expert witnesses waste their time preparing and making arrangements to come to the hearing. Professor Deeble was one of those who were thus inconvenienced. He had previously given important evidence to the earlier hearing and then his invaluable experience with the health system was discarded by coalition members. So arrogant are the coalition, they apparently think it is acceptable to impose on the time and expertise of people who are eminent in their field and then abruptly ignore them.

Fortunately, in the end, Senator Xenophon was able to come along to the afternoon, so it was not a total waste. Now the coalition members have come back to the Senate, where they have the numbers, and have referred it to another committee, the Senate Standing Committee on Community Affairs. I do not think they will get a much better reception of their scaremongering in that committee.

Sadly, it is not just in the policy area of health that we see this tactic being utilised. While the rest of the world is engaged in facing the greatest economic downturn since the Great Depression, the opposition try to dupe Australians to panic about a relatively small and much-needed budget deficit aimed at keeping people in jobs—a manageable deficit. They are seemingly oblivious that, since last year’s budget, taxation receipts have been revised down by about $210 billion over the forward estimates, representing around two-thirds of the write-down in our budget position.

And, whilst the rest of the world steps up action on climate change, the coalition range from those who make radical claims that the CPRS will utterly decimate the Australian economy to those who want to sit on their hands, wait and see what might happen in the rest of the world and just ignore the changes in Australia.

And we saw just yesterday that one of the measures that was introduced to assist Australia’s economy, the Australian Business Investment Partnership Bill, was voted down by the coalition, who would prefer to do nothing and let the markets drive the Australian economy down and force massive unemployment and massive disruption for many decades to come.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Troeth)—Order! I must ask coalition senators to restrain their interjections. Senator Hurley has the floor and she is entitled to be heard.

Senator HURLEY—It is true that, in our system, a robust and efficient opposition helps to hold the government of the day to account. However, unfortunately, now we are
confronted with either baseless fear campaigns or the no-policy approach of ‘Let’s wait and see’. That does not do any credit to the opposition and it does not assist in the proper governance of this country.

Men's Health Week

Senator BERNARDI (South Australia) (1.38 pm)—This week is Men’s Health Week, and I rise to talk about the important issue of men’s health. The focus of this week is preventative health measures for men and encouraging healthy behaviour in men. My interest in this area is longstanding and recently I was the Chair of the Senate Select Committee on Men’s Health, in which you were a participant, Madam Acting Deputy President Troeth. I thank you very much for your contribution and I thank all those who contributed and made one of the 137 submissions received or participated in one of the four hearings held in different states around Australia.

Men’s health is not simply about physical health, and the committee inquiry reflected this. We talked about not only the physical health of men but also the mental health of men, men’s attitudes towards their own health, and social and community attitudes. We looked at the utilisation and the availability of services. Some facts emerged which I would like to put on the record today. Average life expectancy at birth today is nearly five years less for men than it is for women. Male life expectancy declines from around 79 years, in urban areas, to 72 years in very remote areas. More than five men die every hour from conditions that are potentially preventable, including diabetes, high blood pressure, heart disease and prostate cancer. Men are four times more likely than women to commit suicide. In terms of the most common causes of death for men, the alarming statistic is that suicide ranks above melanoma and even land transport accidents. In 2005—the most recent statistics I have—male deaths exceeded female deaths in every single age group except the 85-plus age group, because there are not as many men as women living to 85-plus.

It emerged that men’s health is influenced by a range of factors, which include but are not limited to: risk-taking behaviours, substance abuse, alcohol abuse, family breakdown, socioeconomic status, social attitudes and the availability and utilisation of services. It is an even more alarming statistic when we consider Indigenous men’s health, because Indigenous men—and men living in regional areas—face enormous challenges in this area.

We need to know more about the factors that impact on men’s health before we can hope to address them adequately in an attempt to improve health outcomes for the entire male population. I would like to stress that it is a focus across the male population. It is not just about older men looking after their health because they are grandfathers or they are husbands; it is about young men looking after their health too, because an ounce of prevention—as the phrase goes—is worth a pound of cure.

Women in this country have had the benefit of a longitudinal study into women’s health. It started in 1995. It has made great inroads into treatment of women’s health issues. It is time that a similar longitudinal study was implemented for men, because it would make a similarly significant contribution over the longer term. This has been started, effectively. We could build on a study by Andrology Australia which could be the basis of a longitudinal study. I hope that the government, with the support of the coalition, will support the introduction of such a longitudinal study into men’s health.

There are some other, simpler things that we can also do. One of them is getting more
men to doctors and having physical check-ups. From the evidence that was given to the committee, we found that men are not distinctly opposed to going to a doctor—they are prepared to have their health checked and they are prepared to get medical advice—but they really need certain circumstances in which to do it. We found that they do not really like to wait around in a doctor’s waiting room but they are happy to speak to a doctor or get some medical advice in their workplace or in an environment where they feel very comfortable.

One of the suggestions of the committee—and I think it is an excellent one—is that there be a comprehensive annual men’s health check-up. We would like the government to consider a Medicare item for that, although I do not have any costings on it. The simple fact is that there are a number of early warning signs about men’s health. If we can just get men to go through this process, we will pick those up and, once again, the preventative cost will be far, far less than the curative cost. There could be, for example, checks of blood pressure, cholesterol, blood sugar levels and liver function as well as prostate examinations or PSA tests if required.

A significant number of men do have contact with their doctors, but we found that a lot of the contact is not long enough to go through the entire range of procedures or consultations that men sometimes require. Anyone who is in a longstanding relationship with a man will understand that it sometimes takes a little bit of time to draw information out of us. Doctors experience just the same issues, because men sometimes take a while to get around to the point of their visit. This is the sort of thing that we heard, and we need to make this process as flexible and considered as it possibly can be for men.

One of the alarming statistics in Australian men’s health today is the prostate cancer figures. Prostate cancer is the most commonly diagnosed cancer in Australia. It actually accounts for 4.4 per cent of total deaths in men. It is worth noting that breast cancer, another significant cancer, particularly for women, accounts for 4.3 per cent of deaths for women, so they are comparable. Great inroads have been made in regard to research into the causes of breast cancer and also the treatment of breast cancer, but right now the same level of application has probably not been applied to the causes and treatment of prostate cancer. It is estimated that the rate of prostate cancer will rise by over 900 cases a year due in part to our ageing population but also because there is, I guess, earlier diagnosis in many instances. The statistics alone are very alarming and concerning and are reason enough to request further resources for prostate cancer research as well as further treatment and support services.

In the research area there is the Australian Prostate Cancer BioResource, which is the main prostate tissue collection service in Australia. This tissue collection is absolutely vital for ongoing research into prostate cancer. It enables researchers to gain a better understanding of the cancer, thereby paving the way for treatments and a possible cure. But the BioResource, like all medical research, requires significant amounts of funding to do the work that it has been doing over the past years. Certainly I would support the government in identifying and supplying additional funding and continuing funding for this important work.

The other part of prostate cancer is that it was brought to our attention that once it is diagnosed there are any number of treatment options. I would say there are seven main ones. Of the seven treatment options, do nothing is one and have radical prostate surgery is another. They are at different ends of
the spectrum. Frankly, men do not get that much advice about which one is the most appropriate or the best one for them. This is part of the research that needs to be done, because prostate cancer is very different. Just last night on television I saw a new treatment using sound which is having some success in treating prostate cancer in England, and I certainly hope that further advances will be made in that regard. By spending a bit of money now on research and potential cures and treatment of prostate cancer, and identifying the most appropriate of the current treatments for men suffering from prostate cancer, we will save lives, and by saving lives we protect our community, we protect our families and we protect our fathers and our husbands, our sons and our grandfathers.

There are a couple of other issues that I will draw to the attention of the Senate in regard to men’s health. They relate specifically to remote and regional areas. Quite often the access to services is not available there. There are sometimes concerns about issues to do with privacy in a small country town with everyone knowing everyone else’s business, so they are very concerned about going to a local doctor with any particular illness because they feel that somehow other people will find out about it. One of the great successes that has taken place is where we have had nurse practitioners or specialist men’s health nurses go out and visit a community and have confidential talks on a regular basis with individuals. Because they are a part of the community—because of the regularity of their visits—but they are not resident within the community, there seems to be an opportunity for men to open up a little bit more and to access a more comprehensive health service, or just to explore some of the issues and feelings that they have which will benefit them and their communities over the long run.

But of course illness is not confined to physical maladies, and mental illness in men is a very significant issue. I mentioned earlier that men are four times more likely to commit suicide than women. It is an alarming statistic and is one that needs to be addressed. There are many organisations doing excellent work in the treatment of mental illnesses, such as depression, which increase the risk of suicide. One of the amazing things that came up is a dark triangle, I would guess, which is depression, alcohol abuse and other substance abuse. What leads to what is the sixty-four dollar question, quite frankly. If you are depressed, are you more likely to consume significant amounts of alcohol or other drugs; or because you are consuming significant amounts of alcohol or other substances, does that lead to depression? I do not know the answer to that. I am not sure anyone really does and I am not sure it is that important. What is important is that men can identify in other men, in their friends and colleagues, and in themselves that there are some problems starting to develop either in their physical behaviour or in their emotional wellbeing. Importantly, once it is identified they can get some appropriate treatment for it. Over 70 per cent of men with a mental disorder do not access mental health services. They think, ‘It’ll be right, mate,’ and they go through a very informal process. Unfortunately often the process does not work for them and the result is a much higher suicide rate or injury rate for men.

Some of the benefits that are seen are in small, non-bureaucratic, non-government structures like the Men’s Sheds movement, where men can go along and engage in a hobby and whilst they are doing it they are opening up to other men and talking about things that are important to them. Some of the people there who have experience in the issues that men feel uncomfortable about can
offer advice and solicit support for them. This is a very important movement. It is an informal movement, and how we support it and encourage it without bureaucratising it I think is a great challenge for government, because in this instance government is more the problem than the solution. But government can play a big part in the solution by providing adequate support and adequate funding for it.

All of this is dealing with men in later life. One of the great challenges for all of us as members of the Senate and members of parliament is to change the country, and the greatest way to change the country is to influence the behaviour of our children, because they are the generation that will be making decisions. I see a number of children up there in the gallery. They are going to change this country for the better, and we need to instil good habits in them. We have done it in many ways. We have already talked to them about being sun aware so we reduce the incidence of melanoma and things of that nature.

What we also need to do is engage young boys and girls and teenagers in preventative measures. We need to explain to them and show them that there is a real benefit for them later in life in moderating their risk, looking after themselves and seeking appropriate treatment as it comes along. The committee found that this view was widely supported across the community. It is not just about looking after people when they have a problem; it is about instilling self-awareness so that if people are having mental health or physical health issues they know how to respond to them and to treat them.

In conclusion, men’s health is a serious issue—it is serious for men, it is serious for our nation, it is serious for our communities and it is serious for our families. It is not one of those areas where we can say, ‘She’ll be right, mate’—or ‘He’ll be right, mate’. I should say—because, in the end, we need to change behaviours. We need to enhance good behaviours, and we can do that in any number of ways, a few of which I have outlined here today. I sincerely hope that men’s health will not be just something we are concerned about a couple of times a year, for ‘Movember’ and Men’s Health Week. It is something that needs a whole-of-government approach; it needs a national approach and it needs an all-encompassing view—physical, mental, social and societal. They are the sorts of things we should be looking at. I hope that the committee’s report will play a small role in this. I know it is something that many senators are very interested in. I thank the Senate for its time.

**Private Health Insurance**

**Senator PARRY** (Tasmania) (1.53 pm)— I rise to speak briefly in response to the matters raised by Senator Hurley in this chamber earlier today. I want to place on the record some facts that Senator Hurley did not place on the record. First, the government was advised that coalition senators would most likely not be attending the particular Senate inquiry that Senator Hurley referred to, conducted by the Senate Standing Committee on Economics. Second, the government was advised through a formal process of the Selection of Bills Committee, and also the government was advised directly, via the chairman and the secretary of the committee through verbal representations the week before the committee was held. So it was no surprise that opposition members were not going to attend this particular committee inquiry. The inquiry was a sham; there is no doubt about that. Unlike what Senator Hurley indicated to the chamber a while ago, the Senate as a whole decided to send the matter to the Senate Standing Committee on Community Affairs with a reporting date of 5 August to give the Senate and the committee
ample time to examine the issues, to examine the evidence and come back to the Senate with findings in the form of a report.

It is important when senators do make statements in relation to committee inquiries and activities within committees that all the facts are placed on the table of the chamber, and not just selective facts such as those that Senator Hurley decided to impart today. By adding these comments I hope that the public are more informed, and also that Senator Hurley understands that these matters will not go unchallenged when they are raised. This coalition has been very determined to get the full facts into the public arena, to a proper, full inquiry by the right committee that represents the right portfolio area, and that committee can report back to the Senate in due course.

Private Health Insurance

Senator CORMANN (Western Australia) (1.56 pm)—I would like to add to the comments made by the Manager of Opposition Business and comment on the statements made by Senator Hurley a little earlier. It is quite unbelievable that government senators would bring this matter up again. They should hang their heads in shame. They did try to quite inappropriately rush an inquiry into a broken promise on private health insurance rebates. We understand on this side why the government wants to avoid scrutiny into a broken promise; we understand why the government wants to rush it. They are very sensitive on that side about this because they know they are wrong. Here they are, with a broken promise that will push up the cost of private health insurance for at least 2.3 million Australians by between 14.3 and 66.7 per cent. Senator Hurley was trying to say that this was wrong. But she knew it was not wrong. She was so keen to rush to a quick inquiry before the relevant Hansards were even available from Senate estimates; she was so keen to rush to an inquiry even before the Treasury evidence and the health department evidence were available. She would not have had a chance to review what Treasury had said in evidence at estimates. It was Treasury who said that the cost of health insurance would go up by up to 66.7 per cent for those Australians as a direct result of the Rudd government’s broken promise on private health insurance rebates.

That is only one issue. There are many other issues. Health and Treasury also made it very clear that they still expected about half a million fewer Australians to be in private health insurance as a result of last year’s measure on Medicare levy surcharge thresholds. There is going to be a huge impact on our public hospital system; it is going to be terrible news for the health system. It is something that deserves a proper inquiry by the Senate, and it is a proper inquiry that this government was trying to avoid. They were tricky; they were trying to go through a rushed process before any of the stakeholders had a proper opportunity to prepare themselves, to put proper submissions forward. They were trying to get this thing out of the way before the Senate had an opportunity to express a view. I am stunned that government senators would even bring this up again, because they had the good sense earlier in the week to roll over and not resist the reference by the Senate to a proper inquiry before the Senate Standing Committee on Community Affairs, where all of these issues could be fleshed out in great detail. This is a government that is trying to avoid scrutiny of the disastrous impact that its bro-

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ken promise on private health insurance rebates will have on our health system.

QUESTIONS WITHOUT NOTICE

Employment

Senator FIFIELD (2.00 pm)—My question is to the Minister for Employment Participation, Senator Arbib. As the minister was made aware yesterday that 47 per cent of job seekers will be changing their case-workers and providers on 1 July, can the minister advise the Senate on how many existing sites will be closing on 30 June and how many new sites will be opening on 1 July?

Senator ARBIB—Part of this question was asked yesterday, and I do have a response. For job seekers, the paramount consideration in the transition is to connect smoothly to the provider. Senator Fifield knows that. Those providers are going to be helping to assist them in the new and enhanced services. The level of job seeker disruption is expected to be lower than for comparable transitions in the past, such as at the time of the introduction of the current Job Network contract in 2003. In that round 82 per cent of job seekers required a new or changed provider compared to the 47 per cent that Senator Fifield raised yesterday. In 1998, when the job services turned over, 100 per cent of jobseekers required a new provider. Imagine the chaos then.

Job seeker transition arrangements include allowing job seekers to remain with their current provider where possible or offering them an alternative provider in their local area. In this transition it is estimated that around 48 per cent of job seekers require a new or changed provider. Current personal support program providers will have been asked to organise an introductory meeting with the current participants and their future Job Services Australia providers. More job seekers have the opportunity to be assisted—

Senator Fifield—Mr President, I rise on a point of order on relevance. The question was very specific. It asked: how many sites will close on 30 June and how many new sites will open on 1 July? Senator Arbib has not remotely touched on the specific question.

Senator Ludwig—Mr President, on the point of order: in this instance, unless I am mistaken—and I am always open to correction—Senator Arbib was answering the question both in terms of the substantive matter and the percentage of the offices that are opening and closing, as I recall his contribution. If it was not in the exact form that those opposite want it to be in, I am sure they can do the sums later on the issue and read the Hansard accordingly. But, in terms of being relevant to the question, Senator Arbib was dealing with the specifics and was in fact referring to what the question asked, which was in the area of those offices that are opening and closing, and he was providing percentages in relation to the broader population of the job services network itself.

Senator Fifield—Mr President, on the point of order, Senator Arbib is merely giving the Senate the information that we gave him yesterday in our question.

The PRESIDENT—Senator Arbib, I draw your attention to the fact that you have 24 seconds left to answer the primary question, and I draw your attention to the question.

Senator ARBIB—As I said yesterday, the old system had seven programs, seven doors that a job seeker had to go through. Now there is going to be one. I was coming to the exact point of Senator Fifield’s question. Under the new Job Services Australia, there will be access to around 2,000 sites Australia-wide, at least 200 more than is currently available. (Time expired)
Senator FIFIELD—Mr President, I ask a supplementary question. My supplementary may give Senator Arbib the chance to answer the first question. Minister, could you please advise the Senate how many sites will close on 30 June and how many sites will open on 1 July? Also, when will the new sites which are opening on 1 July be fully operational?

Senator ARBIB—I think I have answered that question. I will just say this again: there will be 2,000 sites Australia-wide. That is at least 200 more than under the current system through the 196 providers. We on this side of the chamber are happy to talk about jobs all day. We will talk about them all day because there is a big difference between what we are doing—supporting and protecting jobs—and what they are recommending on the other side in their economic prescription: ‘do nothing’.

Job Services Australia is one of the biggest reforms this government has put in place, because it is not just dealing with unemployment; it is dealing with long-term unemployment. That is something that this side of the chamber cares about, unlike the conveyor belt system that the other side—

Opposition senators interjecting—

The PRESIDENT—Order! When there is silence, we will proceed.

Senator ARBIB—The other side of the chamber really only cared about one job, which was the leader’s job. (Time expired)

Senator FIFIELD—Mr President, I ask a further supplementary question. I can only assume the minister does not know the answer to the question of how many sites will close on 30 June, so he might take that on notice. Again, the minister might be so kind as to advise the Senate how many sites will be fully operational on 1 July. Also, can the minister advise the Senate, given the large number of existing providers that are closing their sites and the large number of new providers that are opening new sites, whether he seriously believes that Job Services Australia will be fully operational on 1 July, and can he give that guarantee? Isn’t it a fact that the Labor government has completely bungled employment services, leaving thousands of unemployed Australians in the lurch?

Senator ARBIB—I have already answered the large part of that question, but I have also been advised by the department that all sites will be operating from 1 July so that just goes further to answering your questions.

Senator Fifield interjecting—

Senator ARBIB—Senator Fifield, please wait for this answer. The old system was a conveyor belt. I told you yesterday that I was down in Melbourne talking to the workers who had actually been mentoring the long-term unemployed. And what did they say about the old system? They said it was a conveyor belt with no real pathway into employment—it was just training for training’s sake. This government is about proper reform. Senator Fifield is right: this is a large transition—and it is going to be bumpy along the way. All transitions are when something is this big. Already 700,000 letters have gone out to fully eligible job seekers. We are contacting a large number of jobseekers who were involved in these—

Senator Fifield—Mr President, I rise on a point of order going once again to relevance. My question was specific: can the minister guarantee that all sites will be fully operational on 1 July—I am not just talking about them having their doors open; I am talking about being fully operational.

Senator Chris Evans—Mr President, on that point of order, I think Senator Fifield has completely missed the point. He got to speak twice on one point of order earlier. But I think to call a point of order with one second
to go, even for him, actually indicates that he has lost the plot.

Senator Fiffield—Mr President, on that point of order, I got to my feet with 15 seconds to go. I cannot account for when I received the call.

Senator Abetz—Mr President, I rise on the point of order. Can I simply indicate to you that one second would be more than long enough for the minister to say ‘no’.

Senator Chris Evans—Mr President, I rise for the second time on Senator Fifield’s point of order and would draw your attention to the fact that, as I understand it, we cannot all speak twice on the same point of order—but today we seem to be able to. Perhaps you can clarify that, as Senator Fifield twice has had two goes.

The PRESIDENT—Senator Arbib, I draw your attention to the fact that there is one second remaining to answer the question.


Building the Education Revolution Program

Senator BILYK — My question is to the Minister for Innovation, Industry, Science and Research representing the Minister for Education, Senator Carr. Can the minister explain to the Senate the economic and educational benefits of the government’s investments in school infrastructure? What level of interest have Australian schools shown in Building the Education Revolution? Can the minister also update the Senate on how many schools and projects have been assisted to date and what further support will be available from the program.

Senator CARR— I thank Senator Bilyk for that question. Some 70 per cent of the government’s stimulus spending since October has gone to infrastructure. All of the government’s infrastructure investments in the short to medium term of course will support jobs and business activity. They will also build enduring assets, which will continue to deliver benefits to the Australian community into the future. The $14.7 billion Building the Education Revolution initiative is a great example of that. Australian parents and educators recognise the urgent need for improved school facilities even if those opposite do not. This program is providing new facilities and refurbishments that will help equip each and every Australian school to meet the demands of the 21st century.

To date, Building the Education Revolution has funded over 20,000 infrastructure projects valued at more than $10.45 billion. Over 5,000 schools received funding for nearly 7,000 projects in the first two rounds of the Primary Schools for the 21st Century program. More than 9,000 schools received funding for over 1,300 projects from the National School Pride program. I think we are entitled to know how many of these projects the opposition supports. The demand for this program from Australian school communities, from both the government and the private sectors and from both primary and secondary schools in every state and territory, has been overwhelming. We still have the Science and Language Centres for 21st Century Secondary Schools program to come.

Senator BILYK — Mr President, I ask a supplementary question. Can the minister explain to the Senate how the guidelines for Building the Education Revolution are delivering the government’s objectives? In particular, what safeguards are in place to ensure that taxpayers get value for money? What rules have been established to ensure that design and building practices give sufficient weight to the principle of sustainability and that they produce facilities appropriate to the needs of the school in question? How is the government ensuring that funds are prop-
erly targeted and how is it controlling the cost of administration?

Senator CARR—The guidelines are stringent and they are clear. As the Deputy Prime Minister has shown, media hysteria about funding going to schools facing the axe has no basis in fact. The guidelines make it clear that no school planned for closure will receive funding and that the funding due to schools planned for amalgamation will be used for the new school. They impose strict obligations on state and territory governments and other block grant authorities, including an obligation to achieve value for money. They provide for close monitoring of project management costs. They require all new buildings and refurbishments to reflect sustainable building principles wherever possible and they provide for the flexible use of design templates to reduce costs and accelerate the rollout. Yet we are still here to hear from the opposition on the question: do they support these projects?

Senator BILYK—Mr President, I ask a further supplementary question. Can the minister inform the Senate what impact the various components of Building the Education Revolution are likely to have on local employment opportunities? What impact is the practice of bundling projects to speed work up and reduce costs—a practice adopted by some state and territory governments—likely to have on the distribution of employment opportunities?

Senator CARR—The government’s economic stimulus plan is designed to create jobs across the country. We expect all projects to achieve value for money, including using local contractors and tradespeople, with priority given to those who are willing to employ apprentices and trainees. It does not matter where the head contractor is based. What matters is where the work is actually done. Investments from Building the Education Revolution are designed to support as many jobs in as many communities and as quickly as possible. The suggestions from those opposite about how the program might work better are sheer hypocrisy. They did not want it to happen at all. They still do not support this project. This is a historic program. It is meeting the urgent needs of school communities right across Australia. You would have expected the opposition to support this, but all we have heard is their opposition coming through.

Employment

Senator BERNARDI (2.16 pm)—My question is to the Minister for Employment Participation, Senator Arbib. Can the minister explain what weighting was given to past performance in the government’s $4.9 billion tender for the purchasing of employment services and how this was measured? Further, was any consideration given to departmental star ratings, a measure given to determine performance?

Senator ARBIB—I thank Senator Bernardi for taking an interest in jobs. He has been interested in one person’s job, which is the Leader of the Opposition’s, but it is good to see—

The PRESIDENT—Just address the question, Senator.

Senator ARBIB—I say to Senator Bernardi: yes, the star ratings were taken into consideration in relation to the weighting. At the same time as that, the model has been constructed by the department and they have done the work in relation to the tender, in consultation with the industry, with the sector and of course with NESA.

Honourable senators interjecting—

The PRESIDENT—Order! If there is going to be constant interjection we will call question time to a halt until we get silence so

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the senator can answer the question in silence.

Senator ARBIB—Thank you, Mr President. Eighty-five per cent of successful providers were ranked at 3.5 stars or above in the area of expertise, which is a far preferable position to that of the previous government, which, by rolling over 95 per cent of the business in 2006, allowed job seekers to languish with some providers whose performance was well below par. I am confident that the job the department has done in relation to the structuring of the system, of Job Services Australia, and also in relation to the weighting of the tender has been done properly and correctly. In the end, it will be in the interests of the job seekers, because that is what Job Services Australia is about—actually putting the interests of job seekers first, especially job seekers who come from a disadvantaged background and have been long-term unemployed.

It is not just that that we are doing, Senator Bernardi; we also have the Innovation Fund. There is $41 million for looking at innovative ideas to create jobs. We have the Jobs Fund. I have to say thank you to the Greens, Senator Fielding and also Senator Xenophon for ensuring that that Jobs Fund passed through the Senate. That will mean real work and real employment, not training for—(Time expired)

Senator BERNARDI—Mr President, I ask a supplementary question. In giving his answer, he did acknowledge that star ratings were taken into account. So I ask the Minister for Employment Participation: how can he explain why Mission Australia will be forced to close their employment services site in Port Augusta, which was most recently rated as 4½ stars out of five?

Senator ARBIB—Senator Bernardi, this was a competitive tender process. I think you may forget this on the other side of the chamber, but it was actually based on the model that you put in place yourselves—a competitive model that you put in place while you were in government. So you may want to consider that. The tender and the tender documents were all done at arm’s length from the minister by the department. Star ratings were taken into account, and I will reiterate that, but again it was done by the department, not by the minister and certainly not by the government. We think we have the balance right. This will provide a personalised service for job seekers. On top of that, just remember that through the Jobs and Training Compact people who are made redundant will now have immediate access to Job Services Australia, which was not the case under the coalition. (Time expired)

Senator BERNARDI—Mr President, I ask a further supplementary question. Despite the rhetoric, it is clear that the government has failed to reward and measure past performance and, as a result, organisations such as Mercy Employment, which recently received a four-star rating for their site in Fremantle, will also be forced to close on 30 June. The question is: when will the minister and the Rudd Labor government concede they have completely bungled the $4.9 billion contract for the purchasing of employment services, leaving thousands of unemployed Australians in the lurch?

Senator ARBIB—Senator Bernardi is right: this was a competitive process, and obviously there are some organisations that unfortunately have missed out. That is what happens in a competitive process and it is unfortunate. Many of these organisations are community organisations, and that is also unfortunate. But can I just make these points. The government has put in place an Agency Adjustment Fund to help those community organisations that have missed out. To our knowledge, something like $100,000 is go-
ing to many of those organisations that have missed out, to assist them to make a transition and to assist them to move into other areas. At the same time as that, many of these organisations are applying for funding from the Innovation Fund. They are also applying under the Jobs Fund for actual programs. So, while they may have missed out on Job Services Australia, they may actually get work under other areas or may subcontract. *(Time expired)*

**Water**

**Senator LUDLAM** *(2.22 pm)*—My question is to the Minister for Climate Change and Water, Senator Wong. I refer to the rapid push by the mining industry into prime agricultural land in New South Wales and Queensland for the purpose of exploration for minerals. My question today relates in particular to farming communities in the Liverpool Plains region of New South Wales. Given recent exposures of BHP’s exploration and drilling practices in this region, which have been determined to be unsuitable for minerals deposits interspersed with an aquifer structure, my question is: how does the minister intend to protect these groundwater resources that form part of the upper Murray-Darling catchment system, particularly given that the New South Wales government has failed to match the federal government’s 10 per cent down payment for the water study?

**Senator WONG**—I thank Senator Ludlam for the question. This is an issue that was raised I think in the context of discussion on the water bill last year. Obviously the government is aware of the importance of groundwater resources for a range of reasons, including Australia’s agricultural production. We are also aware, and I am personally aware, of concerns amongst the community that potential mining developments may impact on groundwater resources. Obviously, the regulation of mining activities per se, including impacts on groundwater, is the responsibility of state governments. However, as you reference, the Commonwealth has announced a contribution of up to $1½ million, being a one-third contribution towards a joint study to provide scientific information on the surface water and groundwater resources specifically in the Namoi catchment. As I previously outlined when I announced the funding, the study is intended to advance the understanding of the quantity and quality of these water resources, benefiting community awareness and informing decision making by all governments and stakeholders.

In addition, the government has, through the National Water Commission, funded a multijurisdictional study on the potential local and cumulative impacts of mining on groundwater resources. This study, which is separate to the study I referenced earlier, will develop national tools and methodologies to understand and manage the potential impacts of mining on water resources. As I am sure the senator is aware, mining proposals within the Murray-Darling Basin or elsewhere are state government responsibilities. The Australian government is of the view that, before such proposals with potential to impact on water resources are approved, they should be properly assessed, including in relation to their potential impact on third parties.

**Senator LUDLAM**—Mr President, I thank the minister for her answer and I ask a supplementary question. Minister, you addressed the fact that potential mining activities could have impacts on the environment, on arable land and particularly on water resources. My question went to the fact that current exploration practices are actively damaging these water resources, so the issue of mining down the track is one thing; the issue of exploration occurring right now is in fact the harming the water resources of the region. So I ask whether the study that you
refer to—the one that the federal government has put a down payment on—has actually commenced and whether it is assessing the current damage being caused by existing exploration practices. Will the minister ensure that there will be no damage to the water resources of this region due to current exploration practices?

Senator WONG—As I outlined to Senator Ludlam before—and I appreciate he has a strong view about these issues, as do a number of senators in the chamber—the issue of the granting of exploration licences is a matter for state governments. It is reasonable for the Commonwealth to assist in trying to develop better methodology and better information on how to assess the impact on groundwater, because this is an area where I think it has to be said that more work should have been done previously. In relation to the $1½ million contribution, as yet I do not believe that has commenced. I have corresponded with my counterpart in New South Wales in relation to New South Wales funding of this matter and I am awaiting confirmation of those arrangements. In relation to the issue of exploration licences, I have not been advised of any particular issue in relation to exploration licences at this point, but again I mention that that is obviously a state government matter. (Time expired)

Senator LUDLAM—Mr President, I ask a further supplementary question. Thank you again, Minister, for the answer to the supplementary question. My further supplementary question effectively is whether or not the minister will call for an immediate halt to minerals exploration in the Liverpool Plains region, using the corporations power or such other instrument as is available to the Commonwealth, until such time as safe practice for those water resources can be established and validated. The reason for this question effectively is that these matters were heard in the New South Wales Mining Warden’s court and it was established that the drilling practices are establishing connectivity between the different aquifers that are present beneath the Liverpool Plains and actively damaging these water resources at the present time.

Senator WONG—Essentially, I think the tenor of Senator Ludlam’s question is: will the Commonwealth override and take control of all mining operations in Australia via the corporations power? That is essentially the tenor of the question. That is not the case. We have put forward funding to support much improved—we hope—methodology and much improved information about the impact on groundwater. I have answered the question in relation to exploration licences and I have also referred to the fact that obviously exploration licences are fundamentally a state responsibility. We do have a view about the importance of state governments ensuring that these issues are properly assessed. I have said that publicly. I have said that in this place and I have said that in the context of the debate in this place on the water bill, and for that reason we have also put money on the table to enable that kind of study to proceed.

Building the Education Revolution Program

Senator MASON (2.28 pm)—My question is to the Minister Assisting the Prime Minister on Government Service Delivery, Senator Arbib. Further to the question taken by the minister yesterday from Senator Marshall, can the minister explain why Mulgildie State School, west of Bundaberg, in my home state of Queensland, received $250,000 under Building the Education Revolution specifically to build a basic 60-square-metre shed, having previously received a $29,000 quote from a local builder for a similar structure?

Senator ARBIB—Thank you for your question, Senator Mason. Before I answer...
the question, I am sure that Senator Mason would be happy to know that under Building the Education Revolution the federal government is spending $2.1 billion on 1,722 schools and 5,360 projects in Queensland. I am sure he would be happy to know that. I am happy to look into the issue that Senator Mason has raised. I also want to check the accuracy of the issue because I have been following the debate in the other place and a number of the issues that have been raised in there by the shadow minister for education have been proven outside question time to be 100 per cent incorrect. So, Senator Mason, I am very happy to have a look at the instance for you and come back to you with that, but I just want to make sure. We do want to get it right.

The PRESIDENT—Order! Address your comments to the chair, Senator Arbib.

Senator ARBIB—Thank you, Mr President. I am also happy to talk about Building the Education Revolution because it is something that I am deeply proud of and deeply passionate about.

Opposition senators interjecting—

Senator ARBIB—They might find that a bit surprising. Right now we are upgrading schools across the country. Every school in the country is getting between $50,000—

Opposition senators interjecting—

Senator ARBIB—The Leader of the Opposition in the Senate can shake his head but it is true—there is between $50,000 and $200,000 for every school across the country. It is funding that will fix their pipes and that will fix carpet. I was in Wodonga and I caught up with one of the local school principals there—I think it was Wodonga West. The floor of the kinder classroom had been eaten by—(Time expired)

Senator MASON—Mr President, I ask a supplementary question. Can the minister assure the Senate that schools and taxpayers are getting the best value for money for projects approved by the government under Building the Education Revolution? Are the most competitive tenders being chosen for each individual school project?

Senator ARBIB—The tender process is going through the state governments—that is correct. In terms of procurement, state governments are responsible for that. But can I tell you—

Opposition senators interjecting—

The PRESIDENT—Order!

Senator Faulkner—Mr President, I rise on a point of order.

The PRESIDENT—I was waiting for silence, Senator Faulkner.

Senator Faulkner—This is just a very brief point of order, Mr President. I wondered if you had heard any interjections from the opposition side of the chamber.

The PRESIDENT—No, I did not, Senator Faulkner. I am waiting for silence, and then Senator Arbib can proceed.

Senator ARBIB—Thank you, Mr President. I will pass on the comments about state governments to the Western Australian government. I am sure they will be very interested in hearing how you view their competency. There is a procurement process in place. There is direct employment and there is also indirect employment that is coming out of this stimulus. On the direct side, there are 35,000 individual projects across the country. What is that going to mean? It is going to mean work for tradespeople, work for contractors, work for carpenters and work for electricians. That is the action that the government is taking during the global recession. What are the indirect consequences? Suppliers will get a benefit out of this. Department stores—

Opposition senators interjecting—
Senator ARBIB—And they like the photo opportunities, the Liberals. The thumbs-up from a Liberal MP—(Time expired)

Senator MASON—Mr President, I ask a further supplementary question. Can the government then guarantee that buildings are being built in accordance with the industry rate for similar structures for each individual project?

Senator ARBIB—In terms of the Building the Education Revolution guidelines—and there are some pretty stringent guidelines—there is a template put in place that ensures that all requirements are met. Can I just say, though, that the question—

Opposition senators interjecting—

The PRESIDENT—Order! The time for debating this question is post question time. I understand that some people get excited from time to time, but the person answering the question, and also the person asking the question, is entitled to be heard in silence. I have said that on a number of occasions this week.

Senator ARBIB—This question and the antics that have been going on in the other place just show how out of touch the Liberal Party are with average Australians. I have not been to one school where they have not been absolutely thankful for what the government is providing. Let me tell you why they are thankful. They are thankful because under the previous government—

Opposition senators interjecting—

Senator ARBIB—They do not want to hear this. Under the previous government, guess what? Funding to education went backwards by five per cent. They cut funding in education. We were the only developed country where education investment went backwards. That was your commitment to schools. That was your commitment to universities. The government is undertaking this funding because of the neglect of the previous government. (Time expired)

Climate Change

Senator CROSSIN (2.36 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. Given the strong interest across the community in action on climate change, can the minister advise the Senate on which action is being proposed to tackle climate change? Could I also ask the minister to outline to the Senate how the Australian government came to the view that emissions trading is the best way for Australia to reduce the carbon pollution that is causing climate change? Can the minister also advise the Senate on when the Australian government came to the view that emissions trading was the best way for Australia to reduce the carbon pollution that is causing climate change?

Senator WONG—Thank you again to Senator Crossin for yet another question on climate change and for her continued interest in this important issue. Senators would be aware that for most of their 11 years in office the Howard government denied that climate change was happening. But senators will probably remember that at the eleventh hour before the 2007 election John Howard had a late conversion. He said in February of that year, ‘There can be no argument that greenhouse gases are having an adverse impact on the Earth’s environment.’ Subsequently, that government commissioned the Shergold report, which recommended the commencement of emissions trading in 2011 or 2012, come what may—in the words of the now Leader of the Opposition. That report was endorsed and it became government policy.

Even more interestingly, if you look at this document I am holding—and those of us who ran in the last election might remember this light blue coalition government policy document for the 2007 election—and if you
One of the commitments of the Liberal Party and the National Party was to introduce:

- the world’s most comprehensive emissions trading scheme

Senator Wong—Oh! No-one told Senator Cash she was elected with a mandate to implement emissions trading. No-one told that to Senator Bernardi or Senator Minchin. Those opposite were elected with a mandate to—

Honourable senators interjecting—

Senator Wong—As I said, those opposite, whether it be Senators Cash or Bernardi or anyone else on that side of the chamber, were actually elected with a mandate to implement emissions trading. I wonder how many of those actually went and looked at the policy. (Time expired)

Senator Crossin—Mr President, I ask a supplementary question. I note there has been some concern about Australia’s action in relation to the rest of the world on this issue. Given this concern, I ask: can the minister advise the Senate whether Australia is in fact leading the world in action on climate change? Given this concern, can the minister explain what government policy has been on waiting for a global response since 2007? Isn’t it in fact the case that government policy since 2007 has been not to wait until a final global agreement has been achieved? Isn’t it in fact the case that it has been the Australian government’s view since 2007 that investment in Australia was being threatened by a lack of certainty on a carbon price signal?

Senator Wong—Senator Crossin is correct. The reality is that even John Howard endorsed moving on emissions trading before a truly global response emerged. I would invite those opposite to read the Shergold report, adopted and endorsed by their government, which said that waiting until a truly global response emerges before imposing an emissions cap will place costs on Australia by increasing business uncertainty and delaying or losing investment. To be fair to the rest of the coalition, I did want to make sure that Senators Joyce et al were aware that this was a coalition policy. In fact, there is a picture of a bloke called Mark Vaile on the front of the document as well.

Honourable senators interjecting—

The President—Order! On both sides there should be order.

Senator Wong—As I said, those opposite, whether it be Senators Cash or Bernardi or anyone else on that side of the chamber, were actually elected with a mandate to implement emissions trading. I wonder how many of those actually went and looked at the policy. (Time expired)

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Senator Wong—As I said, those opposite, whether it be Senators Cash or Bernardi or anyone else on that side of the chamber, were actually elected with a mandate to implement emissions trading. I wonder how many of those actually went and looked at the policy. (Time expired)
Senator CROSSIN—Mr President, I ask a further supplementary question. I note the minister’s diligent research in relation to this matter and the position of government policy since 2007. Of course, I note she has just reaffirmed that it has in fact been government policy to tackle climate change using emissions trading since before the 2007 election. I note there was no requirement for action on climate change to wait until the Copenhagen conference. Given that this is the case, when can we expect to see action on climate change and emissions trading implemented? Finally, can the minister advise the Senate of whether there are any threats to action on climate change?

Senator WONG—We know the major threat to action on climate change is those opposite, who do not want to do what they said they would do at the last election, who do not want to implement the policies they took to the last election and, more extraordinarily, who do not want to implement John Howard’s policy. The extraordinary thing is that we see that under Malcolm Turnbull the Liberal Party today is actually less green than John Howard. That is the extraordinary reality. The opposition is preparing to actually take a position that is less green than John Howard. So let us ask them: is it the case that you really want to say to the Australian people, ‘We are going to junk what we took to the last election, we are going to junk what Mr Turnbull told everyone we would do and we are going to junk John Howard’s own legacy’, where he said that you would implement an emissions trading scheme? (Time expired)

Building the Education Revolution Program

Senator COONAN (2.45 pm)—My question is to the Minister representing the Minister for Finance and Deregulation, Senator Conroy. What instructions has the minister given to the Department of Finance and Deregulation to investigate the wanton waste and mismanagement in the $14.7 billion spending on schools?

Senator CONROY—I thank Senator Coonan for that question. It is clear—as has already been demonstrated by the questions in this place today and the answers given by the minister—that those opposite do not have a fig leaf when it comes to this. There are thousands upon thousands of jobs being created in every local community across Australia, and the key here is: those opposite do not support one of them. They will turn up for the photo opportunity, they will ask to be in the photo, but they come into this chamber, they vote against them and then they attack them and criticise them. It is the height of hypocrisy. They want to come in here and have it both ways. They want to walk both sides of the street. They are happy for Australian families—

Senator Coonan—Mr President, I raise a point of order. My point of order is of course on relevance. The minister was asked whether the minister he represents in this place has given any instructions to his department to investigate the waste that has been exposed in the schools spending package, and so far he has not indicated whether the minister has given any instructions to his department or whether he has not. We do not know from the answer that Senator Conroy has given, because he has not been relevant, just who is in control of Labor’s reckless spending.

Senator Faulkner—Mr President, I rise on the point of order. With due respect to Senator Coonan, I listened very carefully to the point of order she took and I would suggest to you, Mr President, that it is not appropriate to use the device of a point of order to repeat a question, however poorly drafted
and articulated the question was in the first place.

The PRESIDENT—Senator Conroy, I draw your attention to the fact that you have now one minute and four seconds in which to answer the question that was raised by Senator Coonan.

Senator CONROY—Thank you, Mr President. As I was saying, those opposite are once again trying to walk both sides of the street. They want to claim the credit and they want to be in the photos but they do not want to come into the parliament and vote for it. It is typical of those opposite that they have no policy agenda to deal with the—

Senator Parry—Mr President, I rise on a point of order on relevance. The minister has just gone straight back to where he left off. He has not attempted to change his direction and has not attempted to answer the question. He is now going to wind the clock down. We are losing time. Can he please answer the question?

Senator Ludwig—Mr President, on the point of order: what we now have again is a repeat of the first question. The minister is answering relevantly to the question. I think Senator Faulkner hit the nail on the head when he said ‘a poorly drafted question’. When you look at the question, the minister has to attempt to construct an answer to a question that was poorly drafted. It was dealt with in such a way that it is a negative question. It went to the issue of the finance minister investigating the $14.7 billion and so on and so forth. That was the nub of the question. The part of the question the minister is being relevant to is about Building the Education Revolution. It is about building schools in our community. Maybe the opposition could at least get on the same page.

The PRESIDENT—Senator Conroy, there are 41 seconds remaining for you to answer the question.

Senator CONROY—Those opposite who are choosing to walk both sides of the street want to jump on board a dishonest and inaccurate campaign being run in one newspaper. As my colleague Senator Arbib has comprehensively demonstrated this week, and already stated, in almost each and every single case they have raised they have been shown to be factually incorrect. There is no waste and mismanagement.

Senator Parry—Mr President, I rise on a point of order. This is a real breach of question time, and I ask you, Mr President, to go back and review Hansard and the tapes of this question time. The minister has come nowhere near the question in the entire duration. We have got nine seconds left. It is a waste of time. If the minister is not going to answer the question, just sit down and say you cannot answer it because you do not know the answer. Do not waste our time. Mr President, please review Hansard. We need relevance in these questions; otherwise, as an opposition, we are going to have to seriously look at the procedures for question time.

Senator Chris Evans—Mr President, I rise on the point of order. Mr President, I am not sure whether that was an implied threat to you by Senator Parry in his rather agitated contribution. If so, it is totally inappropriate. I might say on the point of order that the minister was asked about whether the finance minister had investigated claimed waste and mismanagement and Senator Conroy was in the midst of refuting the suggestion that there was waste and mismanagement. He could not be more directly on point than that. Senator Parry clearly was not listening, and there is no point of order.

The PRESIDENT—Order! Senator Conroy, you have nine seconds remaining.

Senator CONROY—As I was absolutely on message, denying your accusations—(Time expired)
Senator COONAN—Mr President, I ask a supplementary question. I can appreciate the extraordinary sensitivity of those opposite to the waste and mismanagement, and I ask the minister this: will the minister now guarantee that every contract let in the government’s $14.7 billion spendathon on schools will provide value for money and meet probity guidelines and that every dollar borrowed on behalf of taxpayers will be properly accounted for?

Senator CONROY—I appreciate that, given that the premise of the first question was completely false, the second question actually bears no relationship whatsoever to the portfolio it has been asked to. The first question is based on a false premise and the second question has already been asked of and answered by Senator Arbib and Senator Carr—because that is exactly where that particular question belongs. I hope that the follow-up supplementary has a skerrick of relevance to the portfolio minister who is being asked it.

Senator COONAN—Mr President, I ask a further supplementary question. Senator Conroy clearly does not understand that, if he denies in those circumstances that there is waste and mismanagement, he can also provide a guarantee. But obviously he does not understand the sequencing of this line of inquiry. My further supplementary question is: as the Minister for Finance and Deregulation and the Deputy Prime Minister have clearly lost control of spending in the $14.7 billion schools program, when will the minister call in the Auditor-General to get to the bottom of this debacle?

Senator CONROY—Once again, the question is based on an entirely false premise. Those opposite have been running a campaign this week trying to highlight what they allege is waste and mismanagement. My colleagues Senator Carr and Senator Arbib have comprehensively dealt with these allegations in this chamber. Those opposite who then want to try to construct questions to the Department of Finance and Deregulation are so out of questions that they are desperately asking a Minister representing the Minister for Finance and Deregulation. The question is a joke and it should be treated as such. I invite you to review the Hansard to see if this question had any relevance to this portfolio.

Pharmaceutical Benefits Scheme

Senator FIELDING (2.55 pm)—My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. I refer to a report in the Daily Telegraph on 11 June by Sue Dunlevy about how taxpayers’ money has been wasted lining the pockets of pharmacists. Given that the Pharmaceutical Benefits Scheme is supposed to support families and individuals who need vital medicines and is not intended to be a cash cow for pharmacists, is the government aware of the great drug rip-off which is currently taking place in this country? Can the government reveal how long it has known about this rort, especially given that the government has been looking for areas in which to cut back on costs?

Senator LUDWIG—I am not familiar with the particular article that you raised, but I can say in relation to the substance of the question that the government is always concerned about ensuring that there is affordable access to health care for all Australians, particularly those who have the least capacity to pay. That is why we have the Pharmaceutical Benefits Scheme. The PBS copayment and safety net arrangements do help to ensure that subsidised medicines are affordable for all Australians and that low-income earners are eligible for medicines at a concessional rate of $5.30 per prescription. I can also say that the scheme that underpins the Pharma-
The Pharmaceutical Benefits Scheme, Medicare Australia, which manages the Pharmaceutical Benefits Scheme on behalf of the Health and Ageing portfolio, does have a compliance system in place to ensure that if there are problems in the prescription area then, of course, there are a range of ways to deal with it. First of all, there is a fraud or tip-off line that can be accessed, so if there are allegations that the Pharmaceutical Benefits Scheme is being rorted then it can be brought to the attention of Medicare Australia so that it can be investigated.

If Senator Fielding has evidence of the Pharmaceutical Benefits Scheme being rorted in any way, then that information can be provided to Medicare Australia to ensure that they can investigate that area. But the benefits that flow, if we are talking more broadly about the entire Pharmaceutical Benefits Scheme, do provide assistance to pensioners to ensure that they can access their medicine—(Time expired)

Senator FIELDING—Mr President, I ask a supplementary question. The article outlined an alarming rip-off. Why is the Rudd government paying pharmacists between 50 and 80 per cent more for generic drugs under the Pharmaceutical Benefits Scheme than the pharmacists are paying for the medicines? For example, can the government explain why they are paying pharmacists $58.99 for each 80-milligram prescription of the drug Simvastatin when chemists are paying only $18 per packet?

Senator LUDWIG—I thank Senator Fielding for his question. What I was going to say, before I ran out of time, was that, in respect of the particular issue, I am happy to take that on notice and ask the minister what she can provide. It is an important issue. We do need to ensure the integrity of the Pharmaceutical Benefits Scheme. Any information that the minister can provide, I will bring back to the chamber and table for the information of the Senate.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Environment: Dieback

Senator WONG (South Australia—Minister for Climate Change and Water) (3.01 pm)—Yesterday in question time,
Senator Siewert asked me a question as Minister representing the Minister for the Environment, Heritage and the Arts. I have some further information which I seek leave to incorporate.

Leave granted.

The document read as follows—

On 16 June 2009 during question time, Senator Siewert asked me a question as Minister representing the Minister for the Environment, Heritage and the Arts enquiring why phytophthora management is not listed as a priority for funding in the Caring for Country business plan. Senator Siewert also asked whether the government was funding or considering funding any part of a coastal road that the state government has proposed to put through Fitzgerald River National Park.

The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable Senator’s question:

For Caring for Country a series of national priorities were established that focus on securing improved strategic outcomes for the management of Australia’s natural environment and productive agricultural lands.

This strategic and very targeted approach ensures that our investment is sharply focused on achieving national priorities and avoids the risk of spreading available funds so thinly that improvements fall short of their potential and cannot be measured or reported.

Whilst there is no specific target addressing phytophthora management in the 2009-10 business plan, stakeholders could consider where other targets (such as those relating to biodiversity conservation) may align with this area of focus. Actions relating to phytophthora management may be considered where a contribution to Caring for our Country targets is clearly identified.

Significant work has been undertaken investigating the extent and management of phytophthora in the past. This work provides a good grounding for local, regional and state-based activities to be developed and implemented.

A Caring for our Country business plan will be released each year. A review is currently being undertaken of the 2009–10 business plan and targets as part of the process in developing this next plan. An important part of the evaluation is through public consultation via the Caring for our Country website, www.nrm.gov.au.

On the question of funding for a proposed road, there is no proposal before the Australian Government to fund the construction of a road through Fitzgerald River National Park.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Employment
Building the Education Revolution Program

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

That the Senate take note of the answers given by the Minister for Employment Participation (Senator Arbib) and the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to questions without notice asked by Opposition senators today relating to employment services and to funding for schools’ infrastructure.

Senator Conroy might well believe that he is completely on message, but people listening today would be entitled to ask just who in the government has responsibility for spending. The stark reality, from answers given today, is that the Rudd Labor government has simply let spending get out of control. No-one, it seems, not the Prime Minister, the Treasurer, the Minister for Finance and Deregulation or, indeed, the Deputy Prime Minister, is capable of prudently managing the nation’s finances.

Mr Tanner is very fond of lecturing the coalition. He gets himself asked a Dorothy Dixer in the House of Representatives and then, as he did yesterday, wants to see what the coalition is doing about savings. I can only assume that these homilies to the House are an attempt to cover his own, no doubt acute, embarrassment as the finance minister on the beat who has presided over reckless spending. There has been $124 billion in new
spending racked up just since Labor took office. That is the largest debt and deficit in modern Australian history.

There is a growing concern in the community that Labor has lost control of the nation’s finances with runaway spending, debt and deficit. If any clearer evidence were needed of Labor’s inability to manage money, it is now revealed that the $14.7 billion of borrowed taxpayers’ money for the Building the Education Revolution program is replete with examples of waste, inefficiencies, duplication and bungled administration of public finances that have been asked about in the House and the Senate with completely unsatisfactory answers. The public is entitled to an explanation.

The Deputy Prime Minister, of course, has got form when it comes to bungled policy. The computers in schools program comes to mind; her costings blew out from $800 million to $2.2 billion. She is now delivering half of what was promised and it is costing more than twice, which is hardly value for money. This would hardly instil confidence in the Deputy Prime Minister’s managerial skills, but now, of course, she has been allowed to administer the $14.7 billion stimulus for schools. Should we be surprised at the unfolding debacle?

This is a government addicted to spending, and the finance minister has failed to keep it in check. After frittering away $20 billion in cash handouts, ministers are now running around in hard hats trying to convince the Australian public that the money they are splashing around now is being better spent. The truth is that this rushed $14.7 billion tsunami of spending on Australian schools is being poorly implemented. It is undeniable. There are no checks in place on the value for money for individual projects. Ms Gillard and Mr Tanner are content to play the global financial crisis defence every time their accountability on spending is called into question. Yes, we are all concerned about Australian jobs, but this is simply a cloak that Labor is hiding behind.

It is not too much to ask the government of the day to show Australians how they are achieving value for money with this $14.7 billion stimulus, how they are meeting probity guidelines or if they are properly accounting for hard-earned taxpayers’ dollars. Senator Conroy’s reaction today in question time was simply extraordinary. Why are the government so sensitive if, indeed, they have nothing to hide and if, indeed, everything they have spent in this $14.7 billion stimulus stacks up? Why are they so worried about showing the Auditor-General?

When poor examples continue to surface in regard to large amounts of mismanaged public funds, Australians deserve answers. A perfect example of poor decision making was highlighted in the Australian only yesterday. A school in Senator Conroy’s own state of Victoria, a Montessori school, was found to have been given some money, but it no longer complies with the prescribed minimum standards for registration as a school. What is going on with this debacle of a program? If the government are confident that they are beyond reproach, they should not hide from scrutiny from the Auditor-General on the apparent waste and mismanagement. Australian taxpayers expect and deserve accountability. Instead of worrying about the coalition, Mr Tanner needs to clean up the Labor government’s waste, inefficiency and mismanagement in his own backyard.

Senator MARSHALL (Victoria) (3.06 pm)—Again in question time today we saw the coalition taking the political low road. It is not surprising, because they are a coalition of no policies. They have got no idea what to do. All they want to do is beat things up—get
baseless allegations and repeat them here as if that gives them some evidentiary base. It is simply not true. Let us talk about the new Job Services Australia tendering process, which Senator Fifield asked Minister Arbib about today—in another example of taking the low road. Senator Fifield well knows about this, because the Senate is actually doing an inquiry into the process right now, and only last week Senator Fifield and I and other senators held hearings with the stakeholders, some of the successful applicants to the tendering process and some of the unsuccessful applicants. He already has answers to all those questions he asked. Strangely enough, during the Senate inquiry process he asked them in a measured, sensible way. But what do we find here, when we get on the broadcast, when we may be on TV or radio? We get this feigned indignation, this absolute beat-up, about some of these issues. That is really taking the low road. You are trying to put uncertainty and doubt in the minds of unemployed people about the safety and security of the new system that we are putting in place. I think that is a cruel thing to do to some of our most vulnerable people, when you know it is not true because you questioned the department, you questioned the witnesses before us and you know that there is a structured, measured, properly accountable system being introduced by this government and by the department. You know that is true, Senator Fifield. To take the political low road and to put uncertainty and doubt into the minds of unemployed people that the system will not be up and running is a cruel thing for you to do. It is taking the political low road and it is a cruel thing to do.

We are going through major reform in this new system that we are setting up, Job Services Australia. It rolls seven existing programs into one program, one that offers pathways and gets rid of all the red tape. It actually takes unemployed people and puts them into the right pathway rather than putting them on the conveyor belt which Minister Arbib talked about before and just hoping that they get off in the right area. This is the right program for the times and we are effectively putting it in place.

With regard to the competitive tendering process, I want to remind the Senate and remind Senator Fifield, even though I do not think he needs reminding, that it was the Liberals who actually introduced competitive tendering into this service area. Whenever we have competitive tendering, there will be losers and there will be winners. Strangely enough, when the winners came before the committee they were very satisfied with the tendering process; when the losers came before the committee they were unhappy. But the evidence put clearly before the committee was that the tendering process was a clear and straightforward process. There were no tricks involved, and it relied on an independent assessment through the department. The probity commissioner monitored that tendering process. People were selected on the merit and the strength of their tender. That is what a tendering process is.

I have a lot of sympathy for some of the organisations that have been working in this area for some time and missed out. Of course they do not believe they missed out because they did anything wrong or they were not providing the best service they could provide at the time. I do sympathise with them. I feel sorry for them because, in this industry, people are very dedicated, but the reality is that, when you go into a tendering process and compare one tender to another, there are going to be some winners and some losers. Of course some of the losers are looking for someone else to blame, because it would be hard to admit—especially if they were already existing in the service area—that they did not stack up well enough against people
who maybe were not existing in the area but
who obviously put in a better tender. Of
course they will be looking for others to
blame. But that is the nature of the tendering
process, and it is no different to the tendering
process that was put in place by the previous
government and exercised by the previous
government.

This government has done more to enable
those people who have missed out on tenders
to move on. We have put in place an adjust-
ment fund which will deliver approximately
$100,000 to a lot of those organisations that
missed out. Under the previous Liberal gov-
ernment, if you missed out, you got nothing.

(Time expired)

Senator MASON (Queensland) (3.11
pm)—Senator Coonan was of course right.
With this government there is a history of
government waste and a cavalier attitude
towards taxpayers’ money. From the begin-
ning, the education revolution has been a
shambles, and it has been debated many
times in the Senate. The computers in
schools fiasco was just that, a fiasco. Eight-
een months down the track less than eight
per cent of the computers have hit the desk.
More importantly, the program is way, way
over budget. It is a billion dollars over
budget already.

As Senator Coonan has already indicated,
Building the Education Revolution is even
more of a fiasco. This is the problem:
schools are not getting what they need and
what they want; they are getting what the
state bureaucrats believe they need. There is
a diktat from the state governments about
what they need. There are templates—
template A, template B, template C; take
your pick. ‘You’ve got a library? Do you
want another one?’ That is what is happen-
ing. It is a totally inefficient, centrally
planned approach, as always. On the gov-
ernment’s own words, there were two aims
involved in Building the Education Revolu-
tion. One was to provide jobs. The other was
to enhance educational outcomes. Neither of
those has been achieved. There is little flexi-
Brezhnev in it. It is thus far a total
fiasco.

I mentioned today Mulgildie State School,
west of Bundaberg. I will be interested to
find out what Senator Arbib finds out on no-
tice about that school. I think he will find
that the government is spending money it
does not need to and, worse, the school is not
getting what it wants. That really is the point
about this. That is where government waste
is. Schools are not getting what they want
and what they need. They are being told by
state governments what they should get. Ul-
timately that is the theme of the entire Build-
ing the Education Revolution. It is all about
spend, spend, spend, but it is not a good
spend.

What did we discover from estimates? We
discovered that the primary aim of Building
the Education Revolution was to create jobs.
That was the primary aim. Yet in the first
round $2.6 billion was given out, and did the
Commonwealth government or the state
government ask any successful tenderers
how many jobs would be created on each
individual project? Did they? No, they did
The government, Commonwealth or state, never asked how many jobs would be created on each individual project. Job creation was not the key here; rather, it was for the Prime Minister and Ms Gillard to be seen in a high-visibility vest, a hard hat and a bulldozer. It was all about PR and spin. That is what this is about, and that is why it is such a damn shame—$12.7 billion, and it could have done so much. But it is not about education outcomes. We know that because the schools are telling us that. And it is not about creating jobs, because the government did not even ask how many jobs would be created. So on both counts, both primary aims of Building the Education Revolution, the government failed. This is not even a facet of best spend or indeed even a good spend; this is just a spend. This is about spend and spin, not value for money. And $12.7 billion will be sacrificed for photo opportunities for the Prime Minister and the Deputy Prime Minister, and it will not maximise job creation or maximise educational outcomes.

Senator FURNER (Queensland) (3.17 pm)—It is my pleasure to rise today to talk about new employment services, which is the subject of this debate. We went to the election in 2007 on a platform of reforming the antiquated process of Job Network. We were left by the previous government with a network that was out of date, based on one size fits all, bogged down in red tape and incapable of dealing with Australia’s chronic skills shortage. Previously, before my involvement in this chamber, I can recall speaking to copious numbers of employers about their concerns about getting skilled employees, getting people available to fill trade jobs or manual handling jobs. They had genuine concerns about getting people skilled for those positions. And here we are today hearing complaints from the opposition about a job network that is going to be able to fix those skill shortages.

There was a political decision to roll over 95 per cent of business in the last tender of the Job Network in 2006, initiating no improvements. Through 2008 we consulted with employment service providers, employers, job seekers and community groups to hear their views on how we should improve services, and I think we have fulfilled that promise by announcing Job Services Australia, which will tailor service to each job seeker, scrap waiting periods for services for more jobseekers and promote the value of real training that leads to job opportunities. The government have invested $2 billion in this productivity based program which will provide 319,000 training places for job seekers. I do not understand how any party can oppose or have an issue with those aids to employment growth at a time when employment is critical to ensure we stimulate the economy. It is beyond me. It will cut red tape for providers, freeing them up to help job seekers. It will retain and expand access to specialist services for highly disadvantaged job seekers. It will be uncapped and demand driven, unlike the previous position, where we had a waiting list of over 20,000 for personal support programs.

Naturally, as we go through a tendering process there are always issues we need to deal with. This process is all about ensuring that we have a more responsible set of employment services for job seekers. They deserve and need the best possible service in these difficult economic times. Fundamentally the reform is not easy. Due to the previous government’s laziness, we had no choice but to undertake a full tender, which has made some changes for providers. However, it is important to reflect and note that there is increased demand for workers with skills and experience in employment services, and the government do not want to see people with
those skills lost from the new services. We do not want to see them on the scrap heap; we want to make sure that they are protected and that they are allocated appropriate employment. That is why we are providing resources to the peak provider association, NESA, to establish a website to help new providers seeking skilled staff and help staff affected by the tender allocation during the transition to Job Services Australia, which will begin on 1 July.

The government’s new business adjustment fund will offer a range of assistance to community based organisations that have not gained work under the new tender. The fund will provide grants to help organisations continue to operate while they develop new business plans, including identifying and developing new opportunities, with access to a panel of business advisers to help with restructuring business strategies and identifying new opportunities. No doubt there will be some impact on job seekers. The tender process was designed to throw it out there and see who is in the mix to be able to tender for the positions. The tender process was designed to ensure that job seekers have access to the best performing employment service providers to give them greater opportunities to find work.

We heard from the previous speaker, Senator Mason, that job creation is not the key here. I put it to you, Mr Deputy President, that it is the key here. In tough economic times we need to ensure that people are employed in appropriate areas for their skill base and to make sure they are allocated jobs that assist and grow the economy. You have only got to look at some of the positioning at the openings where opposition members line up for photo opportunities. (Time expired)

Senator BARNETT (Tasmania) (3.22 pm)—In speaking to the motion to take note of the answers of Senator Conroy and Senator Arbib, I want to highlight the fact that in terms of managing this economy they are demonstrating indiscriminate and reckless behaviour, particularly with respect to education but not just with respect to education. They have no interest in ensuring that value for money is being received by the taxpayers. In terms of outcomes, what is the story? They do not know. They have no idea how jobs have been created by the government’s spending. In terms of educational outcomes, they have no idea. We had the farcical arrangements with the laptops in schools where the original budget was $1.2 billion and that blew out to $2 billion. That is a 66 per cent increase in expenditure. It is a problem with the government’s mismanagement and maladministration not just of government services but of our economy. They failed to take into account the operational costs of the laptops—such a basic, fundamental management procedure, but they did not take those costs into account. We saw a 66 per cent increase for the taxpayer.

As Senator Mason indicated earlier, this is a government of PR and spin. That is what it is interested in. I call the Prime Minister the grand spinmeister. He is the grand spinmeister, and his troops and his ministers are doing his bidding. But it is not just education. I want to list some of the other areas of waste, mismanagement and maladministration by this government. We have had the tax bonus waste, where we have seen millions of dollars going out to dead people, to deceased estates. There have been 15,934 of those, to a few weeks ago, and over 27,000 Australians living overseas have received the tax bonus, when the key objective was to strengthen and grow the Australian economy. We had the $14 million splashed on wasted policy reviews. The government has spent $14 million on 140 policy reviews but it has only acted on a handful of those findings. We had
taxpayers’ funds wasted on the Prime Minister’s bid for a UN Security Council seat, and you would know, Mr Deputy President, being on the Senate Standing Committee on Foreign Affairs, Defence and Trade, that the budget reports a direct cost for this bid of $11.2 million over a two-year period, but there are potentially tens of millions of extra dollars to be used from other parts of the budget, including the foreign aid budget. We have seen the $164,000 splurge on a blatantly political website—yes, a $164,000 bill for a blatantly political website promoting the Rudd government’s budget. Senator Michael Ronaldson, our shadow special minister of state, highlighted these concerns just some weeks ago. We had some issues with the 2020 Summit. The government expended $2 million of taxpayers’ funds on that talk-fest. And what has it done? The Prime Minister, Kevin Rudd, has agreed to fund only nine of the 962 recommendations. As the Australian editorial said at the time, it is big hype, small ideas; none of the ideas proved visionary and most are recycled.

Then we had the issue of government legal costs exceeding $500 million. Remember that the Labor Party in opposition attacked the Howard government’s spending on lawyers, and Attorney-General Robert McClelland has been forced to defend the Rudd government’s 2007-08 legal bill of $510 million—up from $408 million under the Howard government. So it was a $100 million increase in costs for lawyers under this government. The government also now has the reputation of having the highest consultancy costs in the history of the Australian government. It spends more on consultants than any government in Australian history. As of just a month or so ago, consultancy costs have totalled more than $500 million since the government has come to office. Of course the shadow minister before the election, Lindsay Tanner, promised to cut consultancy costs back by $395 million. So the government’s waste, inefficiency and mismanagement knows no bounds.

Question agreed to.

Water

Senator LUDLAM (Western Australia) (3.27 pm)—I move:

That the Senate take note of the answer given by the Minister for Climate Change and Water (Senator Wong) to a question without notice asked by Senator Ludlam today relating to mining exploration in the Liverpool Plains, New South Wales.

I particularly want to refer to exploration for very large scale longwall coal mining on some of the nation’s most productive agricultural land. The question that was addressed to the minister this afternoon related to the Liverpool Plains region, but she will be very aware that this is a live issue and an extremely contentious issue that is polarising regional communities across New South Wales and Queensland at least. The New South Wales government, as the chamber will be aware, is currently overseeing a very substantial expansion in mining approvals across the state in terms of both exploration and drilling. Also, of course, companies such as BHP are involved and, as reported quite recently, a Chinese mining corporation has been moving quite aggressively to secure land in New South Wales for proposed coal-mining. This is in some of Australia’s most fertile and productive agricultural land.

According to the New South Wales Department of Primary Industries, more than 30 coal and 20 metallic and industrial mineral projects and mine extensions are proposed for the coming decade. It is fair to say that the New South Wales government, as the minister rightly pointed out, does have constitutional powers to regulate mining and mining exploration in the state, but there is nothing in place at the moment to prevent the

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very large scale devastation, effectively, of some of our key farming communities and some of our most important agricultural areas. Coal exports have surged 17 per cent nationally to 240 million tonnes a year. In 2008, the New South Wales government approved an additional 32 million tonnes of coal production spread across 12 separate coalmine projects. That was more than was approved in 2007 and nearly double the number approved in 2006. This is not some abstract potential future mining some way down the track that we are considering here; these are live issues that are before us now. The conflict between agriculture and mining is perhaps most stark on the Liverpool Plains, and that was the reason for my question this afternoon.

The minister, unless I read her comments incorrectly—and I am sure she will correct the record if I did, and I will be happy to retract this if it is not the case—said that she certainly thought that before mining of the Liverpool Plains area got underway on a large scale the water studies we were referring to had been concluded and their results validated, so the key strategic water resources in that part of New South Wales would be protected. But my question went the nature of exploration. Very large scale drilling into complex aquifers which have many layers and interconnections which are not very well understood has the potential to effectively contaminate the water resources of that area just through exploration practices and not through potential future mining.

I would just like to firmly put on the record at this point that the farmers and the Liverpool Plains communities have undertaken a spirited defence of their communities, and I congratulate them for that. Their stand not only protects their immediate area and the farming communities that they love and have lived in for generations but also highlights a key strategic failure of the Australian government to see this coming. The government needs to change its approach to mining in fertile areas, and it will not be enough for the minister to stand up in here and fob the chamber off by saying that these are matters for the New South Wales government. With due recognition of the fact that the Commonwealth has put a small amount of money on the table as its contribution to a study on water resources, my understanding at this point is that that funding has not been matched by the New South Wales government and, in any event, it will be well and truly insufficient to provide any kind of robust understanding of the complex nature of the water bodies beneath the Liverpool Plains.

This is, as I said, one of Australia’s most important agricultural areas. It produces 33 per cent of Australia’s pasta wheat. It is a huge producer of sorghum. It produces bread wheat. And, of course, as we know, it is part of the Murray-Darling catchment. This is a very significant underground aquifer in terms of quality and quantity of water. According to some reports, it is second in size only to the Great Artesian Basin. One of the things that often get left out in these considerations is the very important biodiversity values—remnant bushland remains in that part of New South Wales. We do not have enough for the study from the Commonwealth contribution and we do not have a contribution at all from New South Wales, and yet exploration is ploughing ahead. I think this is an issue that the Commonwealth needs to take an active stance on now lest we look back with regret and, not least, to give the communities of the Liverpool Plains region the respect they are owed in the protection of their communities.

Question agreed to.
NOTICES

Presentation

Senator Nash to move on the next day of sitting:
That the time for the presentation of the report of the Rural and Regional Affairs and Transport References Committee on the natural resource management and conservation challenges be extended to 11 August 2009.

Senator Moore to move on the next day of sitting:
That the time for the presentation of the report of the Community Affairs Legislation Committee on the national registration and accreditation scheme for doctors and other health workers be extended to 6 August 2009.

Senator Trood to move on the next day of sitting:
That the Foreign Affairs, Defence and Trade References Committee be authorised to hold an in camera hearing during the sitting of the Senate on Thursday, 18 June 2009 from 3.45 pm, to take evidence for the committee’s inquiry into major economic and security challenges facing Papua New Guinea and the island states of the southwest Pacific.

Senator Eggleston to move on the next day of sitting:
That the Economics References Committee be authorised to hold public meetings during the sittings of the Senate on Monday, 22 June 2009 and Tuesday, 23 June 2009, from 7.30 pm, to take evidence for the committee’s inquiry into foreign investment in Australia.

Senator Eggleston to move on the next day of sitting:
That the time for the presentation of the report of the Economics References Committee on foreign investment in Australia be extended to 17 September 2009.

Senator Fifield to move on the next day of sitting:
That there be laid on the table by the Minister for Employment Participation, no later than 5 pm on Monday, 22 June 2009:

(a) all communications and logs of communications, including emails, between tenderers for the Employment Services Contract 2009-12 and the former Minister for Employment Participation (Mr O’Connor) and his staff;

(b) all purchasing related inquiries, including records of phone calls and emails which were made to the former Minister for Employment Participation and his staff and the responses provided;

(c) all communications and logs of communications between current service providers and tenderers during the probity period for the Employment Services Contract 2009-12 and the former Minister for Employment Participation and his staff; and

(d) all documentation relating to any meeting with current service providers or tenderers for the Employment Services Contract 2009-12 and the former Minister for Employment Participation and/or his staff.

Senator Ludwig to move on the next day of sitting:
That, on Thursday, 18 June 2009:

(a) the hours of meeting shall be 9.30 am to 6.30 pm and 7 pm to adjournment;

(b) the routine of business from 12.45 pm till not later than 2 pm, and from 7 pm shall be government business only;

(c) divisions may take place after 4.30 pm;

(d) the question for the adjournment of the Senate shall be proposed after the Senate has finally considered the bills listed below:
Defence Legislation Amendment Bill (No. 1) Bill 2009
Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009
Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009
International Monetary Agreements Amendment (Financial Assistance) Bill 2009
Social Security Legislation Amendment (Training Incentives) Bill 2009
Tax Laws Amendment (2009 Measures No. 2) Bill 2009
Family Assistance Legislation Amendment (Child Care) Bill 2009
Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009
Tax Laws Amendment (2009 Measures No. 3) Bill 2009; and
(e) if the Senate is sitting at 10.30 pm, the sitting of the Senate be suspended till 9.30 am on Friday, 19 June 2009.

Senator Ludlam to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) 19 June 2009 is Aung San Suu Kyi’s 64th birthday and also Women of Burma Day,
(ii) the arrest and trial of Aung San Suu Kyi violates international law and has the sole intent of extending her illegal detention,
(iii) the United Nations (UN) Working Group on Arbitrary Detention said that her 13 years of detention is illegal under international and Burmese law,
(iv) more than 3 000 villagers from eastern Burma fled to Thailand in June 2009 following military attacks on civilians by the Burmese army and allied armed groups, and
(v) between 1996 and 2007 more than 3 000 villages were destroyed, abandoned or forcibly relocated in eastern Burma, amounting to nearly one village every day for a decade; and
(b) calls on the Australian Government to:
(i) increase its diplomatic pressure on its allies for a UN Security Council resolution on Burma and apply pressure in other forums for the release of Aung San Suu Kyi and all 2 100 Burmese political prisoners,
(ii) support a universal arms embargo against Burma,
(iii) refuse to endorse the outcomes of the election in 2010 unless all political prisoners, including Aung San Suu Kyi, are released and an inclusive constitutional review occurs, and
(iv) work with other governments to establish a Security Council Commission of Inquiry, as was done in relation to the situation in Darfur, to investigate crimes against humanity and war crimes being committed in Burma as such a commission would be the first step in securing a referral of Burma to the International Criminal Court.

Senator Hanson-Young to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) 20 June 2009 marks World Refugee Day 2009, and
(ii) this year’s global theme is ‘Real People, Real Needs’, recognising the lasting sense of security sought by people who have fled from persecution, in search of freedom, security and safety;
(b) recognises that:
(i) over the past century the global community has witnessed increasing numbers of refugees fleeing from their homeland in fear of persecution, and
(ii) as a signatory to the 1951 United Nations Geneva Convention relating to the Status of Refugees, Australia is obliged to protect those seeking asylum from persecution;
(c) acknowledges:
(i) the release of the report, Amnesty International Report 2009: The state of the world’s human rights, and
(ii) that this report highlights the concern with housing children and unaccompanied minors in alternative detention facilities on Christmas Island; and
(d) calls on the Government to:
(i) provide additional support to specialised service delivery agencies who work with refugees and asylum seekers in Australia, and
(ii) ensure that no child or family is detained in any form of secure detention on Christmas Island, while their visa application is being processed.

Senator Fielding to move on the next day of sitting:


LEAVE OF ABSENCE

Senator PARRY (Tasmania) (3.35 pm)—by leave—I move:

That leave of absence be granted to Senator McGauran for 17 June and 18 June 2009, for personal reasons.

Question agreed to.

COMMITTEES

National Capital and External Territories Committee

Meeting

Senator O’BRIEN (Tasmania) (3.36 pm)—by leave—At the request of the Chair of the Joint Standing Committee on the National Capital and External Territories, Senator Lundy, I move:

That the Joint Standing Committee on the National Capital and External Territories be authorised to hold a public meeting during the sitting of the Senate today.

Question agreed to.

Selection of Bills Committee

Report

Senator O’BRIEN (Tasmania) (3.36 pm)—I present the eighth report of 2009 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator O’BRIEN—I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 8 OF 2009

1. The committee met in private session on Tuesday, 16 June 2009 at 4.28 pm.
2. The committee resolved to recommend—That—
   (a) the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009 be referred immediately to the Environment, Communications and the Arts Legislation Committee for inquiry and report by 20 August 2009 (see appendix 1 for a statement of reasons for referral);
   (b) the Health Insurance Amendment (Extended Medicare Safety Net) Bill 2009 be referred immediately to the Community Affairs Legislation Committee for inquiry and report by 5 August 2009 (see appendix 2 for a statement of reasons for referral);
   (c) the Parliamentary Superannuation Amendment (Removal of Excessive Super) Bill 2009 be referred immediately to the Finance and Public Administration Legislation Committee for inquiry and report by 8 September 2009 (see appendix 3 for a statement of reasons for referral); and
   (d) the provisions of the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009 be referred immediately to the Community Affairs Legislation Committee for inquiry and report by 23 June 2009 (see appendix 4 for a statement of reasons for referral).
3. The committee resolved to recommend—That the following bills not be referred to committees:
   • Coordinator-General for Remote Indigenous Services Bill 2009
• Fair Work Amendment (Paid Parental Leave) Bill 2009
• Fair Work (State Referral and Consequential and Other Amendments) Bill 2009
• Infrastructure Australia Amendment (National Broadband Network and Other Projects) Bill 2009
• International Monetary Agreements Amendment (Financial Assistance) Bill 2009
• Migration Amendment (Protection of Identifying Information) Bill 2009
• Social Security Legislation Amendment (Improved Support for Carers) (Consequential and Transitional) Bill 2009.

The committee recommends accordingly.
(Kerry O’Brien)
Chair
17 June 2009

SELECTION OF BILLS COMMITTEE

APPENDIX 1
Proposal to refer a bill to a committee
Name of bill:
Environment Protection (Beverage Container Deposit Recovery Scheme) Bill 2009

Reasons for referral/principal issues for consideration:
This Bill outlines a self-funding government co-ordinated national scheme for recycling 11 billion drinks containers Australians dispose of each year. A Committee inquiry would examine the technical aspects of the legislation, the penalties, labeling, authorisation and transfer deposit stations, and proposed roles for each level of government working together with industry.

Possible submissions or evidence from:
Environment, Heritage and the Arts
Possible hearing date(s): mid-July - mid August
Possible reporting date: late August
(signed)
Rachel Siewert
Whip/ Selection of Bills Committee member

APPENDIX 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Health Insurance Amendment (Extended Medicare Safety Net) Bill 2009

Reasons for referral/principal issues for consideration:
To investigate the changes relating to obstetrics, cataract surgery and IVF amongst other matters.

Possible submissions or evidence from:
AMA & other peak medical associations Health Department Health advocacy groups Committee to which bill is to be referred:
Community Affairs (which is also inquiring into the Fairer Private Health Package of bills)
Possible hearing date(s):
It may be convenient for the committee to take evidence from witnesses and hold hearings into the abovementioned bill and the Fairer Private Health package of bills concurrently because of the interrelated elements of the bill
Possible reporting date:
5th August 2009
(signed)
Stephen Parry
Whip/ Selection of Bills Committee member

APPENDIX 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Parliamentary Superannuation Amendment (Removal of Excessive Super) Bill 2009
Reasons for referral/principal issues for consideration:
The Government has forecasted a massive budget deficit and is seeking to implement enormous budget cuts which will affect the lives of all Australians. At a time when all Australians are being asked to make sacrifices, the Federal Politicians elected to Parliament prior to 2004 continue to enjoy excessive superannuation entitlements. We need to provide the Australian community with assurances and peace of mind that in times of great financial uncertainty, their elected representatives are not more concerned with their own well being than the financial security of the country.
Possible submissions or evidence from:
The Australian Government Remuneration Tribunal, Superannuation Branch - Department of Finance and Regulation, Australia, Association of Former Members of the Parliament of Australia, Associate Professor Marilyn Clark-Murphy of Edith Cowan University, Institute of Actuaries of Australia.
Committee to which bill is to be referred:
Finance and Public Administration
Possible hearing date(s)
13 July 2009
Possible reporting date:
22 July 2009
(signed)
Whip/ Selection of Bills Committee member
SELECTION OF BILLS COMMITTEE
APPENDIX 4
Proposal to refer a bill to a committee
Name of bill:
Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009
Reasons for referral/principal issues for consideration:
Potential significant impacts on pensioners and other income support recipients
Possible submissions or evidence from:
National Seniors Assoc
ACOSS
National Welfare Rights Network
Unions
National Council Single Mothers & their Children
Industry Grps
Committee to which bill is to be referred:
Community Affairs
Possible hearing date(s):
19/6/09
Possible reporting date:
23/6/09
(signed)
Rachel Siewert
Whip/ Selection of Bills Committee member

Reference
Senator HANSON-YOUNG (South Australia) (3.37 pm)—I seek leave to amend business of the Senate notice of motion No. 1 standing in my name for today. I have circulated the amendment.
Leave granted.
Senator HANSON-YOUNG—I move the motion as amended:

That the following matters be referred to the Education, Employment and Workplace Relations References Committee for inquiry and report by 16 November 2009:

(a) the roles and responsibilities of education providers, migration and education agents, state and federal governments, and relevant departments and embassies, in ensuring the quality and adequacy in information, advice, service delivery and support, with particular reference to:

(i) student safety,
(ii) adequate and affordable accommodation,
(iii) social inclusion,
(iv) student visa requirements,
(v) adequate international student supports and advocacy,
(vi) employment rights and protections from exploitation, and
(vii) appropriate pathways to permanency;

(b) the identification of quality benchmarks and controls for service, advice and support for international students studying at an Australian education institution; and

(c) any other related matters.

Question agreed to.

EMISSIONS TRADING SCHEME

Senator CORMANN (Western Australia) (3.39 pm)—by leave—I intend shortly to seek leave to amend general business notice of motion No. 451 standing in my name for today relating to the failure to provide information relating to the proposed Carbon Pollution Reduction Scheme. I gave notice of this motion yesterday. It is a motion about the government’s complete disregard of successive orders of the Senate ordering the government to release important modelling information about the impact of its flawed CPRS on the economy and jobs and about the government’s refusal to answer correspondence from a committee of the Senate for nearly three months. After I gave notice of this motion yesterday I finally received a response from the Treasurer to letters from the Select Committee on Fuel and Energy of 18 March and 3 April. That response was hand-delivered to my office at 10 past six last night.

The government have been ducking and weaving for eight or nine months now, trying to refuse to release information that is very important to scrutinise the impact of the proposed Carbon Pollution Reduction Scheme on the economy and jobs. They have been ducking and weaving, coming up with excuse after excuse—such as contractual obligations, confidentiality requirements and commercial harm. The committee has addressed that in good faith every step of the way. Monash University, which was one of the external consultants used by the Treasury and which was used as an excuse for not re-
leasing information, has advised both the Select Committee on Fuel and Energy and the Treasurer that it was happy to waive confidentiality requirements. It advised the committee that it was keen to assist our committee scrutinising the information in every possible way.

The government are running out of excuses. They are trying to cover this up. The reason they are trying to cover this up is that clearly the modelling was as flawed as the scheme itself. They are trying to con the Australian people. They do not want the Australian people to know what the true impact of the Carbon Pollution Reduction Scheme is going to be—either on the environment in terms of a reduction in global greenhouse gas emissions or on the economy and jobs. It is an absolute disgrace the way the government have treated the Senate and its committees by not responding to proper requests for information in a timely fashion. I seek leave to amend general business notice of motion No. 451 standing in my name for today relating to the proposed Carbon Pollution Reduction Scheme.

Leave granted.

**Senator CORMANN**—I move the motion as amended:

That the Senate notes with concern:

(a) that the Select Committee on Fuel and Energy has been seeking unsuccessfully to gain information from the Government regarding the modelling undertaken by the Department of the Treasury titled, *Australia’s Low Pollution Future: The Economics of Climate Change Mitigation*, since December 2008;

(b) the following history of the Government’s refusal to provide the information needed to properly scrutinise the Government’s proposed Carbon Pollution Reduction Scheme:

(i) the committee wrote to the Treasurer on 9 December 2008 seeking additional information about the modelling;

(ii) the committee eventually received a response from the Treasurer on 3 February 2009 refusing the committee’s request stating ‘The Treasury is obligated, under contractual agreements … to not disclose or make public any Confidential Information of the other party’;

(iii) on 4 February 2009 the Senate made an order requiring the production of information by 5 February 2009;

(iv) on 5 February 2009, Senator the Honourable Ursula Stephens, Parliamentary Secretary for Social Inclusion and the Voluntary Sector, made a statement in the Senate on behalf of the Government that the ‘Treasury is obligated, under contractual agreements … to not disclose or make public any confidential information of the other party’;

(v) the committee again wrote to the Treasurer on 6 February 2009 pointing out that the Senate in passing the order of 4 February 2009, had accepted the judgement of the committee that contractual obligations to consultants did not constitute a valid reason for declining to produce documents because parliamentary privilege overrides any contractual obligations;

(vi) Senator Stephens made another statement in the Senate on behalf of the Government on 11 February 2009, attempting to make a new and different case of commercial harm;

(vii) following the response from the Government, the committee wrote to Monash University and Purdue University on 11 February 2009 seeking to work with the universities to protect the intellectual property of the universities while allowing the committee to properly scrutinise the material;

(viii) on 12 February 2009 the committee received correspondence from Purdue
University stating that commercial harm to its Global Trade and Analysis Project, would be avoided by the simple purchase of a licence,

(ix) on 19 February 2009 the committee received correspondence from Monash University which stated that 'The University wishes to assist your Committee in every way possible',

(x) on 11 March 2009, the Senate made a further order requiring the production of information by 13 March 2009 and specifying that some of the requested information was to be treated as confidential, meaning that any disclosure or use of the information otherwise than in accordance with the order would be a contempt of the Senate and a criminal offence under the Parliamentary Privileges Act 1987,

(xi) on 12 March 2009 the committee again wrote to Monash University informing it of the Senate’s order of 11 March 2009 and seeking to establish whether the protections afforded by the Senate sufficiently protected the university’s intellectual property in relation to the Monash Multi Regional Forecasting model,

(xii) on 17 March 2009 Senator Stephens made a further statement to the Senate in response to the Senate order of 11 March 2009, in which she stated ‘the government continues to believe that the provision of the proprietary model code and data related to the modelling conducted for Australia’s low pollution future: the economics of climate change mitigation would cause commercial harm to organisations that were contracted to assist Treasury’,

(xiii) the committee received further correspondence from Monash University on 18 March 2009 attaching a letter the university had sent to the Treasurer which stated that ‘Monash University waives its requirements of confidentiality on the basis that confidentiality is protected under the provisions of Order SJ61-11 March 2009’,

(xiv) following receipt of the 18 March 2009 correspondence from Monash University, the committee wrote to the Treasurer on 18 March 2009 once again requesting the relevant information and reiterating the committee’s judgement ‘that contractual obligations to consultants do not constitute a valid reason for declining to produce information’ and pointing out that ‘given the information is required under an order of the Senate, parliamentary privilege overrides any relevant contractual obligations of the government’,

(xv) the committee heard evidence from the Department of the Treasury on 2 April 2009 stating that it was the Government’s position that ‘there is potential for commercial harm for aspects of the information to be provided’, and

(xvi) following this evidence provided by the Department of the Treasury, and in the absence of a response to the Treasurer’s letter of 18 March 2009, the committee again wrote to the Treasurer on 3 April 2009 seeking the information as ordered by the Senate on 11 March 2009 and stating that the committee views the response from the Government and the Department of the Treasury ‘as unnecessarily bureaucratic, baseless and deliberately unhelpful to the Committee’;

(c) that the committee has gone to considerable lengths and provided robust protections to accommodate any issues of potential commercial harm to Monash University and Purdue University;

(d) that the Treasurer responded to the committee’s letters of 18 March 2009 and 3 April 2009 only after notice of motion for this resolution was given on 16 June 2009;

(e) that the Government has failed to provide any information to the committee despite the considerable efforts taken by the committee to avoid any commercial harm,
and the Government’s claim of commercial harm only applying to some of the information sought; and

(f) that the Government has failed to provide any explanation to the Senate or the committee as to why the remainder of the information was not provided or responded to the fact that Monash University has informed both the committee and the Treasurer that the university is prepared to waive its requirements of confidentiality in accordance with the order of the Senate of 11 March 2009.

I seek leave to table a letter from the Treasurer.

Leave granted.

Question agreed to.

COMMITTEES

Education, Employment and Workplace Relations References Committee

Extension of Time

Senator PARRY (Tasmania) (3.43 pm)—At the request of Senator Humphries, I move:

That the time for the presentation of the report of the Education, Employment and Workplace Relations References Committee on the oversight of the child care industry be extended to 17 September 2009.

Question agreed to.

Corporations and Financial Services Committee

Meeting

Senator PARRY (Tasmania) (3.43 pm)—At the request of Senator Mason, I move:

That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to meet during the sitting of the Senate on Thursday, 18 June 2009, from 9.30 am to 11.30 am, to allow officers of the Australian Securities and Investments Commission to provide a private briefing to the committee.

Question agreed to.

Public Accounts and Audit Committee

Meeting

Senator O’BRIEN (Tasmania) (3.44 pm)—At the request of Senator Lundy, I move:

That the Joint Committee of Public Accounts and Audit be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 24 June 2009, from 11.30 am to 1.30 pm, to take evidence for the committee’s review of Auditor-General’s reports.

Question agreed to.

Rural and Regional Affairs and Transport References Committee

Extension of Time

Senator NASH (New South Wales) (3.44 pm)—I move:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport References Committee on public passenger transport in Australia be extended to 20 August 2009.

Question agreed to.

FORESTRY

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.45 pm)—I move:

That the Senate—

(a) notes the findings of Professor Brendan Mackey, Professor David Lindenmayer and Dr Heather Keith of the Australian...
National University that Victoria’s *Eucalyptus regnans* (mountain ash) forests are the most carbon dense on Earth; and

(b) calls on the Government to inform the Senate by 24 June 2009:

(i) whether the report has validity,

(ii) what government measures are being taken or considered to protect *Eucalyptus regnans* forests in Australia that are currently targeted for logging,

(iii) what area and volume of such forests are available for logging under current planning regimes, and

(iv) whether ending native forest and woodland removal in Australia would reduce the nation’s greenhouse gas emissions by 10 to 20 per cent.

**Senator LUDWIG** (Queensland—Special Minister of State and Cabinet Secretary) (3.45 pm)—by leave—The government welcomes and will consider the recent Australian National University research on carbon storage in intact natural forests in southeastern Australia. The government considers that native forests provide a valuable store for carbon as well as having many other values. They provide ecological services such as biodiversity and habitat and contribute to both the national economy and regional and local employment. The government is committed to domestic forest conservation through maintaining a robust system of regional forest agreements. The government reports on emissions from remaining forest land, including native forests converted into plantations, in its annual national inventory report, prepared in accordance with the United Nations Framework Convention on Climate Change. The 2007 national inventory report is available at climate-change.gov.au. However, the government does not propose to discuss measures under consideration and therefore finds itself unable to support Senator Brown’s motion.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (3.47 pm)—by leave—This is a question that the Senate may or may not support, and I think it would be unusual for it not to seek information genuinely required of a government in a year when we are headed to the Copenhagen conference, which is based upon information being available from countries about their greenhouse gas emissions. It has been widely put by scientists that the logging of native forests and woodlands in Australia contributes a phenomenal 20 per cent or so of greenhouse gas emissions from this country, which is one of the greatest polluters on the face of the planet. It is also a fact that the Prime Minister, Mr Rudd, made it clear during the last election campaign that he is, in his own words, 100 per cent behind the logging regime which was brought into place by Prime Minister Howard and, in the case of Tasmania, the then Premier, Paul Lennon, and in the case of Victoria the governments of the late nineties and this decade.

This is simply a question that asks the government to give the Senate information about the logging of which it is so proud so far as greenhouse gas emissions are concerned. It is a very clear question. The information ought to be forthcoming from the Senate. Indeed, were it not available to the Senate, it would indicate that this government is proceeding with studied ignorance about its own policy implementation which is causing a massive amount—in fact, 100 million tonnes plus—of greenhouse gases to unnecessarily pollute the global atmosphere in an age of potential catastrophic climate change.

Question agreed to.

**Senator O’BRIEN** (Tasmania) (3.49 pm)—by leave—I ask that the record show that the government opposed the motion, but we have not called a division, recognising...
that with the support of the coalition the Greens have the numbers for the motion.

MINING

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (3.49 pm)—I ask that motion No. 452 standing in my name for today relating to coal exploration near the flood plain at Caroona, near Gunnedah in New South Wales, and calling on the government to halt potentially damaging mineral exploration activities there using its federal powers, be taken as a formal motion.

The DEPUTY PRESIDENT—Senator Brown, it is not normal to start debating it when you are getting up to ask for a motion to be taken as formal. We are aware of the notice of motion. You could ask for leave if you wanted to.

Senator BOB BROWN—it is my right and responsibility to explain the nature of a motion in very brief terms, if the Senate is going to consider it, and that is what I just did.

The DEPUTY PRESIDENT—That is not the nature of formal motions. That is the point I am trying to make to you. Are you seeking formality for that motion?

Senator BOB BROWN—Yes, I seek formality for that motion.

The DEPUTY PRESIDENT—There being no objection, I call Senator Brown.

Senator BOB BROWN—Thank you, Acting Deputy President.

The DEPUTY PRESIDENT—I would remind you, Senator Brown, that I am not the Acting Deputy President.

Senator BOB BROWN—Thank you for that necessary reminder, Deputy President. That is very helpful indeed. I move:

That the Senate—

(a) notes the decision by the New South Wales Mining Warden permitting BHP Billiton to proceed with exploration for coal near and under prime food-growing floodplain at Caroona, in the centre of the Liverpool Plains, near Gunnedah;

(b) acknowledges the undiminished opposition to this exploration by local farmers and other members of the local communities and the independent Member for New England in the House of Representatives, Mr Tony Windsor; and

(c) calls on the Government:

(i) to exercise all legal and ethical options available to cease the exploration activities of BHP Billiton at Caroona until the completion of the independent expert evaluation of the hydrology of the region, and also

(ii) to cease the granting of all exploration licences for the purpose of resource and mineral extraction and undertake further independent studies into impacts of mining on the surficial and underground aquifer systems which form part of the Murray-Darling system if significant risks are identified in the expert evaluation currently underway.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (3.51 pm)—by leave—I note that there are two motions in similar terms. I can foreshadow that the government is prepared to support Senator Joyce’s motion on this matter, but we are not prepared to support—

Senator Bob Brown—he’s already done it.

Senator LUDWIG—Yes, thank you, Senator Brown. We did support Senator Joyce’s motion on this matter but we are not prepared to support the motion proposed by Senator Brown.

Section 255A of the Water Act 2007 requires independent expert assessment of groundwater impact prior to considering any
approval for mining. Approval of mining proposals within the Murray-Darling Basin, including the settling of any conditions to protect the environment, is a state government responsibility. The Australian government considers that, before such proposals with potential to impact on water resources are approved, they should be properly assessed, including their potential impact on third parties. This position is adequately reflected in the Water Act 2007, and it is very important here to distinguish between exploration activity on the one hand and mining activity on the other hand. Exploration activity in itself is unlikely to have any significant water resource impacts.

**Senator Joyce** (Queensland—Leader of the Nationals in the Senate) (3.52 pm)—by leave—We have serious concerns with this. Why? First of all, this is a wedging motion. Reference to the member for New England and the consequence of that being in this motion means that it is more of a political statement, with political purpose, and that would go beyond their desire to actually achieve something here. This was foisted upon us without any chance of proper lobbying and proper consultation. This is an extremely important issue. We regard it as having the utmost importance. But we do not want to play this political game where people run into the chamber on something that there is obviously a wealth of concern about and then play wedging politics over a couple of days.

Also, it talks about Caroona as if Caroona, in the Liverpool Plains, is extremely important. But it is not the only important place. There are other parts of our nation that have the same concerns, which also deserve to be considered in motions such as these. So this issue is being taken to a form of base politics. This is an issue where we are trying as best we can on both sides of this chamber—from the Labor Party to the Liberal Party to the National Party—to collect a group of people to go forward and achieve something and deliver something back. This has been turned into a wedging issue, taken to a very base form, which is detracting from the people who feel so exposed at this point in time on this issue. I think it is improper of the Greens to start playing with the lives of the people at Caroona and on the Haystack Plain without being genuine and authentic in the way that they would go about collecting support. It takes 39 votes in this chamber to get something through, not five.

**Senator Bob Brown**—I seek leave to make a short statement on the matter.

Leave not granted.

**Senator Parry**—He has already made a short statement.

**The Deputy President**—In response to that interjection, Senator Brown has not made a short statement. He was speaking to his motion. He was not actually making a short statement.

**Senator Parry**—On that basis we will grant leave for him to speak for two minutes.

**Senator Bob Brown** (Tasmania—Leader of the Australian Greens) (3.55 pm)—by leave—I thank the coalition for that reconsideration. The important point about this motion as against the much weaker and, as a result, ineffective motion that was put forward by the Nationals—

**Opposition senators interjecting**—

**Senator Bob Brown**—who now interject—and let me give them a quick lesson here. The process of giving notice here is so that all parties will be made aware of motions, which is what happened yesterday. The fact is that the National Party, which has been in collaboration with the mining industry about this issue in this parliament before—
Senator Joyce—Mr Deputy President, I raise a point of order. As Leader of the National Party in the Senate, I want Senator Brown to confirm how he comes to the allegation that we have been somehow—

The DEPUTY PRESIDENT—Order! Senator Joyce, that is not a point of order. If you wish to make a statement at some later stage, you may seek leave to do so.

Senator Boswell—Mr Deputy President, on the point of order. There was an allegation made, not against Senator Joyce but against the whole of the National Party, that they were in the pockets of the mining industry. That is offensive, it is untrue and it is unparliamentary. Unless the leader of the Greens can substantiate that motion, I ask you to ask him to withdraw it.

The DEPUTY PRESIDENT—I have seen some fairly robust debates in this place and I would consider that if you consider that to be unparliamentary then you should raise the issue at another time. Can I say that in this case, although Senator Brown is making a statement, that is purely a debating point and so there is no point of order. I call Senator Brown.

Senator BOB BROWN—Thank you, Mr Deputy President; that is a very good ruling. There is a bit of thin skin amongst some colleagues sitting on my right in the National Party. Let me make this absolutely clear. I did not say that they were in the pockets of the mining industry. I said that they had collaborated with them on this issue. That is a problem for them. The difficulty with their motion is that they took the teeth out of it—and this motion from the Greens puts them back in. It says that the federal government has the powers to ensure that this inherently dangerous mineral exploration under these prime crop lands in the Liverpool Plains does not proceed and calls on the federal government to make sure of that.

Senator Joyce—Mr Deputy President, I raise a point of order. Once more, Senator Brown has asserted that a notice of motion does something which has legislative effect. It does nothing of the sort. It is a notice of motion.

The DEPUTY PRESIDENT—I am sorry, Senator Joyce, you may wish to make that point but it is a debating point. If you wish to correct the record and state your position there are other opportunities. Senator Brown is making a statement and he is entitled to use that sort of language in making a statement.

Senator BOB BROWN—Yes, and that is because it is appropriate, and I draw the attention of Senator Joyce and his colleagues to the standing orders. They might acquaint themselves with them. The fact is that we stand here in defence of the food producing regions of the whole Murray-Darling Basin. That is what the Greens are doing here. It is an important stand and this motion will determine whether other members of this Senate make such a strong stand themselves.

The DEPUTY PRESIDENT—As formality has already been granted, I put the question that Senator Brown’s motion be agreed to.

The Senate divided. [4.03 pm]

(The Deputy President—Senator the Hon. AB Ferguson)

Ayes.......... 6
Noes.......... 38
Majority........ 32

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

NOES
Adams, J.                     Back, C.J.
Bernardi, C.        Bilyk, C.L.
Birmingham, S.  Boswell, R.L.D.
Senate, Wednesday, 17 June 2009

Matters of Public Importance

Independent Youth Allowance

Senator WILLIAMS (New South Wales) (4.07 pm)—I rise to talk about a situation to do with the Rudd government’s changes to youth allowance in the May budget. I can understand where the government were coming from when they first made these changes. The situation was simple. A student completing year 12 and, say, living in Sydney, not far from the university that they wished to attend, could take a gap year. Under the old regulations, they could go out and earn some $19,500. That would then declare their independence from their parents, and hence they would qualify for youth allowance. When you have a situation where a student completes year 12, defers uni for one year, has a gap year and lives at home with their parents—and their parents might be earning $400,000, $500,000 or $600,000 a year—I think it is only right that the government target that situation. Why should taxpayers be supporting that student who is living at home with parents on that sort of money to the tune of some $9,600 a year in youth allowance?

So what the government did was to target this situation—and rightfully so, as I said. Why should a bricklayer or a shearer pay tax each week, only to find that they will probably never set foot on a university campus in their life? They should not be subsidising students in that financial situation. But, in the crossfire, what the government has done is taken out those in rural and regional areas who do not live close to universities—those who have to go off to university, pay for accommodation, and suffer the costs of travel and the standard costs of purchasing books et cetera. The government has done two things that are very wrong. The first thing it has done has had a huge effect, through this policy, on those in their gap year.

I will give you an example. Eli Kimmince is a good young fella. He lives in Inverell, the town I come from. He has taken a gap year and he is working as a manager at McDonald’s in Inverell. Eli comes from a family that I would say does not have much money at all. His parents probably bring in a standard wage; they might earn about $40,000 a year. I am aware of the fact that
they earn less than $42,000 because that is the amount below which parents have to earn for their student children to qualify for youth allowance. Eli has deferred university for one year while he is working at McDonald’s, and his goal in life is to next year attend the Australian National University here in Canberra to study a course and then join the Federal Police. What has happened to this young fella? His life has been tipped upside down. Because of the changes to the government’s regulations and the change in the budget, he must now go and work for 18 months. He cannot start university at the start of next year, and he is not one bit impressed, like thousands of others in gap years who are now facing this situation. They have been held back from university. They will have to work for another six or eight months next year.

We have the situation, as I said, that the government has targeted these people who are in cities or who live close to their university and can live at home. It might be in places like Armidale, where we have a reasonable university. We are very proud of it, since it was the Country Party that first got the University of New England on its feet. They can get the youth allowance and perhaps do not deserve it. But those who have to travel away cannot live at home, and we now have these people who are deeply concerned about whether they are going to get to university next year. That is the thing that is so wrong about these changes in the budget.

These people want to be educated. Tell me this: if we do not get them to university, what will we do for doctors, nurses, dentists, lawyers, vets—all the providers of those vital services that regional Australia requires as well as those in the cities? What do we do in the future for those specialist services if we cannot get our students off to universities? That is the problem here, and that is why it is so wrong. I was glad to call a rally recently at the Inverell RSM Club, at which we had 120 people on a Saturday morning. There were teachers, students and concerned parents. Like all parents, all those parents want is the best for their children and to give them a good start in life, and they are very concerned that theirs will not be going to university next year. So that is problem No. 1.

What the government also did in the budget was to make a change such that those who are taking a gap year—instead of working the 12 months, grossing the $19,500 and declaring independence from their parents—now have to work for 18 months. What are the problems with working 18 months? For a start, you have to defer university for two years. What university will defer for two years? The universities have acceded to the situation, which was mentioned in today’s Australian in an article titled ‘Flexible on gap-year deferrals’. It states that, in a move that shields the federal government from a political storm over its changes to youth allowance, the universities are showing some flexibility. But when someone defers for two years, the problem is that they will go and get a job—it might be at McDonald’s, at Coles or at some other supermarket—they will probably get a car, and, if they are a young bloke like me, they will probably find a girlfriend. They will probably lose interest in study, and that is the problem. The longer they defer the more likely they are not to actually attend university.

The next point I make is that when students leave year 12 in rural and regional areas—probably out somewhere where you have never visited yourself, Senator Jacinta Collins—where do they find a job? Your forecasts are for 8½ per cent unemployment—one million unemployed next year. Where do they go to get a job for 18 months when the jobs are not there? If they cannot get a job then they cannot qualify for youth allowance. If they cannot qualify for youth
allowance then how do they get to university? How do they get through their studies, their tertiary education? How do they qualify to be our nurses, our doctors, our dentists—those vital people who I mentioned earlier on.

**Government senators interjecting—**

**Senator WILLIAMS**—We have got female interjections in stereo, Mr Acting Deputy President, but I will continue. The point I make is this: I can see where the government were coming from in changing these regulations, but in the crossfire they have taken those in regional areas who wish to get a tertiary education right out.

As I said, where do they find the jobs, especially in the smaller country towns—somewhere like Trundle, Gilgandra or Condobolin—when they want to go off to carry out tertiary study and better themselves for the rest of their lives? They are left out of the equation. In fact, Philip Ruddock made the point when we met a week or so ago that he has a constituent in Sydney who wishes to attend the medical school at the University of New England in Armidale—which we were very proud to see kick off two years ago—who faces the same problem, because he will have to move out into the country, find accommodation and face those extra costs. That is where this is so wrong. I am sure Minister Gillard has been bombarded with emails, letters and phone calls. It is certainly the biggest issue that has come to my office in my brief time in the Senate. In almost 12 months, I have never seen an issue that people are so disgruntled and concerned about—that is, the tertiary education of their youngsters and giving them a fair go.

I can say with confidence that, when this legislation comes to the Senate, the Senate will do its job. We know that we have many here in the Senate to support us. We will get this legislation off to a committee. We will see that those people who are on a gap year now, who have had the goalposts changed halfway through the game as the government have done, are able to get to university next February, when they should get there, instead of six or eight months later. The Senate will do its job. Amendments will be put through the Senate to protect the education of our country students who wish to commence a tertiary education. The legislation will then go to the House and, if the government do not accept the amendments, they will live with the consequences. If they bring on an election and the parents, the teachers and the students are as angry as I have seen them in meetings that I have attended, the government will face the consequences. Come election time, there will not be a regional seat in Australia held by the Labor Party if they are going to pull the rug out from under our students and prevent them from undertaking a tertiary education and providing those vital services that we require in rural and regional areas—and I point to the situation with doctors and, especially, nurses. With our ageing population, there is a huge demand for nurses not only in our hospitals but also in our aged-care facilities. We need that service, and we will certainly do our utmost to see that these changes are brought about and that a fair system of youth allowance is in place so that all people in rural and regional areas can get a fair go, can get their tertiary education and are not held back—as the government have certainly done with these changes in the budget.

**Senator CROSSIN** (Northern Territory) (4.17 pm)—I rise today to provide a contribution in this matter of public importance debate in relation to the changes to the youth allowance, but I want to put this debate in the context of the previous government and of the reforms that we have undertaken since coming to government. I also want to emphasise throughout my contribution, Senator
Williams, that it is vitally important—but probably irrelevant to and disregarded by the likes of you and your colleagues—to provide your constituents with an accurate and holistic report of the changes. Once I go through and outline the changes, you will see that there will be a lot of benefits for people who come from rural and regional Australia. In fact, people who have contacted my office, whom we have personally rung and assisted, were not aware of the numerous other changes and benefits that are part of this package. So, if you are going to hold public rallies and answer queries from your constituents, you had better do it on a basis of knowledge—a total knowledge—of the changes and benefits in this package.

But let me put this debate in context. We had 12 long years of a coalition in government who just sat on their hands and took no action when it came to addressing student poverty in this country. That was a government that stood back and did nothing at all while we saw only 15 per cent of university students in this country come from a low SES background. That was a government that failed to act while, under their watch, regional and rural participation in universities actually declined. Yet today we see from the opposition—if I could be so bold as to suggest this as a senator from the Northern Territory—crocodile tears being cried on the other side of the chamber. They are only too happy to complain when we have a reform agenda in front of us, but they do not have—and have never had—a plan for addressing the welfare of our students. They have had no plan for ensuring that students from a low socioeconomic background or those from regional and rural Australia are able to afford to go to university. In comparison, since the election of the Rudd Labor government, we have tackled the issue of student poverty head on in a comprehensive and thorough manner.

Let me take you back in time. In 2005 I participated in the Senate employment, workplace relations and education references committee, and we tabled a report in our inquiry into student support measures. There are those who will remember former Senator Natasha Stott Despoja, who was quite passionate about this issue in relation to university students. In our report we were critical of the inadequacy of student income support. Among other things, the report found fault with the harshness of the youth allowance eligibility criteria, specifically relating to the age of independence and the parental income test threshold—two areas of critical comment by the Senate committee. These failings, the committee argued, both penalised those students who were in most need of financial assistance and had a detrimental impact on these students and their academic participation rates and success. That report was handed down in 2005. There was no response from the previous government—no changes, no action, no change in their policy direction and not even a plan to attempt to change it in the lead-up to the 2007 election. Yet they now have the audacity to sit on the other side of the chamber and complain about the changes that are being undertaken to student youth allowance and the benefits that will bring to students across the country.

The first action that Minister Gillard took when we came to government was to commission an expert panel, headed by Professor Denise Bradley, to undertake a broad review of tertiary education to try to assess the damage that was caused by the 12 years of neglect under the previous government. It is following the provision of this expert advice that we have now acted. The Bradley review, as it has now come to be known, is publicly available. That review exposed the untenable situation that the coalition had created, where those students who needed income support the most did not receive it, while students
who did not need the support were receiving the payment.

It was found that the Howard government had created a situation where even students on the maximum benefit reported that the amount available was insufficient to meet basic living expenses. It was found that the purchasing power of student income benefits was almost half of average income support. But we have heard no plan from those opposite about how to fix the situation—not before the last election and not since the election. The level of youth allowance was so inadequate that it drove nearly 71 per cent of full-time domestic undergraduate students to take on work while studying. These students were working, on average, 15 hours a week—one in six full-time undergrads were working more than 20 hours a week on top of their studies. Despite the huge impact this was found to have on learning outcomes and the quality of the student experience, the Howard government had no plan to fix the situation. Bizarrely, while students from low socioeconomic conditions did it tough, the Bradley review found that 36 per cent of students who were living at home and were receiving youth allowance through having been considered ‘independent’ were actually from families with incomes above $100,000 and 10 per cent of those students were from families with incomes above $200,000. The Howard government had no plan at all to redirect student income support from those who had it and did not need it to those who did need it.

The Rudd Labor government, on the other hand, is opposed to the provision of welfare payments for the benefit of those who do not need them. That is why, after a comprehensive review by the expert panel, we have announced that the working eligibility criteria should be tightened to ensure that this sort of abuse of welfare does not continue. In line with the recommendations of the Bradley review, we have tightened the independence criteria so that it is a true measure of independence from parents. It is based on full-time attachment to the labour force—that is, 30 hours per week rather than part-time work over two years or earning around $19,000 over an 18-month period. Be very clear about this: time frame and the number of hours have not changed. There were, in fact, three options in terms of workforce participation criteria, and one of those is there.

Senator Nash interjecting—

Senator CROSSIN—So, if you want to talk about the change in hours or the length of time, you are wrong. That has not changed. We have invested the savings—$1.8 billion over the next four years—in expanding eligibility by increasing the parental income test. I do not hear you talking about that, Senator Nash—

Senator Nash interjecting—

Senator CROSSIN—And we are bringing down the age of independence—and you do not talk about that either—and creating new scholarships. That is the third thing that you do not talk about when you try to discuss this issue. You want to focus on one aspect, not four aspects. This will mean that parental income will now be the primary measure for eligibility. So, in fact, what your parents earn and their threshold will be the primary measure. For many students, this means that they will no longer have to prove their eligibility for youth allowance by working. I would have thought that is what you would want to achieve, because more students than ever will be eligible for youth allowance automatically under the raised parental income test.

This reform will allow 67,800 young people to access income youth allowance or ABSTUDY to support their participation in post-compulsory secondary education, vocational education, higher education, Austra-
lian Apprenticeships or a combination of activities. In addition, 34,600 existing recipients who currently receive a part payment will receive an increase in their payment—I don’t hear you talking about that either, Senator Nash—often to the full payment rate. Those who have worked full time and are independent of their parents can still access support in this way.

Under Labor’s system, a family from the bush with two kids at university, who might be aged 17 and 21 and living away from home, will now be able to automatically receive some support if they have a family income up to $139,388. That is up from the previous cut-off, for this type of family, of around $75,324. That is a major increase in the eligibility criteria for parents’ income. But I do not hear the coalition talking about the benefits and gains from increasing the threshold. Under our new system, families who receive one dollar of student income support will be entitled to the entire Student Start-up Scholarship, worth $2,254 for each year—not once but each year—the student is in university and is eligible for student income support. This new scholarship is equivalent to an increase in payments of around $43 per week.

Under existing arrangements, a young person on youth allowance or ABSTUDY is considered to be dependent on their parents until they turn 25, unless they establish their independence through other means. The package of student income support reforms will progressively lower the age of independence to 24 in 2010, 23 in 2011 and 22 in 2012. So we will lower the age of independence to ensure that the age of independence accurately reflects when individuals become independent of their parents.

These reforms are a major achievement. They will increase access to student income support and provide stronger and more equitable assistance for the students who need it most, including students from low-income backgrounds, those from rural and regional areas and, of course, Indigenous students. Of course, what this whole issue does is to remind the electorate what a mess the coalition left us with, with regard to student support and tertiary education. You sat on your hands for 12 long years and did nothing to address the situation when it came to supporting students.

The Nationals will have you believe that these reforms disadvantage regional and remote students. However, they clearly have not read the detail of the policy. The changes actually provide for more regional and remote students to be able to access Youth Allowance. But the other side does not want to hear about the good news and the positive changes in this. They just want to focus on a single issue without looking at the whole package.

A 75 per cent discount will now be applied to the parental income test when considering business assets, including farm assets. I do not hear them talking about that part of the package. This means that Youth Allowance and Abstudy can be received by dependent young people from small business and farming families with assets up to the value of $2,286 million. In addition, more regional and remote students will now be able to apply for the new relocation scholarship. The relocation scholarship provides $4,000 in the first year and $1,000 in subsequent years. In comparison to the old Commonwealth accommodation scholarship, the relocation scholarship represents a 28 per cent increase in the number of accommodation related scholarships that will be available to students living away from home.

After years of neglect, the coalition have prepared a range of half-baked amendments to our policy before the legislation has even
entered the Senate. The coalition aim to delay the implementation of the new saving measures for a year and will pay for this by slashing scholarships for 146,600 needy students. They also want to create a targeted scholarship pool for rural and regional students, whose scholarships would only amount to a small portion of the money they intend to rip out of scholarships for all students, regional and metropolitan alike.

The coalition is leading a concerted misinformation campaign, which has caused much anxiety for students who are undertaking a gap year and their families. They suggested students who are currently working and who might previously have been hoping to access Youth Allowance under old workforce participation criteria—that is, earning about $19,000 over 18 months—will now no longer be able to access Youth Allowance. What you do not tell many of the students is that, in some circumstances, many of those students who are currently in their gap year will not need to work any more, because they will automatically become eligible for Youth Allowance under the changes to the parental income test.

Senator HANSON-YOUNG (South Australia) (4.32 pm)—I rise today to contribute to this important debate. I must say, I have never seen an issue become so hotly debated in the community so quickly. The budget was handed down on the Tuesday night and by Friday morning my inbox was full and the phones in my electorate office were running hot. I received phone calls from concerned parents, teachers, students and grandparents. These were people who had contacted their local member of parliament and who had definitely never thought of picking up the phone and speaking to their Greens senator. It is an issue which has galvanised the community. The concern is not coming from those people who know that they should not have been twisting the rules to get that money. The government keeps referring to those families on $200,000 to $300,000 a year receiving Youth Allowance and staying at home, but the concern is not coming from those people—it is coming from people who are halfway through working to earn the required amount of money.

I want to bring the debate back to why this is an issue. The fundamental flaw, despite a whole raft of changes that the government has announced in relation to Youth Allowance—many of which, I must put on the public record, the Greens support—is that there was absolutely no investment in student income support in this budget. There was no extra investment at a time when we know young people are going to have to gain further skills because of job shortages around the country, when the cost of living for students around the country is rising and when, as we know, the rate of Youth Allowance has not risen for the last five or six years. The fundamental problem is that the government has set up a scheme that pays more people but with the same amount of money. It is the same pie; it is just cut differently. Of course, when you do that, people miss out.

The changes that the government announced to the workplace participation criteria have removed the two fundamental ways that young people could meet those independence criteria so that they could get the maximum amount—that is, $371.40 a fortnight. They have removed that option halfway through. Because they are talking about bringing it in on 1 January 2010, those people who are already working to meet the independence criteria are being caught short. Therefore, the legislation, when it comes to the Senate, will effectively be retrospective, which is not a good way to manage public policy. If there was ever a clear example of where politicians did not accept this, it was in 2004 when politicians’ superannuation rates were discussed. The rates for those
senators who entered in 2004 were different to those who were here beforehand. There was no argument that the laws for those senators should be retrospective or different from those for the senators sitting in the chambers here today. It is a classic example of one rule for some and another rule for other people.

The issue facing young people who want to access education is a huge one. I could talk about this issue for a long time, particularly about young people in rural Australia accessing opportunities for higher education. We know that young people in rural and regional Australia have to move and have to leave home when they finish their higher school certificates if they are to go to university, because there is no university down the street or in the next suburb. The government talks about these changes being targeted to those people most in need. As I have said, there are a number of changes that we do support. I support the idea of bringing the age of independence down. I think it should be coming down to 18, frankly. If you need to move out of home, if you have moved out of home and if you are standing on your own two feet then you should be considered independent.

The government is not introducing that independence rate-drop straightforwardly; it is phasing it in over three or four years. Yet the fundamental change that rips money out of the pockets of students who have earned it and are working desperately towards earning it—and the government’s own figures are that 30,700 students are going to be affected by this—is proposed to happen from 1 January 2010.

The students who are contacting all of us—and I am sure you have all had the same emails, the same letters and the same phone calls from grandparents—are saying, ‘We’re doing this based on the advice that we were given from the government.’ Centrelink went into schools and advised students in year 12 that the best way for them to support themselves when going to university was to take a gap year, earn the $19½ thousand and get the youth allowance. This is young people’s first experience of dealing with a government that has not taken their considerations on board.

I understand the need to target the youth allowance to those in need, but the government has missed the mark. For those who are most in need in terms of income support: let us deal with the parental income levels; let us deal with bringing the independence rate down. Let us also not forget the extra disadvantage that young people from rural and regional Australia face if they are to attend university. That is an extra burden that they have to bear.

The government talk about the fact that, because the parental income levels are proposed to be changed, most of these kids are going to be okay. They cannot tell us, however, how many students will get what. They say they have consulted with regional communities but cannot tell us how many students take the gap year in order to qualify for youth allowance. They tell us that they have consulted regional communities, yet they say they do not understand their concerns. They talk about misinformation and miscommunication of the message. I can say that the worst communication of these changes has come from the government themselves—from the minister’s office and from the department. Even the naming of their scholarships does not make sense—an annual scholarship that is called a ‘start-up’ scholarship? The basic misinformation and miscommunication have come from the government themselves.

We can debate all of the other changes, but it is about what we want to prioritise and how much value we think student income
support deserves. I think it deserves a whole lot more, which is why I was pushing, before the budget, to see an increase in that pool of money instead of having to spread it more thinly, which is what the government have done. We can debate those things, and obviously the different parties in this chamber will have different opinions about that, but the one part that is indefensible is the retrospective nature of the removal of the workplace participation criteria. It is absolutely indefensible. You do not change the rules halfway, with no consultation, no compromise and absolutely no guarantees that those students will now be able to fund their time at university.

The government talk about a relocation scholarship that will be available to those students who have to move from the country to the city or from, say, Adelaide to Melbourne if they get accepted at Melbourne university for medicine instead of at Flinders. But they cannot tell us what the criteria for that relocation scholarship are. While they say it is available, they cannot tell us who it is available to. I have asked those questions directly of the minister. I have asked the minister’s office. I asked the department during estimates. No-one can tell us what those criteria will be. There is no guarantee for any of these 30,700 students of what level of income support they will get come 1 January 2010.

Before I finish, I want to welcome the strong stance that the coalition have taken in jumping on board and supporting the Greens in moving amendments to this legislation when the legislation comes to the Senate. I am thankful that the coalition have moved beyond their original position of only amending the private healthcare rebate measure, because this measure is just as important. This measure must be amended. It is absolutely indefensible to bring in legislation that is effectively retrospective, with no consultation and an absolute lack of information and advice as to how it is going to affect people for whom you are moving the goalposts halfway through.

Senator NASH (New South Wales) (4.41 pm)—I rise to contribute to the matter of public importance discussion about the youth allowance this afternoon. I do not believe I have ever seen, in recent times, such an example from a Labor government of a complete disconnect with regional communities. It is incredibly apparent—not only with regard to the youth allowance but in a whole range of areas that we have seen, particularly since the last budget—that this government is completely disregarding regional Australia. There are absolutely no two ways about it.

I congratulate my good colleague Senator Williams for putting this MPI forward this afternoon, because this is one of the most important issues to hit rural and regional Australia for years and years. As my other colleagues have already pointed out, we have been inundated by concern from students and families right around the country. These are not form letters or form emails; students and parents are sitting down and taking the time to write incredibly lengthy letters because they are absolutely at their wits’ end to think that this measure is going to be taken away.

There are a lot of measures contained within the package, but the one that is of particular concern is the issue of the students currently doing their gap year. Senator Crossin said earlier that we were being misleading and not talking about the changes properly and that there was still something in place about the 15 hours a week that a student could work over the 18-month period. That in itself is correct, but what the changes do is remove the capacity for a student right now, this year, to earn $19¼ thousand before the beginning of next year and then qualify.
So all those students who were finishing school at the end of last year and in good faith took advice—from counsellors, from parents, from teachers, from advisers or from Centrelink—that a way that they could qualify for independent youth allowance was to earn $19½ thousand over a 15-month period now simply will not qualify. Just imagine if that were you or if you were a parent of one of those students who have been working incredibly hard since the end of last year—because they want to be able to help; they want to be able to contribute; they do not want to be a burden on their families in asking for assistance to get them to tertiary education.

One of the issues around this that are so important is that regional Australia is doing it incredibly tough. We have had years and years of drought. We have families who are absolutely right against the wall out in regional communities and they still want to do everything they possibly can to get their kids into a decent tertiary education system. A lot of them simply cannot afford it without the assistance from the youth allowance. So what we are seeing is thousands of students being disaffected because of this government’s stupid policy. If I were being kind, I might say it was an unintended consequence. Perhaps the minister should come out tomorrow and say: ‘Actually, that is quite right. This was an unintended consequence. We did not intend for this to happen and we are now going to change the arrangement so these students qualify.’ I hope that the minister does, because the hundreds and hundreds of students and families that this is affecting deserve to have the minister come out and give them some comfort so they know that those students will be able to start with the assistance of independent youth allowance next year.

The other requirement that is going to be incredibly burdensome for these families is this issue of having to work 30 hours a week. Senator Crossin referred to this earlier. She has actually been quite misleading, because there is now absolutely no way to qualify for independent youth allowance unless you defer for two years. There is no way at all you can do it. So when you look at that and at the situation where we have students in regional areas who actually want to stay at home while they are doing gap year, or at least stay in the regions, you see that those jobs simply are not going to be there. If the government had any sense whatsoever, they would realise that so much of the work on offer in regional areas is seasonal work. And guess what: they are not allowing students to average out this 30 hours a week component. They have to do 30 hours every single week.

What I find quite extraordinary is the fact that the department could not give us any answers of any great substance during estimates. They did not know about the deferral capacity of universities—whether or not universities would be able to defer or would be inclined to defer for the second year. They said, ‘That is a matter for the universities.’ So we have thousands and thousands of students being affected and they simply do not know an answer. They did not even know the number of students that were going to be affected. There was some wishy-washy figure of 3,000, but we know it is up to 30,000. When asked, ‘How many students do you assess are currently taking a gap year?’ the answer from the secretary was, ‘We would not know.’ So they are making policy around an issue and they simply do not know what the ramifications are.

What is even more worrying is that the Labor government simply do not understand the ramifications of this. Indeed, they are being dismissive of it. In estimates, when I was raising these very serious points that we know are important to regional communities, the minister, Senator Carr, called it political
hysteria. I do not see that those thousands of families in regional Australia that are going to be affected by this are being hysterical in any way, shape or form. The minister herself, Minister Gillard, was asked in the House on 25 May: ‘Will the minister guarantee that students currently in their gap year will not be financially penalised under the government’s changes to eligibility criteria for the independent youth allowance?’ The question was asked by my good colleague the member for Gippsland, who is doing a lot of work on this. Guess what Minister Gillard answered: ‘What a very silly question.’ I do not think there is anything silly at all about those families out in regional communities who are so very concerned about this.

The government have been talking about an education revolution, and my very good colleague Senator Mason has been doing a lot of good work on this, saying, ‘What revolution?’ and pointing out the flaws in that term. They say one thing and they do another. Minister Gillard said back in 2007:

What that says is that we value the education of every child and we will continue to do that. We want to make sure kids right across the country, irrespective of what family they’re born into, whether they’re in the centre of the city, in a regional centre or outback Australia, that they all get the support they need for their education.

If she were serious about that, she would be coming out right now and saying: ‘We’re going to change this. I meant what I said and we are going to either change the date or quarantine the arrangement for these gap year students to make sure they have a future.’ She has promised students a bright future in tertiary education and she should simply come out and say that this is going to be changed. It is not fair on regional Australia, it is not right and it is not on.

Senator JACINTA COLLINS (Victoria) (4.50 pm)—On considering this debate so far, I wonder whether Senator Williams might be contemplating amending the original resolution, so perhaps I will take us back to that point. The MPI reads:

The Rudd Government’s ill-considered, ill-conceived and discriminatory changes to the Independent Youth Allowance announced in the Federal Budget.

When I read this when it was first circulated and then withdrawn yesterday, I was anticipating some sort of assessment and critique of the Bradley review. But we have heard none of that. What the government did, after a considered review, was to respond to it in the last budget. I am certainly prepared to accept that there is quite a degree of disquiet about what that might mean for some students currently within what has been termed their gap year. I too have received those emails and I too have raised issues and questions in Senate estimates about the potential impact.

It was suggested that the government was not aware of issues such as university deferral arrangements. It was in fact in my case that we raised this issue in Senate estimates because unfortunately there has been a scare campaign that is informing some of the emails that are now being circulated and that has not been looking at the various options that apply to young people as a result of these budget measures. I commend senators in their discussion in the debate today, because if I look at some of the language, for instance, I see we are talking about young people who feel as if their life has been tipped upside down or who have been effectively caught short. That is reasonable language. But some of the language that has been encouraged in the emails that have been circulating and some of it that came out during the Senate estimates discussion is the result of a scare campaign. When you hear young people saying, ‘My life is at an end; this destroys my future,’ it really is taking this issue well and truly out of perspective.
Senator Hanson-Young selectively picked one other issue where the application of measures in these types of situations needs to look at the application of potential retrospectivity. She chose, I suspect deliberately, to focus on the parliamentary superannuation issue. Senator Sherry quite rightly highlighted that there are many people planning retirement who have had to deal with the issue of goalposts being shifted, not only by the current government but also by the former government and by many governments before that. This issue is not a new issue. In some senses, I have more sympathy for the predicament that people planning for retirement who are at the end of their working life are caught in than I do for young people for whom, at the end of the day, it may simply mean that, after exhausting the various options, achieving independence is the only realistic option they have left and they may need to spend a further six to 12 months working. I myself worked for two years before I entered university. I know many people who have worked before university, whether it was for 12 months or for 24 months.

I take up Senator Williams’s discussion about what impact that has on whether students will actually enter university. That has not been well explored to date, but I add a new context to that. I want Senator Williams to consider a different issue, which is: why are young people being forced by the system to take a gap year in the first place, and is that, indeed, the best system—the one we should be encouraging in the future? Is it best for young people to spend 12 months in the workforce before they enter university? If in a policy sense we are encouraging a system which says to young people in rural and regional areas, ‘What you should do is go and work for 12 months and then go to university,’ I am still not convinced that that is the best policy option either. I know many students at university who probably could have benefited from that additional level of maturity rather than flunking their first year at university—and Senator Mason shakes his head in understanding of that point.

Also, Senator Williams, I should make a different point to you, which is that you should not make assumptions about the experience of other senators in this chamber. The point I made earlier when you were referring to stereo interjections was in response to Senator Nash, because I said my first paid work was on a farm near Jerilderie in New South Wales. She reflected, ‘Lovely town.’ I responded, ‘Yes.’ So my first paid work was on a farm near Jerilderie doing lamb marking. So, please, keep to the question, keep to the debate and do not insult other senators in the process about what experience they may or may not have had in rural and regional Australia.

Senator Crossin addressed a range of issues and highlighted some of the aspects of the changes and how they will benefit regional Australia. In the limited time I have, I want to respond to some of the other points raised. Senator Hanson-Young also referred to the figure that came out during our estimates discussion indicating that we are looking at around 30,700 young people potentially being affected. But I stress—and she did acknowledge this—that that is an effect. The effect may be positive; the effect may be negative. Unfortunately, at this stage, it is very difficult to assess the net effect—and not because the government is being intransigent; it is because it applies in a very difficult policy area.

We have had some comments about universities. Senator Williams rightly pointed to the article today in the Australian talking about flexibility on gap year deferrals. I have dealt with students who have needed to defer for exceptional circumstances, and they have
been able to extend their deferrals. I welcome this statement from Glenn Withers recommending that Australian universities apply flexibility and look at exceptional circumstances for students. But let us look at when we might be dealing with those exceptional circumstances. It will be after individual students assess their circumstances in relation to changed benchmarks. But those changed benchmarks, the retargeting of the system, allow significant improvements in terms of how they might be assessed were they still caught under the dependency criteria in relation to their parental income test and in relation to their personal income test. This package improves the financial wellbeing of students, and in particular those students for whom income support will be the main issue that determines whether they can be at university or not.

But when an individual student then compares their circumstances—how far off they are from achieving independence, what the criteria will mean in terms of their parental income and what the criteria will mean in terms of their potential personal income—they will be in a position to decide whether they still want to strive to be financially independent or whether they accept the alternative options that are still available to them. This is a prospective assessment, and that is why the department cannot say clearly, ‘This is our assessment of the net impact.’ Senator Mason knows that, I know that and I suspect Senator Nash really does know that aspect of it too. Were she able to come forward with a couple of examples that could demonstrate severe disadvantage, that might be a different issue. But I have not seen those cases. What I have seen are the cases of people who are yet to be able to assess their circumstances, and I have seen the result of some level of scaremongering where young people are making some pretty extreme statements about what this really means.

I think that is most unfortunate. I know many students who have started out with a view to taking a gap year who have then decided to extend their deferral and still gone on to university. They have had to change their choices because of other shifted goalposts. Goalposts in this area do shift, and that shift may be as a result of government policy or it may be as a result of other life circumstances. Unfortunately, this is what does happen and over time young people will come to terms with the fact that goalposts might shift in the future. As I have said, for students who want to access university the gap year issue may be considerable, and this is why I have stressed that universities are capable of extending their deferral circumstances. (Time expired)

Senator MASON (Queensland) (5.00 pm)—I think all honourable senators do agree that the prospective changes to youth allowance are a very important issue. Senator Collins was quite right—I think all of us in this chamber have received a lot of correspondence about the issue. I have received many emails, and I know all honourable senators have. Senator Collins said something very interesting, and she was dead right. The Bradley review and also the government have spoken about equity and access to tertiary education and higher education. This fundamentally is the point. The Deputy Prime Minister, who is the Minister for Education, has spoken many times about the importance of having more people graduate from Australian universities and attending higher education. Equity and access has been one of the themes of the Deputy Prime Minister’s crusade on higher education. Let me just say that a lot of it I agree with. I think it is a good thing that more people go to university and I think it is a good thing to attract students to higher education from whatever background. Australia should be a meritocracy and certainly people should
not be precluded on the basis of coming from a disadvantaged or Indigenous background. But neither should they be disadvantaged or have access reduced by where they happen to live. It was easy for me to go to university because I caught a bus to it. So many students in this country do not have the option of doing that. They live far too far away to even drive to it. So this is a question, as the Deputy Prime Minister likes to say, of equity and access. If that is the fundamental test—and that is the test that Professor Bradley raised in the Bradley review—what about rural students? They are disadvantaged. This is the litmus test. They are disproportionately disadvantaged by the changes to the youth allowance scheme.

I accept what Senator Collins said—that many of these prospective students will not qualify because their parents earn too much. That is true and I accept that. But the bottom line is that these young Australians do not have the option of staying at home to go to university. Their access to university is much less than the vast majority of Australians. That is the fundamental flaw in the government’s position. I have heard so often from the Deputy Prime Minister—indeed, nearly ad nauseam—about equity and access to higher education. I agree with a lot of that. I agree with her on much of that. I think a lot of other honourable senators in the opposition do as well. But you cannot argue that and talk about disadvantaged students and Aboriginal students and then say it does not apply to students living in rural and regional areas. It just does not work and it does not wash.

Secondly, as Senator Nash and Senator Williams have put so eloquently this afternoon, there is a transitional period. I have to agree again with Senator Collins that technically this bill is not retrospective. I accept that. Technically it is not retrospective. Senator Sherry is right to suggest that sometimes goalposts change. But so many prospective students have put their lives on hold on the basis that the rules would be as they are now. What about them? The government intends to introduce this on 1 January next year and again we are going to have tens of thousands of students miss out. It is all very well for the government to talk about equity and access—and, as I say, I agree with a lot of that—but rural students and students undertaking transition will both miss out. It is not fair and it upsets equity and access. The government cannot have it both ways.

The government’s approach to youth allowance is symptomatic of their approach more generally to education. They have big ideas and really lofty rhetoric but they are defeated in detail and often a shambles in implementation. We have heard so much about that in question time today and over the last 18 months since the election. Who could forget the then opposition leader, Mr Rudd, standing there with a laptop computer saying, ‘This is the toolbox of the 21st century.’ Eighteen months later only eight per cent of the computers promised have landed on desks. Even then it was underbudgeted by $800 million. It is a shambles in implementation. It is a toolbox without any tools. It is an absolute farce. It was great rhetoric, but in implementation it has been a total, unmitigated disaster.

Also, the Prime Minister promised there would be an internet connection, that all these laptop computers would be connected to fibre at 100 kilobytes a second and we would have a great new education system. But there have been no new connections to fibre from the government, and when you ask about this at estimates you are told: ‘It is okay. You do not need to worry about it because Senator Conroy has it under control. The National Broadband Network will fix the problem.’ How long will it take? According to Senator Conroy, it will take five to
seven years—by which time, I might add, all the laptop computers that the government has promised will be redundant. Not only have the laptops not arrived; when they do arrive they are going to be redundant. It is a total farce.

As we heard today in relation to the Building the Education Revolution and primary schools, the two aims of that project were to provide jobs and to enhance education. We now know the government did not even ask how many jobs would be created when they sought the tenders. So the problem with the youth allowance, as has been put so eloquently by my colleagues, is symptomatic of a broad problem. The broad problem is this: the government is great at rhetoric, is great on spin, has lofty promises but is absolutely woeful on implementation.

The ACTING DEPUTY PRESIDENT (Senator Troeth)—Order! The time for this debate has now concluded.

COMMITTEES

Australian Crime Commission Committee

Report

Senator HUTCHINS (New South Wales) (5.07 pm)—I present the report of the Parliamentary Joint Committee on the Australian Crime Commission on the examination of the annual report of 2007-08 of the Australian Crime Commission, together with the Hansard record of proceedings.

Ordered that the report be printed.

Senator HUTCHINS—I move:

That the Senate take note of the report.

Before I report on the committee’s findings, I want to thank my colleagues on the committee for their contributions to this examination, in particular senators Boyce, Parry, Polley and Fielding, along with our colleagues in the other place. I would also like to thank the witnesses who appeared on behalf of the Australian Commission for Law Enforcement Integrity and the Australian Crime Commission board, particularly the Australian Crime Commission Chief Executive Officer, John Lawler; the former Chief Executive Officer, Alistair Milroy; and the chair of the ACC board, Mick Keelty. Finally, a special thank you needs to go to the committee secretariat, headed by the dedicated and indefatigable Dr Jacqueline Dewar, supported by Nina Boughey and Danielle Oldfield, for all the assistance they have provided.

Since our last report, we have lost our minister and our chief executive officer and we are about to lose our chairman—that is, Bob Debus, Alistair Milroy and Mick Keelty. I would like to thank them on behalf of the committee for their exceptional contribution to public life and their efforts in law enforcement. This report has been undertaken as part of the committee’s statutory duty under the Australian Crime Commission Act to examine each annual report of the Australian Crime Commission and report to parliament on any matter appearing in or arising out of any such report. As a result of the examination of the report and the evidence received at the public hearing in Canberra in March, the committee has made four recommendations for the government and the ACC to consider.

The first recommendation relates to the need to expedite the judicial process for contempt proceedings relating to ACC contempt matters. This matter was first brought to the attention of the government and the parliament in the Trowell report. During the public hearing the ACC reiterated its concern that the commission does not have mechanisms that are broad, strong or fast enough to deal with contempt arising out of the exercise of the ACC’s coercive powers. The difficulties posed by contempt proceedings were highlighted by Mr Lawler, who indicated that the ACC has intelligence suggesting that certain
high-risk crime groups have directed their members to frustrate ACC examinations by refusing to comply with and to provide evidence to the commission. It is an intolerable situation where organised crime groups are able to disrespect the legal powers granted to the commission by relying on the delay that arises when contempt proceedings are pursued. This is not the first time the committee has made this recommendation, but I would hope that it will be the last. It is imperative for the efficacy of ACC investigations that the government issues a response to the Trowell report recommendations and considers how it will enhance definitions of contempt and extradite contempt proceedings.

The second recommendation relates to the shifting focus of the ACC towards financial crime under Wickenby and Midas determinations and the need to address this shifting focus in the ACC’s structure. To address this the committee is suggesting that the Commissioner of Taxation be included as a member of the ACC board, a view supported by the board, according to its chairman. Again this recommendation goes back as far as 2005, when the committee made the same recommendation in its report on the review of the Australian Crime Commission Act 2002. I am aware that this recommendation has featured in at least two subsequent reports as well. We have been advised that the board has taken some action in the interim by inviting the Commissioner of Taxation to attend meetings as an observer, but it is the view of the committee and the ACC board that, in the long term, the increased focus on the financing and assets of serious and organised crime will be best served by having the commissioner as a permanent voting member.

The third recommendation deals with establishing a practice of reporting and publicising a list of corruption complaints received and investigated by the Australian Commission for Law Enforcement Integrity in an appendix to the ACC annual reports. We recognise the concerns of ACLEI that reporting these process cases in an inappropriate manner could jeopardise ongoing investigations or unduly tarnish the reputation of individuals whose guilt has not yet been established. Nevertheless, ensuring the accountability and transparency of ACC reporting processes is a key responsibility of the parliamentary joint committee and as such we firmly believe that this process is necessary. At the same time, we are fully supportive of ACLEI and ACC collaborating on a reporting mechanism that does not compromise or cast aspersions on any case or individual so long as it continues to provide the information in an open and accountable way.

Finally, the ACC is a unique organisation in that, unlike every other law enforcement organisation, the ACC’s CEO has no ability to remove a staff member based on loss of confidence in that staff member’s integrity. I am sure I do not need to tell senators just how critical it is that our law enforcement agencies have the ability to monitor their officers’ integrity and act to deal with potential or prospective breaches. Every state police force has this ability, as does the Australian Federal Police. The CEO of the ACC does not even have the power to suspend employees under investigation.

This is an untenable situation for an organisation that is taking the fight to organised crime in Australia, where the potential for security breaches is enormous and the stakes are high. As such, the committee recommends that the Australian government review existing arrangements for the suspension and dismissal of Commonwealth law enforcement agency employees believed on reasonable grounds to have engaged in serious misconduct or corruption and that the government take action as appropriate, bear-
ing in mind the need to respect the rights of employees.

In conclusion, I would like to commend the ongoing work of the Australian Crime Commission in their fight against serious and organised crime. The agency is performing exceptionally well and continues to meet its key performance indicators. The recommendations arising from this report will assist the commission by removing some serious impediments to its effective operation. I table this report. I encourage senators to give it due consideration, to read it and to assist us in prosecuting the recommendations that we have made to this parliament and to this government.

Senator BOYCE (Queensland) (5.15 pm)—I would like to endorse the comments made by the Chair of the Parliamentary Joint Committee on the Australian Crime Commission and also endorse his thanks to the members of the committee and to the secretariat for the outstanding work they do. I have great pleasure in speaking to the tabling of this report on the 2007-08 annual report from the Crime Commission. The establishment of the Crime Commission in January 2003 was a proud achievement of the Howard government and I believe has been well borne out by the great work that the commission has done since. The commission replaced the National Crime Authority, the Australian Bureau of Criminal Intelligence and the Office of Strategic Crime Assessments. It has become a truly national criminal intelligence and investigation agency, with a greater focus continuing to be put on the intelligence side of its work.

The ACC started with a budget of $65 million in 2003-04 and in 2009-10 it will have a budget of $111 million, which I think demonstrates the growth in its work. However, we found during a hearing that arrest rates have fallen. The number of people charged by the ACC in 2004-05 was 294, and this dropped to 176 in 2006-07 and went to 210 in 2007-08. Some of the submissions made to the committee’s review of the ACC noted these figures and suggested that they represented a decline in the commission’s effectiveness. The investigative journalist and author on organised crime Mr Bob Bottom pointed out that during 2006-07 the New South Wales Crime Commission was responsible for 445 arrests, compared with the ACC’s 176. The New South Wales figure was achieved with a staff of just 110, compared to the 619 employed by the ACC. The budgets were also compared: there was $14 million for the New South Wales commission and well over $100 million that year for the ACC.

The ACC, I think quite rightly, explains the drop in the arrests by emphasising the change in the focus of its operations, as I noted. They told our committee that the investigations of many offences are best carried out by Australia’s police forces, with the ACC working more on national intelligence. Certainly, an overarching intelligence role is the ideal use of the commission’s resources, but we as a committee feel that this must also be accompanied by a rigorous accounting of this move towards more qualitative KPIs for the ACC. We can measure arrests and the like, but intelligence by its very nature is a far more difficult measurement to make, and so we must rely very carefully and heavily on qualitative KPIs to be sure that the money given to the ACC is being effectively used.

The intelligence services provided by the ACC to its partner organisations are invaluable to those organisations in their ability to make arrests. Eighty-seven per cent of the ACC’s operations are conducted with its 16 partner organisations, including the Australian Federal Police, the Australian Customs Service, the Australian Securities and Investments Commission and the Australian
Taxation Office. The ACC reports that the feedback and success of its collaborations with partner organisations has been positive. This, of course, is an area that we must continue to watch with great vigilance and to investigate very thoroughly.

The first indicator of the ACC’s performance is the provision of effective and efficient criminal intelligence systems, which includes the storage of intelligence data, in collaboration with partner organisations. I am pleased that the commission is continually upgrading and revising its data capabilities. Last year saw the launch of its latest version of the Australian criminal intelligence database, which includes new capabilities in text analysis and socionetwork analysis tools to detect and map criminal networks—putting two and two together so that you get four, right across Australia, not just in small areas and not just in one city. These networks will be invaluable in the time to come.

Recently, data intelligence regarding tax avoidance, tax evasion and large-scale money laundering has been a strong focus of the commission through Project Wickenby. Project Wickenby, of course, is a cooperative partnership between the ATO, the AFP, ASIC, the Commonwealth DPP and the Australian Crime Commission. In March this year the ACC reported to us that Project Wickenby had resulted in 23 criminal investigations, three convictions and 40 people being charged with indictable offences, as well as $287.3 million in tax liabilities being raised. Given the links that organised crime has with tax avoidance and money laundering, collecting and analysing intelligence on taxation is going to be a growing and ever more important part of the commission’s work.

The links between the ATO and the ACC are very important in detecting organised crime through taxation data. This committee has continually advocated that the Commissioner of Taxation have a permanent position on the Australian Crime Commission board, and that view has been supported by Commissioner Keelty, who said, ‘There is great benefit in having the tax commissioner on the board.’ Therefore, we recommend to the government that the process to include the taxation commissioner as a full member of the Australian Crime Commission board should be expedited.

The second performance indicator of the commission’s operations is to provide investigation of intelligence operations on federally relevant criminal activity. A very necessary component of its work in this area—to investigate and to gather intelligence—is its powers to coerce witnesses to appear and to provide information. In 2007-08 the ACC issued 895 summonses to attend an examination and they conducted 760 examinations. These coercive powers of the ACC are invaluable in their investigation of cross-border organised crime and for gathering information that can be used by both the AFP and state police bodies. For instance, under Strike Force Wolsley the commission recently executed 31 search warrants in relation to the alleged criminality and acquisition of illegally obtained assets by the Hells Angels outlaw motorcycle gang. Strike Force Wolsley was established in August last year and has so far resulted in 123 charges being laid, 36 arrests and the seizure of 31 illegal firearms as well as illegal drugs with an estimated street value of $5 million. The commission’s work with the Joint Asian Crime Group has also had success with the recent prevention of $25 million worth of methamphetamines going onto Australian streets. It was in May, last month, that this shipment was prevented from entering the Australian drugs market.
However, the committee has noted that the ACC needs to have stronger and more expeditious mechanisms for dealing with contempt when a person fails to cooperate with the examiners and the examination process. We have heard from the commission that delays in the court’s hearing of contempt matters have often resulted in ‘the importance, relevance and value of the information that comes from those hearings being greatly degraded’. In short, it is too easy for people called as witnesses to frustrate the process by using court appeals to destroy the timeliness and the value of the information they have. Naturally enough, it is the criminals or the alleged criminals with the deepest pockets who have the most opportunity to delay and frustrate the process of uncovering evidence which will assist the Australian community. So certainly we need to work in that area to support this extraordinarily valuable organisation in the work that it is doing to save and protect the Australian community. I commend the report to the house.

Question agreed to.

Scrubutny of Bills Committee Report

Senator PARRY (Tasmania) (5.25 pm)—On behalf of Senator Coonan, I present the sixth report of 2009 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 7 of 2009, dated 17 June 2009.

Ordered that the report be printed.

MINISTERIAL STATEMENTS

Wellbeing of Australia’s Children

Government’s Response to Trafficking in Persons

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.26 pm)—I table ministerial statements on the wellbeing of Australia’s children, and the government’s response to trafficking in persons, together with the inaugural report of the Interdepartmental Committee on People Trafficking.

AUDITOR-GENERAL’S REPORTS

Report No. 41 of 2008-09

The ACTING DEPUTY PRESIDENT (Senator Troeth)—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 41 of 2008-09: Performance audit: the Super Seasprite: Department of Defence.

COMMITTEES

Economics Legislation and References Committees Membership

The ACTING DEPUTY PRESIDENT (Senator Troeth)—The President has received letters from a party leader and an Independent senator seeking to vary the membership of a committee.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.27 pm)—by leave—I move:

Economics Legislation Committee—

Appointed—

Substitute member: Senator Abetz to replace Senator Joyce for the committee’s inquiry into the Car Dealership Financing Guarantee Appropriation Bill 2009

Participating member: Senator Joyce

Economics References Committee—

Appointed—Senator Xenophon.

Question agreed to.

FAMILY ASSISTANCE AMENDMENT (FURTHER 2008 BUDGET MEASURES) BILL 2009

First Reading

Bill received from the House of Representatives.
Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.28 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) (5.28 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—

This Bill contains measures from the 2008-09 Budget that aim to reduce customers’ family assistance debts and assist customers to avoid accumulating debts into the future.

Family tax benefit provides considerable support to more than 2.2 million Australian families, with annual expenditure worth around $17 billion.

The Australian Government understands that families need the family payments system to help them, not complicate and frustrate their lives. These new measures will help stop families getting into cycles of overpayment and debt. They will help prevent tens of thousands of families a year from potentially losing control of their household budgets and will ensure they are paid the correct amount of family tax benefit to which they are entitled.

There are three measures in this bill that will help families receive their correct entitlement and reduce debts.

The first provides for continuous adjustment of customers’ family tax benefit rate. This is intended to prevent reconciliation debts by Centrelink automatically adjusting a customer’s family tax benefit rate following an increase in the customer’s income estimate. The second measure precludes certain payments in an effort to reduce the number of existing and newly-accrued family tax benefit debts for people who fail to lodge tax returns. The third measure makes minor amendments to the tax file number provisions in the family assistance law.

Continuous adjustment is currently a voluntary practice that assists customers to avoid being overpaid family tax benefit where there has been an increase in their income estimate during the income year. Around three-quarters of all families currently utilise continuous adjustment on a voluntary basis. This measure will make the continuous adjustment practice used by Centrelink and the Family Assistance Office mandatory for families who have an increased income estimate that reduces their ongoing rate of family tax benefit.

Around 90 per cent of all customers, or two million families, receive family tax benefit by fortnightly instalment. These payments are determined on the basis of an estimate of income. Currently, if there is a change in this estimate during the income year, this changed estimate is applied prospectively to determine the family’s rate of payment from the time of the changed estimate. This measure will require the prospective instalment payments to be reduced to adjust for this increase in income. The new rate of payment will take into account the amount of benefit that the family has already been paid in that year.

This measure will assist in reducing the risk of the claimant having an overpayment on reconciliation and limiting the possibility of a debt. This measure will prevent around $15 million of reconciliation debt for 28,500 families for the 2009-10 entitlement year, with another 29,000 families receiving an increased top-up as a result of being paid their entire supplement.

The second measure will limit how family tax benefit payments can be made in certain circumstances. It is aimed at reducing the number of existing and newly-accrued family tax benefit debts among families who have not lodged necessary tax returns. In November 2006, the Australian National Audit Office recommended in its report Management of Family Tax Benefit Overpayments that measures be introduced to reduce this type of debt, known as non-lodger debt.

As at September 2008, debts in this group amounted to approximately $460 million and it is
predicted that, with no corrective action, it will be $680 million by September 2011.

This measure responds to the Australian National Audit Office recommendations on non-lodger debt. Within 18 months after the end of the relevant financial year, families will be required to lodge their tax returns or advise the Family Assistance Office that they are not required to lodge a tax return. If a tax return is not lodged within this timeframe, the Family Assistance Office will temporarily restrict a customer’s family tax benefit payment options, precluding options that are based on an estimate of income. The most commonly used payment mechanism that uses income estimates is fortnightly payments of family tax benefit. Therefore, where a family has not lodged their tax returns within 18 months of the end of the relevant financial year, they will not receive fortnightly payments of family tax benefit.

During the non-payment period, the family will continue to be entitled to family tax benefit as a lump sum, which can be paid following lodgement of required tax returns. The measure limits only the method by which those families can be paid.

When the customer or their partner lodge the relevant tax returns for the entitlement years for which they have non-lodger debts, the suspension will be lifted. They may then be able to receive their family tax benefit entitlement based on an estimate again, including by fortnightly payments.

This measure will help families avoid cycles of overpayment and debt when they continue receiving family tax benefit payments based on an estimate and having it turned into debt year after year. This measure will help around 40,000 families a year maintain control of their household budgets and receive their correct levels of payments.

Lodging tax returns and undertaking a final family tax benefit reconciliation for the year can result in a benefit to families where they have been underpaid family tax benefit for that year. Families who lodge their tax returns within two years after the end of the relevant financial year and complete their reconciliation will also be eligible to receive their full end of year lump sum payments.

The third measure makes minor amendments to the tax file number provisions in the family assistance law. These amendments will extend the time for which the Australian Taxation Office can provide details of a customer’s income particulars to Centrelink for the purpose of the family assistance law. These amendments will also assist in specifying when and how tax file numbers can be used for the purpose of the family assistance law to assist in the reconciliation and debt offsetting processes.

Debate (on motion by Senator Carr) adjourned.

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

BUSINESS

Consideration of Legislation

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.29 pm)—by leave—I move:

That Family Assistance Amendment (Further 2008 Budget Measures) Bill 2009 and the Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009 may be taken together for their remaining stages.

Question agreed to.

DEFENCE LEGISLATION AMENDMENT BILL (No. 1) 2009

First Reading

Bill received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.30 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) (5.30 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—

The purpose of the Defence Legislation Amendment Bill (No. 1) 2009 (the Bill) is to make amendments to address two separate measures. The first measure will amend the Defence Act 1903 to introduce a Tactical Payment Scheme (TPS). This scheme will provide a new, efficient and effective means for making expeditious no-liability payments to persons who suffer damage, injury or loss due to Australian Defence Force (ADF) activities abroad. The TPS was developed in response to lessons learned in ADF operations in Iraq, Afghanistan and East Timor. The scheme is an acknowledgement that, in many areas in which the ADF operates, the expectation of financial compensation for collateral damage to property, injury, or loss of life is often a common aspect of local cultures. Respect for and recognition of such customs is vital for building relationships with these local communities, which in turn enhances the safety and security of our deployed ADF personnel. At present, payments of this nature can only be made by the Government under the Act of Grace provisions in the Financial Management and Accountability Act 1997 (the FMA Act). These provisions provide for payment to be made in circumstances where the Government is not legally liable for the damage caused by ADF members but accepts some responsibility to recompense the individual affected by that damage. Defence greatly appreciates the support provided by the Minister for Finance and Deregulation, who is responsible for considering and approving Act of Grace payments. Nonetheless, our experience in East Timor, Iraq and Afghanistan has shown that the administrative requirements involved in making an Act of Grace claim makes that system unsuitable for use in operational environments. This is particularly true in situations where expeditious payments are appropriate and most effective. Even small delays in making payments can have a negative impact on relations with the local community and therefore on the security and protection of ADF personnel deployed overseas. The TPS is a Defence specific, discretionary mechanism that does not preclude Defence from having recourse to the Act of Grace provisions in the Financial Management and Accountability Act 1997 (the FMA Act). The scheme will allow for expeditious payments to be made in overseas operations and will operate independently from the Act of Grace payments provisions and be managed and operated by Defence. The second measure amends the Defence Home Ownership Assistance Scheme Act 2008 which provides a legislative basis for the operation of the Defence Home Ownership Assistance Scheme (DHOAS). The DHOAS was introduced on 1 July 2008 as one of a number of initiatives designed to improve current ADF recruitment and retention rates. The scheme is responsive to changes in the housing market and provides flexibility and choice to ADF members through a panel of home loan providers. Since being introduced, the DHOAS has generated much interest in the ADF community. As at 28 February 2009, the Scheme Administrator, Department of Veterans' Affairs had issued 11,255 subsidy certificates to eligible ADF members. Of these ADF members, 5197 had commenced receipt of the subsidy assistance on taking up a mortgage provided by a member of the home loan provider panel. ADF member feedback indicates that the DHOAS is having a positive influence on retention. While the introduction of the DHOAS has been successful, the Scheme Administrator has highlighted a number of unintended outcomes incon-
sistent with the initial policy intent. Accordingly, the Bill will address these unintended outcomes.

The Bill will remove the unintended windfall gain in the eligibility and entitlement of members who rejoined the ADF after a break in service prior to 1 July 2008. This measure will ensure that members who rejoined the ADF prior to 1 July 2008 are provided with the same eligibility and entitlement as those who rejoined after this date. The change primarily affects members with reserve service or combined permanent and reserve service who have had a break in service of between two and five years prior to 1 July 2008. This Bill will also clarify that ADF service performed before a break in service of greater than five years is not considered to be effective for the purpose of calculation of a member’s eligibility or entitlement. Importantly, these changes will not be retrospective. This will ensure that members who have been advised of an entitlement based on the previous provision, by being issued with a subsidy certificate, do not suffer detriment.

The second unintended outcome is in relation to subsidy certificates where that certificate can be issued even if the member has exhausted their service credit and cannot receive a subsidy payment. This undermines the reliability of the certificate as evidence for home loan providers that a member is able to receive a subsidy on the loan provided. Furthermore, the certificate does not expire if the recipient ceases to hold a Service credit and has no reasonable prospect of accruing further credit because he or she is no longer a member of the ADF. This will be addressed by the Bill to ensure greater reliability of the subsidy certificate as evidence to a home loan provider that a subsidy is payable by making the issue of a subsidy certificate conditional on a member having a service credit, and making the certificate to stop being in force where the holder is not a member of the ADF and ceases to have a service credit. Importantly, no person will be disadvantaged by these changes.

The Bill also makes amendments to ensure that only those members who are buying a home for the first time while a member of the ADF will have access to the subsidy lump sum payment option, that the subsidy may be payable either monthly or as a lump sum payment plus monthly payments, and that members who access the lump sum payment option retain sufficient service credit to support on-going monthly subsidy payments. The Bill makes changes to the treatment of shared liability for a loan to bring the legislative scheme in line with the original policy intent of the DHOAS. The entitlement of a subsidised borrower who enter into a joint loan with a person who is not defined as a ‘partner’ in the Defence Home Ownership Assistance Scheme Act 2008, is calculated proportional to the subsidised borrower’s liability. The amendments also clarify the entitlements of partners who are both subsidised borrowers in respect of the same loan, allowing partners together to maximize the amount of subsidy payable in respect of a loan to which they are both parties. These measures establish a consistent framework for calculation of subsidy where there is more than one party to a loan.

Lastly, the Bill makes a minor amendment so that the Scheme Administrator may be delegated the Secretary’s function to provide written statements of reason for a decision that may be reviewable, including information about the affected person’s rights. This will allow the responsibility for notification of review rights to be placed upon the delegate who has made a reviewable decision under the Act.

I commend the Bill.

Debate (on motion by Senator Carr) adjourned.

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

SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (AUSTRALIAN APPRENTICES) BILL 2009

First Reading

Bill received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.31 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) (5.31 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—

The Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009 seeks to benefit Australian Apprentices who are eligible to receive payments under two new Australian Government programs; Skills for Sustainability for Australian Apprentices and Tools For Your Trade (under the Australian Apprenticeships Incentives Program). This Bill ensures that eligible Australian Apprentices receive the full benefit of the payments without deductions.

This Bill makes minor adjustments to the Income Tax Assessment Act 1997, the Social Security Act 1991, and the Veterans’ Entitlements Act 1986 to exempt from taxation and treatment as taxable income payments made to Australian Apprentices under the two programs.

Tackling climate change and building a more environmentally sustainable base for Australian industry and the Australian economy are among the great challenges facing the nation.

The programs that are the subject of this legislation represent significant steps to meet the growing demand for skills in sustainability. In addition the Bill provides essential support for the Australian Apprenticeship market in preparation for economic recovery.

Skills for Sustainability for Australian Apprentices is an outcome of the Australia 2020 Summit and aims to accelerate industry’s and the tertiary education sector’s response to climate change by providing practical incentives for industry to focus on developing skills for sustainability.

The Rudd Government is working to transition Australia into one of the world’s leading green and sustainable economies. This will mean not just developing new technology, it will also require new ways of learning and applying skills – in the obvious fields like energy, building and construction, automotive and engineering but also in service areas like hospitality and tourism where even greater effort is needed to minimise environmental costs.

The incentives contained in the Skills for Sustainability measure are designed to encourage employers and Australian Apprentices in selected National Skills Needs List (NSNL) occupations to undertake a threshold level of sustainability-related training. The goal is to develop an appropriately skilled workforce that can meet the rising demand for sustainable buildings, technologies and industries.

The program delivers a personal benefit payment of $1,000 to eligible Australian Apprentices in selected occupations following completion of the required level of sustainability-related training.

The program is an essential investment to develop a workforce ready to implement the energy efficiencies essential to the Carbon Pollution Reduction Scheme and to take advantage of the new business opportunities likely to open up as a result of Australia’s leadership in meeting the global carbon challenge.

The Rudd Government is building an environmentally sustainable economy through the CPRS, the mandatory renewable energy target, the clean energy initiative, solar flagships, investment in green buildings, insulation and solar hot water incentives. These and other measures being taken by governments, businesses and individual households are placing new demands in Australia’s vocational education system.

The nation’s apprentices will need to be skilled in new ways, with new and more integrated knowledge about the environment being required alongside traditional trade skills.

This program will add to work currently being undertaken by my Department on research into the workplace impacts of climate change policies, the development of training resources in key industries likely to be affected by climate change, a
voluntary certification program to recognise Registered Training Organisations that provide vital training in skills for sustainability and the encouragement of excellence through green training awards.

The Tools For Your Trade payment (within the broader Australian Apprenticeships Incentives Program) combines into one new payment three administratively complex programs previously available to Australian Apprentices (the Tools For Your Trade voucher program, the Apprenticeship Wage Top-Up and the Commonwealth Trade Learning Scholarship). The new payment comprises five cash payments totalling $3,800 over the life of the Australian Apprenticeship.

The new Tools For Your Trade payment represents a substantial improvement on previous arrangements for both Australian Apprentices and their employers. Under the previous arrangements, Australian Apprentices were required to claim the three payments from two different providers. As each of the programs had different eligibility criteria, Australian Apprentices in the same occupation may have received different levels of financial support based on criteria outside their control such as their age or the size of their employer. The new Tools For Your Trade payment addresses these inequities and inefficiencies. The streamlined delivery arrangements also remove unnecessary red-tape.

The new payment replaces the previous Tools For Your Trade voucher initiative, which provided vouchers to purchase a tool kit worth up to $800 for eligible Australian Apprentices. By replacing this program with the new Tools For Your Trade cash payment, Australian Apprentices will still be able to acquire the tools needed during their training but without the limitations imposed by the previous program. They will receive critical financial support across the life of their Australian Apprenticeship, assisting apprentices to sustain their livelihood and to remain in their trade.

For commencements from 13 May 2009, the Tools For Your Trade voucher will cease to exist. Transitional arrangements will be put in place to ensure that Australian Apprentices who commenced on or before 12 May 2009 and who have not yet received their tool kit will still be eligible for a tool kit at their three-month point.

The new Tools For Your Trade payment program will include agricultural apprentices and trainees and, if in rural and regional Australia, horticultural apprentices and trainees.

The Tools For Your Trade payment is one of a range of measures for Australian Apprentices and their employers, representing an investment by the Australian Government of $5 billion in apprenticeship and related programs over four years.

Ensuring the apprenticeship rates are maintained and that more apprentices complete their training during this time of global recession is a key goal of the Rudd Government. We know that failing to invest in skills today will lead to shortages and lost opportunities tomorrow.

The measures in this Bill will provide support and stability to the Australian Apprenticeships market and ensure that we continue to build a strong national skills base as Australia recovers from the global recession.

It should be noted that the amendments proposed in this Bill are consistent with taxation treatment of previous programs that deliver personal benefit payments to Australian Apprentices.

This measure, combined with other initiatives that support development of Australia’s skills-base, represent a significant step in preparation for the economic recovery.

Debate (on motion by Senator Carr) adjourned.

SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (PENSION REFORM AND OTHER 2009 BUDGET MEASURES) BILL 2009

First Reading

Bill received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.32 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) (5.32 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—

This bill implements key elements of the Government’s Secure and Sustainable Pension Reform package announced in the 2009 Budget. This reform package addresses the adequacy of the pension, makes its operation simpler and more responsive to pensioner needs, and secures its long-term sustainability.

It prepares Australia to meet future challenges, including the ageing population, through amendments to social security, family assistance, veterans’ affairs and aged care legislation.

In addition to providing significant increases in pensions, the reforms will make the pension system simpler, fairer and more flexible.

Australia’s 3.3 million age pensioners, disability pensioners, carers, wife and widow B pensioners, bereavement allowance, special needs pension and veteran income support recipients will benefit from increases in their pension payments.

The pension reform measures in this bill implement the reforms to social security and aged care laws. A further bill, to be introduced at a later date, will deliver the pension reform measures for veterans and their dependants.

Most of the pension reforms, including the important pension increases, will be introduced from 20 September 2009. Other measures will commence on other dates as specified.

Increased pension payments

From 20 September 2009, the Secure and Sustainable Pension Reforms will deliver total increases of $32.49 per week for singles who receive the maximum rate of pension, and $10.14 per week combined for couples on the maximum rate.

These increases are on top of regular indexation due in September. The total increase will comprise a rise in the base rate for single pensioners and a new, and increased, Pension Supplement for all pensioners. This increase brings the single rate of the pension up to two-thirds of the combined couple rate.

The maximum base rate of the pension payable to single people will be increased by $30 per week. In addition, singles will receive an increase of $2.49 per week in the new Pension Supplement, bringing their total increase to $32.49 per week. The $10.14 per week increase for couples combined will be provided through the new Pension Supplement. These increases are on top of all existing pensions and allowances.

Following these reforms, the new total weekly pension plus supplement will be an estimated $336.68 for singles and $507.50 for couples combined. This amounts to $17,507.36 a year for singles, and $26,390.00 for couples combined. The actual figures to apply from 20 September will depend on indexation. Actual cost of living increases and wages figures are not yet available.

New indexation and benchmarking arrangements

New indexation arrangements will be introduced to better reflect cost of living increases for pensioners. As part of the Government’s reform package, a new Pensioner and Beneficiary Living Cost Index will be calculated by the Australian Bureau of Statistics. This new index will measure increases in the living costs faced by pensioner and beneficiary households, which can be different to those faced by other households.

The new living cost index will be more responsive to changes experienced by pensioner households where the living costs may have moved faster than the rate of changes measured by the Consumer Price Index for the living costs of all households. From 20 September 2009, the maximum base rate of relevant social security and veterans’ pensions will be adjusted in line with either the Consumer Price Index or the new Pensioner and Beneficiary Living Cost Index, whichever is the higher.

Pension rates will also continue to be benchmarked to Male Total Average Weekly Earnings.
From 20 March 2010, a new pension benchmark for the maximum combined couple rate of pension will be introduced. It will be 41.76 per cent of the annualised amount of Male Total Average Weekly Earnings.

For a person being paid a single rate of pension, the maximum rate payable to that person will be set at 66.33 per cent of the maximum rate payable to a combined couple. Therefore, the new benchmark for the maximum single rate of pension will be 27.7 per cent of Male Total Average Weekly Earnings, an increase of more than 10 per cent from the current 25 per cent benchmark.

Current arrangements will continue to apply for Parenting Payment (Single) and for the Disability Support Pension paid to people under age 21 without children.

New pension and seniors supplements

The range of supplementary payments and allowances currently paid to pensioners will be simplified and made more flexible through the introduction of a new Pension Supplement.

This will help make pension payments easier to understand. Following the reforms, pensioners will receive two main payments: the base pension and the Pension Supplement.

This new Pension Supplement incorporates the value of the existing GST Supplement, Pharmaceutical Allowance, Utilities Allowance and Telephone Allowance (at the higher internet rate). Increases of $2.49 a week for singles and $10.14 a week for couples combined will be paid on top of the value of existing allowances.

The Pension Supplement will be indexed in March and September each year in line with increases in the Consumer Price Index. It will be available only to people resident in Australia or temporarily overseas.

The Pension Supplement for a single pensioner will be around two-thirds, 66.33 per cent, of the Pension Supplement for a couple combined. This mirrors the new single to couple ratio established for pension rates.

At 20 September 2009, it is estimated the Pension Supplement will be worth up to $1,462.70 a year for singles (or $28.13 a week) and $2,199.60 a year for couples (or $42.30 a week). This is an estimate as the actual indexation increase is not yet known.

The Pension Supplement will be included in the pension payment rate and subject to income and assets testing. This means that, once the base pension rate is reduced to nil, the Pension Supplement will decrease until it reaches a minimum payment of an estimated $790.40 a year for singles (or $15.20 a week) and $1,190.80 a year for couples (or $22.90 a week). The payment a person receives will not fall below the minimum amount of the Pension Supplement until the person’s income or assets reach a level that would otherwise reduce their payment to nil.

The new Pension Supplement will provide pensioners with more flexibility in managing their own budgets.

From 20 September 2009, the Pension Supplement will be paid fortnightly, along with the base pension. From July 2010, pensioners will have the choice of receiving around half of the Pension Supplement in quarterly instalments. This flexible part of the Pension Supplement will be equal to the minimum payment of Pension Supplement.

Self-funded retirees will also benefit from these reforms. A new Seniors Supplement for holders of a Commonwealth Seniors Health Card will be introduced from 20 September 2009. The Seniors Supplement will replace the Seniors Concession Allowance and Telephone Allowance (at the higher internet rate) for eligible recipients. The Seniors Supplement will continue to be available as a quarterly payment and will be paid at the same rate as the minimum amount of the Pension Supplement. The Seniors Supplement for a single person will be 66.33 per cent of the Seniors Supplement for a couple combined. In September 2009, the Seniors Supplement will be an estimated $790.40 a year for singles and $1,190.80 a year for couples.

Increases in the Pension Supplement minimum amount for couples combined and for singles will flow through to increases in the Seniors Supplement. This will mean pensioners cannot receive less supplement than eligible self-funded retirees.

Change to the pension income test

As part of the Secure and Sustainable Pension Reform package, the pension income test will be
tightened. This will help ensure the pension system is sustainable in the longer term, and that increases can be targeted to those most in need. These changes apply to recipients of social security Age Pension, Disability Support Pension, Wife Pension, Carer Payment, Widow B Pension, Bereavement Allowance and Special Needs Pension. This change does not apply to recipients of Parenting Payment (Single).

From 20 September 2009, the pension income test taper rate will increase from 40 cents to 50 cents for each dollar of income over the income test free area. Under the new rules, where a pensioner has ordinary income over the income test free area, their rate of pension will reduce by 50 cents for each dollar of income above the free area. In the case of a pensioner couple, their combined pension will reduce by 50 cents for each dollar of income (combined) over the income test free area. Pensions paid to each partner will reduce by 25 cents for each dollar of income (couple, combined) over the income test free area.

To bring the pension income test into line with other means-tested payments, including allowances and family assistance, the additional income test ‘free area’ for dependent children will be removed.

Transitional arrangements will be put in place to protect existing pensioners who would otherwise have faced a payment reduction because of the changes to the income test. The transitional safety net will ensure that current payment rates for part-time pensioners are maintained in real terms, with indexation in line with increases in the Consumer Price Index, and that they benefit from an increase of $10.14 per week for singles or couples combined. They will continue to receive these existing entitlements, including the increase, until they are better off under the new pension rules, including the new 50 cent income test withdrawal rate.

New ‘Work Bonus’

Some pensioners choose to take up paid work to supplement their pension. A new Work Bonus will be introduced to help age pensioners keep more of the money they earn from work. The Work Bonus will provide concessional treatment of employment income under the income test for pensioners over Age Pension age.

Under these new rules, employment income will be assessed fortnightly for pensioners over Age Pension age. Only half of all employment income (up to a maximum of $500 a fortnight) will be assessed in the income test.

For example, a single Age Pensioner who works part-time with a fortnightly income of $500 will have only half of their income, or $250, from this job assessed under the pension income test. This means that the pensioner will be up to $125 per fortnight better off just as a result of the new Work Bonus, even after taking into account the tightening of pension income test rules.

Further amendments in the bill are made to close the Pension Bonus Scheme. The introduction of the scheme in July 1998 was intended to encourage older Australians who would otherwise retire and claim Age Pension to remain in the workforce and defer claiming the payment. The Harmer Pension Review found the scheme is not meeting its objective of encouraging workforce participation among older Australians. As a result, it will be closed to new entrants from 20 September 2009. Existing members of the scheme will be able to remain in the scheme and claim a pension and their bonus when they finish working.

Age Pension age

As part of these reforms, and to improve the longer-term sustainability of the pension system, the qualifying age for Age Pension will increase for both men and women from 65 to 67 years. This will be done on a gradual basis, with the qualifying age for Age Pension increasing by six months every two years, commencing on 1 July 2017 and will be fully implemented on 1 July 2023. Phasing the change in over this period will allow affected individuals time to plan for their retirement.

The change will ensure Age Pension age is adjusted to reflect the significant improvements in life expectancy that have occurred since Age Pension was first introduced in 1909. It will allow the Government to respond to the long-term cost of our demographic challenges. This change will not impact on current Age Pensioners, and will only affect people born on or after 1 July 1952. The phase-in of the increased age mirrors the rate of increase of the pension age for women, which is
currently increasing and will reach 65 years on 1 July 2013.
The pension age for veterans will not be increasing as a result of these changes. The male veteran age will remain at 60 years. Pension age for female veterans is currently 58.5 years and is gradually increasing to align with male veteran pension age of 60 by 2013. However, the pension age for non-veterans under the Veterans’ Entitlements Act will increase in the same manner as the qualifying age for Age Pension under the Social Security Act.

More flexible advance arrangements
Existing arrangements for advance payments will be improved, to give pensioners greater access to advances of certain social security payments. Advance payments are lump sum pre-payments of a pensioner’s entitlements, which are repaid in instalments from future pension payments. The improvements will increase the maximum allowable advance from $500 to around $1,000 for singles and $1,500 for couples combined. The actual maximum advance amounts will be linked to movements in social security pension rates. They will also enable pensioners to access more than one advance in any 12-month period. The changes will modernise the advance payment system to better reflect the needs of pensioners, helping them meet large or unexpected expenses.

Pension reform implications for aged care
As our population ages, it is vital that we support a strong residential aged care sector that provides appropriate care for frail older Australians. It is also important that those older Australians who reside in aged care facilities have some money left after paying their fees.
The Government has decided to share the pension increase between aged care providers and pensioners. This ensures that pensioners in aged care homes are able to benefit from the pension increase, while at the same time recognising that care providers also need additional funding to contribute to the costs of services such as nursing care, food and cleaning.
Of the pension increase for singles, $10.09 per week will flow to the pensioner, and $22.40 per week will flow to the residential aged care provider through an increase to the basic daily fee.

As the daily fee charged to self-funded retirees is linked to the amount of the Age Pension, an increase in the Age Pension would normally mean the fees faced by self-funded retirees would increase.
The Government recognises that a sudden cost increase for existing self-funded retiree residents would be an unfair burden, and has decided those self-funded retirees in residential aged care on 19 September 2009 will have their existing fee levels protected until they leave. Those who enter aged care after this date will have any cost increase phased in over four years.
The arrangements for self-funded retirees will also apply to part-rate pensioners who do not benefit from the pension increase.
During this period, aged care providers will be compensated by Government, through a new top-up supplement, for any difference between the actual fee paid by these new part-rate pensioners who may not receive the full pension increase and by self-funded retirees, and the new standard basic daily fee. That is, the difference between the phased rate and the standard rate.
A combination of increased fees paid by residents and the new top-up supplement represents an increase of $713.2 million over four years for the aged care sector. This will be available to meet the rising costs that aged care providers face. At the same time, pensioners will have extra money to meet their out-of-pocket expenses.

Changes to family payment indexation
The Government is taking important steps to reform family payments to make them more sustainable for the long-term. As part of these changes, from 1 July 2009 under provisions of this bill, the maximum rates of family tax benefit Part A will only be indexed in accordance with movements in the Consumer Price Index. For rates of payment for children under 16 years, current benchmarks to the combined pensioner couple rate (which enable benchmarking to Male Total Average Weekly Earnings) will be removed.
The removal of the link to earnings ensures that Government expenditure on family assistance is more sustainable in the long-term. The indexation of maximum payment rates in accordance with movements in the Consumer Price Index will
continue to maintain the real value of assistance for families on low and moderate incomes. In a tight fiscal environment, savings from reduced expenditure on family tax benefit can be directed to funding other priorities, such as the Secure and Sustainable Pension Reforms. Australia’s spending on family payments is generous by international standards. The most recent analysis shows our spending on cash family benefits was equal third highest in the OECD, at 2.2 per cent of GDP, well above the average of 1.3 per cent.

The indexation date for the maternity immunisation allowance will be changed from twice a year to once a year. In line with other family payments, the maternity immunisation allowance will now be indexed on 1 July. The first annual indexation will occur on 1 July 2010.

Other measures

Recipients of social security and veterans’ entitlements payments, who receive payments under certain Western Australian programs, will have these amounts excluded from the income test for the purposes of calculating their rate of payment. The Western Australian programs are the Cost of Living Rebate Scheme and the Country Age Pension Fuel Card. The income test concession will start on 1 July 2009 and end on 30 June 2012.

The bill also includes amendments relating to the adjusted taxable income test for the Commonwealth Seniors Health Card, whether issued under the Social Security Act or the Veterans’ Entitlements Act. The amendments will include in adjusted taxable income any reportable superannuation contributions, including income salary sacrificed to superannuation. These amendments are relocated from the Social Security and Veterans’ Entitlements Amendment (Commonwealth Seniors Health Card) Bill 2009, currently before the Parliament, but which will be withdrawn. The measure is consistent with changes that have been legislated in respect of a range of pension and allowance income tests, and arrangements that have existed for the Age Pension for some time.

To better support pensioners who are studying to improve their qualifications, the portability conditions for full-time students on Austudy and Youth Allowance will be extended to other income support payments. This will apply to a person receiving Disability Support Pension, Parenting Payment, Carer Payment, Widow B Pension, Wife Pension, Partner Allowance or Widow Allowance. If the person is in full-time study and continues to meet the qualification conditions for their payment, they will be entitled to go overseas for more than 13 weeks to study as part of their full-time Australian course.

The bill will also amend Schedule 2 to the Veterans’ Entitlements Act to include a new operational area. This will give Defence Force members allotted for duty in the new operational area during the relevant dates access to pensions and benefits available under the Veterans’ Entitlements Act.

Conclusion

This Government has acted to introduce long-overdue reforms to significantly improve the adequacy of the pension and to make the pension system simpler and fairer.

Reforms to provide long-term security and certainty, and ensure that, over time, the pension system remains both adequate and sustainable.

Reforms which tackle the reality of the ageing population and the challenges this presents.

Reforms to adapt to changing circumstances, while maintaining the system’s enduring strength.

Reforms to guarantee an adequate and sustainable standard of living for the aged, carers, veterans and people with disability who rely on the pension to survive.

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

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

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

Returned from the House of Representatives

Messages received from the House of Representatives agreeing to the amendments made by the Senate to the bills.
COMMITTEES
Community Affairs Legislation Committee
Report

Senator FARRELL (South Australia) (5.33 pm)—I present the report of the Community Affairs Legislation Committee on compliance audits on Medicare benefits, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

SOCIAL SECURITY AMENDMENT (TRAINING INCENTIVES) BILL 2009
Second Reading

Debate resumed from 16 June, on motion by Senator Wong:

That this bill be now read a second time.

Senator FIFIELD (Victoria) (5.34 pm)—I rise to speak on the Social Security Amendment (Training Incentives) Bill 2009, a bill which the opposition will not be opposing. This bill presents two key elements: firstly, it undertakes to provide a new temporary training supplement of a proposed $41.60 per fortnight to eligible job seekers on Newstart allowance or parenting payment who undertake approved training to assist them to achieve a year 12 completion or its equivalent because they currently do not hold it; secondly, it undertakes to amend the participation requirements for certain young people requiring them to either earn or learn—to use the government’s language—in order to be eligible for youth allowance.

The temporary training supplement is, as I mentioned, a supplement which the opposition will not be opposing. Not every person leaves school with year 12 or equivalent qualifications, and their reasons for doing so are quite varied. At the time of their leaving, joining the workforce immediately may have been inviting but, as history has shown, more often than not those without qualifications are indeed in a high-risk group for becoming unemployed during times of economic downturn. With this supplement, it is envisaged that these people will use it to return to training to upgrade their qualifications in order to find employment, an opportunity that some will utilise and make the most of. However, there are some who may not take up this opportunity and it is therefore important that, for the short time—just two years—that this supplement is going to be available, it will actually provide benefit to the people it is aiming to assist.

It is obvious that the introduction of this supplement is because of the economic downturn, a downturn which those opposite have certainly exacerbated. As we know, all too sadly, in economic downturns one of the first indicators is rising unemployment, and clearly this training supplement is to provide assistance to those most likely to be unemployed during the difficult times we are currently experiencing. Having said that, the supplement certainly should not be used to hide or mask the unemployment level as it rises. What we are seeing is that, rather than address the issue of future rising unemployment levels, the Rudd government, to some extent, want to disguise them behind a temporary training assistance support payment. There is no real guidance from the government on how they will guarantee that people undertaking this training will find employment afterwards or about training areas which will give more assistance to those people undertaking it and seeking to find a job after they complete that training.

To find employment you need to hold a set of skills or qualifications which business and employers are in need of. Obviously the needs of employers and businesses are constantly changing, and the sort of training that is offered should certainly reflect the changed needs of business and employers.
Business needs to be convinced that the short training that is being undertaken will in some way be of benefit to them if they are to subsequently employ that person. Training for training’s sake is not the answer and it is not an automatic pass into the workforce. Businesses do need to be encouraged to employ. Business confidence needs to be boosted and encouragement given for those employers to recruit employees back into the workforce as economic conditions improve.

Businesses and employers have to be encouraged to sign up to taking on these job seekers once they have completed this training. Again, the Rudd government has failed to define how it will achieve this. The Rudd government has indeed failed to define a clear pathway between training and job. The opposition is obviously not opposed to training, but we do believe that it is only one element in assisting someone to get a job. As I have said, the opposition does not oppose the supplement, but we do believe that it is critical to demonstrate how it will lead to employment.

Young people can find it particularly hard to obtain employment during a time of economic downturn. The age range 15 to 24 years is hard hit, and the second part of this bill proposes to remove qualification to youth allowance for those aged 15 to 20 years who are unemployed and looking for full-time work. It amends the participation requirements for these young people, requiring them to either earn or learn to be eligible for youth allowance. The opposition obviously supports any measures that will re-engage youth, and therefore supports this approach. Over the last 12 months we have seen the number of teenagers who are not in full-time education or employment increase from 205,500 to 244,800. In economic downturns, as I mentioned, youth unemployment does increase proportionately.

The coalition supports the offer of training for young Australians who wish to gain additional skills. However, I must repeat that training itself will not help reduce youth unemployment. Providing training and education can certainly boost employability, but it cannot guarantee employment if there are no jobs to give. If there are no jobs, training should not be used as a ploy to keep the unemployment figures down. The opposition will watch carefully over the labour force figures, particularly the figures on youth unemployment. It is important to keep people engaged in the workforce, to keep job seekers actively looking for employment and to encourage business confidence so that they will employ these job seekers.

Sadly, the track record of this government has been one where they have taken a car door to business confidence and consumer confidence. We recall all too well straight after the 2007 election and through 2008 when the government were talking down the economy and when the government were axing business and consumer confidence by talking of inflation genies escaping from bottles. There is no doubt that that led to a slowing of growth in Australia before we started to feel the effects of the global financial situation. Sadly, that has resulted in unemployment rising higher and faster than it needed to, so I certainly hope that the government have learnt their lesson from 2008. When you are in a responsible position as a Prime Minister or a Treasurer, you have a particular responsibility to talk about the strengths and the positive fundamentals of the Australian economy. I would urge the government to adopt that tack because, when you are a government, when you are a Prime Minister and when you are a Treasurer, language certainly does matter.

In conclusion, the Rudd government should not be attempting to distort and manipulate unemployment levels by pushing
people who would otherwise be actively seeking work into training in order to claim income support payments. We want to see an official employment rate which is truly reflective of the number of people who are employed and the number of people who are not employed in Australia. We as an opposition support anything which can assist people who are seeking work to get better trained and to be more employable, but we would urge the government to be positive about the fundamentals of the Australian economy and to not seek to use this measure to in some way mask the true unemployment rate.

Senator HANSON-YOUNG (South Australia) (5.44 pm)—I rise to speak to the government’s Social Security Amendment (Training Incentives) Bill 2009, which implements the Compact with Young Australians, and to indicate that the Greens will not be opposing the legislation. While we have indicated that we will support the bill, the government must assure the young people of Australia that the additional training places announced by COAG on 30 April will provide young Australians with skills to match the jobs of the future. Given that we are beginning to see the need to transition our workforce into a low-emission economy, the government must ensure that the Jobs and Training Compact with young Australians is directed towards investing in sustainable jobs for the future. Let us not make this just Work for the Dole for young people. The Greens are concerned that the message that the youth compact sends is not necessarily the right approach to encourage young people of Australia to get education and training. Rather, it demonises them and plays into the outdated stereotype that suggests that all young people are lazy. At a time when young people are under increasing financial pressure, students and those in guaranteed training places need to be better supported if they are to stay on and excel in their chosen path.

As I mentioned earlier, at the COAG meeting on 30 April the Commonwealth, states and territories agreed to a Compact with Young Australians. The aim of the compact is to ensure that every person under 25 is able to access an education and training place. The government is framing it as if all young people will have an entitlement to an education or training place for any government subsidised qualification. Participation in education, training or employment will be compulsory for all young people until they are 17. To support the participation requirement, this legislation is proposing to change the eligibility for youth allowance so that young people under the age of 21 who have not completed year 12 or an equivalent level of education must be in full-time study or complying with the terms of an employment pathway plan before they are considered eligible for youth allowance. Those who have not completed year 12 or an equivalent qualification will need to participate in full-time training of 25 hours a week in order to receive the youth allowance, essentially playing into the earn or learn argument. This amendment has effectively ensured that an early school leaver will now not be eligible to receive youth allowance (other) simply by actively seeking and being willing to undertake suitable paid work, as was originally permitted.

To exclude access to youth allowance for those aged 15 to 20 who have not completed year 12 or its equivalent and for those who are not undertaking full-time education or training is a radical policy that does not necessarily address problems associated with youth unemployment. For some young people, it is simply not possible to attend training courses or further education studies or to obtain solid employment, especially if they do not know where they will be sleeping
each night. What about a young person who has been in trouble at school and is unable to attend any of the schools in their area, and is therefore not able to secure any work? Will these people be punished? What about young people who, despite not being able to attend school, cannot find the suitable 25 hours paid work but who are volunteering their time or gaining work experience? Will these people be able to access youth allowance? I would like to think that this provision does not exclude encouraging young people to volunteer in their communities, especially as a way of upskilling and gaining experience to take into their futures.

What we need to see is a commitment to the bigger picture and an assurance of a continued safety net for homeless young people, with a commitment through the Compact with Young Australians to safe and decent housing. That should be addressed by the government as a bare minimum requirement, acknowledging community calls to tackle housing affordability for young Australians. We know that in the 2006 census it was revealed that more than 32,000 young people in Australia were homeless, which suggests that there is a danger that many will be further disadvantaged by this earn or learn policy, unless of course we can find a way of ensuring that they are not disadvantaged. To simply take away financial support from a young person who is not in full-time study or training without consulting with individuals concerned and key stakeholders is ill-thought-through policy. I would encourage the government to outline what assurances will be provided to guarantee that vulnerable young people are not further disadvantaged by this compact.

Minister Gillard has accepted that there are young people living in difficult circumstances such as homelessness, and has stated that: … with creative provision of education, they can be back, back learning, back gaining self esteem and self respect and back gaining opportunities that are going to make a difference for the rest of their lives.

While this statement is encouraging, what we need to see is a solid commitment to continued safety for homeless young people through extending the proposed compact for young Australians to include guaranteed access to safe and decent housing. Minister Arbib, you would have to agree that it is pretty hard to stay in school or keep a job if you do not know where you are sleeping at night.

In my home state of South Australia, only last week we saw figures suggesting that, despite the overall fall in jobless numbers in South Australia, the level of youth unemployment jumped by 7.7 percentage points, up to 24.9. That is one-quarter of young workers unemployed. These figures are clearly disturbing, and we will be watching with interest to see whether the youth compact can address these issues for these young unemployed effectively. I hope that they do. Aside from the concerns we have for vulnerable and disadvantaged youth, the Greens and many in the youth sector are also concerned that the compact must offer relevant and engaging training, not just anywhere, anytime, for young people. As I said, let us not just make this Work for the Dole for those under 25. The Greens are by no means opposed to committing to an increase in training and education places—in fact, we welcome that. But we believe that this compact must be targeted and tailored to the individual needs of young people, ensuring that the path they choose to take—whether university, TAFE, apprenticeships or work experience—is an option that they are able to pursue.

The National Union of Students also expressed concerns over the message that the
changes to youth allowance send to young people, arguing that young people simply stripped of their youth allowance payments are being unfairly categorised as dole bludgers. What the Greens would like to see is a commitment to increasing the fortnightly rate of youth allowance. I spoke about that this afternoon in this chamber. We need to see an investment in the amount that we give to young people to financially support themselves.

This compact was forged seemingly without any substantial dialogue with young people or the community sector, and the fact that a key component of the legislation includes the withdrawal of benefits for young people not learning or earning means the government must outline that young people under 21 will no longer receive youth allowance because of these proposed changes. We need to ensure that we are not undermining the benefits of giving people more educational and training experiences by punishing them because they are in difficult circumstances. So, while the Greens support the government’s commitment to increasing training and education places, we will be watching with interest how this legislation is rolled out and in particular whether the training and education places match the needs of young people.

Supporting our youth is essential during a time when unemployment levels are on the rise, and we know that youth unemployment rather than other employment is higher in all of the stats. It is becoming more and more difficult for young people to make ends meet. It is fundamental for the government to actively support its young citizens and encourage them to remain engaged and active in society and in the labour force, and the Greens will continue to look closely at the changes to youth allowance under this legislation to ensure that young Australians are not unfairly penalised and further disadvantaged. I will have some questions during the committee stage which I hope the minister can answer.

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery) (5.53 pm)—I thank Senator Fifield and Senator Hanson-Young for their comments and also for their support in not opposing the amendments in the Social Security Amendment (Training Incentives) Bill 2009. This is something that the Rudd government and the Labor Party is passionate about. We all remember the 1990s and the hardship that young school leavers and many young people felt in unemployment and the disadvantage they experienced, and that takes years and years to overcome. As the new Minister for Employment Participation, I am passionate about helping young people through the difficulties of the global recession. I am also 100 per cent committed to trying to ensure that young people who have fallen into long-term unemployment and who are disadvantaged are helped as much as possible during these times not just with training but with training that prepares them and provides a pathway into employment and not just Work for the Dole schemes but real jobs which give them employment well into the future. You only need to talk to young people who are unemployed, who are looking for work or who have just found a job to understand how important it is to their self-esteem, how important it is to their confidence and how important it is to their livelihood. It is not just about financial security. It is about who they are as an individual. These become the building blocks for us as a society and for families. This is something that the government and I will be focused on during the hardships of the global recession. I therefore thank the senators for their comments.
Moving into some of the detail of the amendments, the temporary training supplement will provide an extra $41.60 per fortnight to people who are among the most vulnerable to long-term unemployment, recipients of Newstart and parenting payment who have not completed year 12 or an equivalent qualification. The training supplement will be paid to around 50,000 eligible recipients who commence an approved course between 1 July 2009 and 30 June 2011. To qualify, eligible Newstart or parenting payment recipients will need to undertake an approved certificate II to certificate IV course that is included in their employment pathway plan. This is a plan between the job seeker and their employment service provider which outlines the activities that they will undertake to help them move into work.

In this economic climate it is crucial that retrenched workers can access income support, training incentives, training places and employment services. The targeted practical assistance that the training supplement will provide to help with study costs builds on the $1,158 training and learning bonus introduced by the government earlier this year. The training and learning bonus provides substantial financial support and study incentives for unemployed people who undertake approved training over the period 1 January 2009 to 30 June 2010. To be clear, people who receive the fortnightly training supplement may also receive the training and learning bonus. This combined assistance provides a substantial incentive for job seekers to undertake training to get the skills they need for sustainable, long-term employment.

In addition to these payments, the government is providing $4.9 billion over three years for Job Services Australia to help job seekers move into paid work. Some $300 million has also been committed to ensure recently retrenched workers get access to immediate intensive support with their employment services provider to find another job. The government has made it easier for retrenched workers to access immediate income support by relaxing the liquid assets waiting period so that people do not have to deplete nearly all of their savings before they can commence getting income support. Through the Productivity Places Program, job seekers have access to more training places to help them gain qualifications from certificate II to certificate IV level.

The second measure in this bill will introduce new participation requirements for young people without year 12 or the equivalent qualification in return for receiving youth allowance. This measure is about proactively addressing the risk of high and sustained youth unemployment in this economic downturn. The changes to youth allowance (other) in this bill will assess young people against new learn or earn participation requirements until they complete year 12 or an equivalent qualification. It is important for us to remember the lessons from the recession of the early nineties, which clearly demonstrated—and I did make this point—that early school leavers and young people with low skills are often the most disadvantaged during a downturn and subsequent recovery. Young people without year 12 or an equivalent qualification are particularly vulnerable to becoming unemployed or being on the long-term job queue.

The changes to youth allowance (other) in this bill will ensure that more young people remain in study or training until they complete at least year 12 or the equivalent—if they have the capacity, of course. This measure is not about penalising unemployed young people. There will be safeguards for young people who have complex needs or who may have only a partial capacity because of work or parental responsibilities. Arrangements for young people will be flexible, and young people with substantial barri-
ers, such as homelessness or substance abuse, will be offered alternative ways to comply with their requirements.

These new arrangements are part of a coordinated strategy between the Australian government and other jurisdictions through the youth compact. Through the Council of Australian Governments, all states and territories have agreed to establish a compact with young Australians which will entitle every Australian under the age of 25 to an education or training place and encourage them to attain higher qualifications and to apply the skills necessary to play a productive role in Australia's economic recovery. This strong and decisive leadership by the Rudd government has been welcomed by a range of stakeholders, including the National Welfare Rights Network, which has described the youth compact as having 'the potential to save a generation of young people from a bleak future of long-term employment and poverty'.

The training incentives bill provides a much needed incentive for people to continue to train and learn during periods of downturn and to be skilled for the recovery ahead. The measures in this bill will provide timely and targeted assistance to improve long-term employment outcomes, protecting vulnerable Australians from the full effects of the global recession. The government is determined to position Australia to maximise the benefits of the economic recovery by investing in skills to equip income support recipients to actively participate in the workforce when the economy recovers. I commend the bill to this house and urge all senators to support the bill.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

TAX LAWS AMENDMENT (2009 MEASURES No. 2) BILL 2009

Second Reading

Debate resumed from 15 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator COONAN (New South Wales) (6.01 pm)—I rise to speak on behalf of the coalition on the Tax Laws Amendment (2009 Measures No. 2) Bill 2009. This bill was introduced at the end of the last sitting and contains eight schedules that deal with various technical aspects of amending taxation law. At the outset, I would like to indicate that the opposition will be supporting this bill, but I do want to briefly run through each schedule within the bill.

Schedule 1 amends several acts, including the Banking Act 1959, the First Home Saver Accounts Act, the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997. It removes the unintended tax implications arising from a failed authorised deposit-taking institution’s relationship with the Australian Prudential Regulation Authority, or APRA, with respect to payments made under the financial claims scheme. The schedule will ensure that payments made under the scheme are treated as if they were made by the failed authorised deposit-taking institution. The schedule will also prevent tax implications arising from a failed authorised deposit-taking institution’s relationship with the Australian Prudential Regulation Authority, or APRA, with respect to payments made under the financial claims scheme. The schedule will ensure that payments made under the scheme are treated as if they were made by the failed authorised deposit-taking institutions, or ADIs. The schedule will also prevent tax implications arising from a failed authorised deposit-taking institution’s relationship with the Australian Prudential Regulation Authority, or APRA, with respect to payments made under the financial claims scheme. The schedule will ensure that payments made under the scheme are treated as if they were made by the failed authorised deposit-taking institutions, or ADIs. It also prevents tax implications from arising for farm management deposit account holders who have their account with failed ADIs when they start a new account with a separate authorised deposit-taking institution.

For individuals with retirement savings accounts with a failed authorised deposit-taking institution, this schedule will ensure that the payments made by APRA into a new retirement savings account in a separate ADI will have the same tax treatment as a rollover superannuation benefit. Similarly, a payment made by APRA into a new first home saver...
account will be treated as a transfer from one provider to another. This will prevent individuals from claiming the government contribution twice. This schedule also contains certain reporting and withholding requirements for APRA in the case where an ADI fails and payments must be made under the scheme.

Schedule 2 of this bill makes amendments to the Income Tax Assessment Act 1997 and other ancillary legislation to provide greater accessibility to small business capital tax concessions for owners of a capital gains asset used under a passive asset structure. In 2007 the coalition government introduced a range of capital gains tax concessions for small businesses. At that time, changes were also made to the small business entity test and the net asset value test. Businesses in situations where an entity owns a CGT asset but another related entity uses the asset in carrying on a business will now have greater access to those capital gains tax concessions for small businesses.

The coalition welcomes these amendments. Indeed, we have advocated for the small business capital gains tax concessions to be expanded further. Our approach was first outlined by the former Leader of the Opposition, Dr Nelson, in his budget-in-reply speech a little over a year ago. This would be pursued, of course, under an elected coalition government. It will further expand the small business capital gains tax concessions by reducing the active asset test down to five years, giving small business access to these concessions.

Schedule 3 proposes changes to clarify the law with respect to capital gains tax. It amends the Income Tax Assessment Act 1997. This is, I have to say, a highly technical area. The schedule is seeking to remove beyond any doubt what could be a technical interpretation of the law that might, in a worst case scenario, see taxpayers having a capital gains tax liability on receiving a tax offset and the like. This schedule removes any doubt of unintended consequences occurring, which can only be positive.

Schedule 4 provides a refundable tax offset for certain projects approved under the National Urban Water and Desalination Plan. The offsets are to be available for the 2008-09 to 2012-13 income years by way of issuing certificates. Taxpayers who qualify through eligible projects will be able to receive up to 10 per cent of the capital costs, up to a maximum of $100 million per project. I am supportive of these changes, as water supply is very important to everyone. As the government tries to improve the security of water supplies to major cities, this measure will help, I believe, both small and large businesses to ensure that projects proceed as we would want to see them proceed.

Scheduled 5 amends the Income Tax Assessment Act 1997 to update the deductible gift recipient list to include four new entities and extend the eligible time period of three organisations. The four new entities are the Australasian College of Emergency Medicine, ACT Region Crime Stoppers Ltd, the Grattan Institute, and Parliament of the World’s Religions Melbourne 2009 Ltd. The three entities whose eligible time period will be extended are Bunbury Diocese Cathedral Rebuilding Fund, St George’s Cathedral Restoration Fund, and Yachad Accelerated Learning Project—and I can see Senator Sherry over there; maybe he can tell me if I have got that pronunciation right!

Schedule 6 of the bill would expand the operation of the Australian Business Register. The ABR was established by the former coalition government to reduce administrative costs for small businesses by reducing the number of times a business would be asked for the same information by different
agencies. Schedule 5 will expand the operation of the ABR by using certain contact information provided by a business to a government agency for updating information at other government agencies. This schedule also allows the ABR to act as the Multi-agency Registration Authority to facilitate electronic dealings with businesses.

Schedule 7 removes the requirement for a business to be a member of the Greenhouse Challenge Plus Program to be eligible to claim more than $3 million of fuel tax credits. This requirement was included by the former coalition government to encourage large fuel-consuming businesses to reduce their emissions. However, this program will cease operation on 30 June 2009; therefore, businesses will not be able to claim more than $3 million of fuel tax credits after 30 June 2009. Schedule 7 will ensure that larger fuel-consuming businesses will still be eligible to claim fuel tax credits.

Finally, schedule 8 will provide a tax exemption for payments made under the clean-up and restoration grants scheme. On 18 February 2009 the Australian government and the Victorian government announced a $51 million assistance package to assist small businesses and primary producers affected by the Victorian bushfires. I think this has been a good package. It includes a $5,000 clean-up and restoration grant, which can be increased up to $25,000 if the sustained damage is significant. What this schedule does is ensure that these grants are not treated as assessable income, and the exemption will apply to 2008-09 and 2009-10 income years.

In conclusion, the Tax Laws Amendment (2009 Measures No. 2) Bill deals with a number of necessary and technical tax matters to ensure the correct operation of the law. The opposition does support these efficiencies and clarifications being made to allow the better operation of the tax law. The capital gains tax changes are valuable. The changes to the Australian Business Register, I think, are positive and assist. The amendments to the Fuel Tax Act on fuel tax credits will no doubt be very useful. For small business involved in the clean-up and restoration in Victoria after those horrific bushfires, the exemption from tax on those grants will certainly be well received. The bill was referred to the Senate Standing Committee on Economics on 19 March 2009 and no submissions were made to the Senate inquiry, which means that there must be almost a full score of support for these particular measures. The committee reported on 7 May and recommended that the bills be passed. I see absolutely no reason to take a different view and I commend the bill to the Senate.

Senator MILNE (Tasmania) (6.11 pm)—I rise this evening to make a few comments on the Tax Laws Amendment (2009 Measures No. 2) Bill 2009. In particular I want to speak to schedule 7 of the bill. Schedule 7 amends the Fuel Tax Act 2006 to remove the requirement for business entities to be members of the Greenhouse Challenge Plus program in order to claim fuel tax credits above $3 million.

The Greenhouse Challenge Plus program will cease operation from 1 July this year, and we need to remind ourselves that the Howard government introduced fuel tax credits in 2006 for business on the proviso that they became members of the Greenhouse Challenge Plus program. That condition was intended to encourage large fuel users to monitor and reduce their emissions. Sadly, that has not happened, and I would be very interested to know the government’s assessment of the effectiveness of the Greenhouse Challenge Plus program in encouraging large fuel users to monitor and reduce their emissions. They may well have monitored them, and I would be interested to
know what they say about the actual total of emissions, because from my reading of it emissions from fuel transport and fuel use is a fast-growing area of greenhouse gas emissions in Australia.

A few weeks ago the World Business Summit on Climate Change called upon political leaders to agree to an ambitious and effective global climate treaty in Copenha- gen in December, including a call that:
Governments should strive to end the current perverse subsidies that favour high emission transport and energy infrastructure and promote deforestation.

They particularly said in the Copenhagen call that governments should end subsidies for fossil fuel use. I would be very keen to hear from the government what the justification is for continuing the subsidies that they have here. For a technical reason this is removing the linkage to the Greenhouse Challenge Plus program, and I would like to know what the justification is for ongoing fossil fuel subsidies. The Copenhagen call came from a mainstream summit. It was organised by the Copenhagen Climate Council, and the participants came from a wide range of business, government and NGO organisations including HSBC, Unilever, McKinsey, Swissray, Coca-Cola, Greenpeace International, Carbon Disclosure Project, Business for Social Responsibility and so on.

As I understand it, the government spent $4.7 billion during 2007-08 on providing subsidies to fossil fuel users right across the economy. This represents a nine per cent increase in fuel tax subsidies from 2006-07. Government statistics do not allow for a proper analysis of who is and who is not receiving the fuel tax credits, but by way of example they do reveal that in 2007-08 the mining industry received $1.5 billion, about 30 per cent of the total. I will repeat that: the mining industry received $1.5 billion in fuel tax credits. Anyone who thinks that there is a serious attempt being made at transformation to a low-carbon or zero carbon economy needs to look very carefully at that because we are still spending billions in Australia subsidising fossil fuel use.

If you were to assume that fossil fuels were unlimited, infinite in their supply, and that there was no problem with climate change, you would still have to ask: what is the excuse for this level of corporate welfare? There is no excuse in a climate constrained world where we have reached peak oil. While we have President Obama talking day in, day out about the need for America to develop its own energy security policy, to get off foreign oil, to make the transition out of fossil fuels and to invest in public transport and so on, we have this government, the Rudd government, talking about the climate challenge with, at the same time, no intention whatsoever of getting rid of the fuel tax credits act. We should be abolishing the fuel tax credits act and directing the forgone revenue towards clean transport and production technologies. When is Australia going to have a plan for peak oil? When are we going to wake up to the fact that this dependence on fossil fuels, particularly in the mining industry, is going to mean we suffer major dislocation?

We had what constituted an oil price spike—or minor shock, if you like—when prices started going through $100 and higher last year. Because oil prices have come down it is assumed that that will continue. It will not. ABARE has it wrong. It has had it wrong in relation to oil prices for generations. The reality is that we are going to see oil prices go up again. If the government actually took the time to look at who owns the oil in the world they would find that it is owned by national regimes that can switch off the oil if they choose to do so. There is plenty of evidence to show that the reserves
being touted are inflated, that those reserves are not there.

When I was elected to the Senate in 2005 we had the inquiry into Australia’s future oil supply and alternative transport fuels. I do not know how many times the government has to be presented with evidence that we are running out of oil. Now we have a subsidy for ongoing fossil fuel use, and in the next tax bill to come before the Senate we will be providing subsidies to go out and find more oil. We will have a subsidy to use more oil and a subsidy to find more oil. At what point are we going to realise that it is running out, that we need to be getting off it and that we need a strategy to move away from our oil dependency, not one to subsidise its use to make it cheaper, assuming that by subsidising exploration we are suddenly going to find oil?

We need a national strategy which looks not only at oil depletion but energy security in Australia. I am surprised that the mining industry in particular has not realised its own vulnerability. I can only assume it is because the government’s next step will be to say that it is okay to liquefy coal. That has been ABARE’s answer up till now—that it does not matter if we run out of foreign oil because we can always liquefy coal. If we liquefy coal we will accelerate global warming. We know that is exactly what would happen with liquefied coal because carbon capture and storage is not real and, if it is ever going to be real, will not be real within the next 15 to 20 years.

So what are we going to do? Where is Australia’s plan? My colleague Senator Ludlam put this question yesterday to Mr Conroy, who squibbed it by saying: ‘Yeah, the government’s got a plan in here. It’s somewhere under the environmental provisions.’ I am talking here not about environmental provisions but about energy security provisions. I am asking how this economy is going to cope when oil goes through $150, if not $200, per barrel. What are we going to do then? What possible justification could you have then for providing this level of subsidy to force increased use of oil by making it cheaper, at the same time giving out subsidies—as we will see in the next tax bill that comes through—for imagining you can find more?

The oil companies themselves will tell you that they are now in deeper, more dangerous waters, that it is more and more difficult, that they are into areas where there is less certainty of being able to pump at an economically viable level. It is utterly and totally irresponsible to be continuing the fuel tax credits act. Rather, we should be getting rid of that and not the Greenhouse Challenge program.

Having said that, of course, we have always been sceptical about the Greenhouse Challenge program. It was a Howard government initiative and relied on voluntary action by industry to achieve abatement. It was an inadequate response to the challenge posed by climate change, because it was a purely voluntary scheme. Yes, it was a good idea to have it but, being voluntary, it was never going to end in the kind of systemic shift that you would expect. For too long it was used as an excuse not to implement effective policies on climate change. I assume that the reason behind the timing for its abolition is that the government thought its Carbon Pollution Reduction Scheme would be passed and that the start times for the changes were meant to be complementary. However, the government’s capitulation to business and to the very industries that benefit massively from the subsidies I have just been talking about means that the legislation the government imagined would be there will not be there and we will not have the
CPRS or the Greenhouse Challenge program.

While we thought, and still think, that the Greenhouse Challenge program, because it was voluntary, was not as effective as it might have been, it was one of only two programs that compelled large-scale industries to implement any kind of abatement activities. Removal of this membership requirement and the abolition of this program mean that, until the current uncertainty with the CPRS is resolved, there will be no government program that engages with large-scale emitters on abatement issues. That is because the government has refused to force these emitters to implement the energy efficiency opportunities that they have been required to identify under the Energy Efficiency Opportunities Act and because they have not required them to implement it. So they get off the hook on that front as well. It is notable that for many other issues the government is seeking to extend the life of a program until relevant inquiries are completed. As I mentioned, the Tax Laws Amendment (2009 Measures No. 3) Bill 2009 seeks to extend the life of current exploration tax incentives under the Petroleum Resource Rent Tax Assessment Act until the Henry review reports in December and that future tax policy can be clarified. So it is notable that the government is preparing to extend programs that subsidise fossil fuel use by industry but not programs that are focused on delivering any kind of environmental benefit.

This raises the question of whether the government will now indicate whether it is going to extend the life of the Greenhouse Challenge program until agreement is reached on the Carbon Pollution Reduction Scheme and the date for implementation is finalised. I am particularly keen to hear from the government what the justification is—when we are trying to reduce fossil fuel emissions and are faced with peak oil—for continuing a fuel tax credit act that gives to the mining industry, which had one of the biggest booms of all time in the last decade. In 2007-08 we gave them $1.5 billion as a result of these subsidies. We gave the transport, postal and warehousing sectors $1.2 billion, another 25 per cent. The construction industry received $226 million, and the manufacturing industry received $276 million. The mining industry and the transport, postal and warehousing sectors received 55 per cent of the total. I come back to the fact that a total of 30 per cent went to the mining industry while it was making record profits. It made its record profits, it paid a lower level of company tax and then it had huge amounts sent back to it in fossil fuel subsidies. Under the CPRS it would receive its permits. The coal fired generators would be receiving yet more corporate welfare in one-off payments, and emissions-intensive trade-exposed industries will be getting massive numbers of free permits.

This is precisely why the Greens criticise the government. The government constantly talks about a whole-of-government approach to climate change, yet what we see is an entirely counterproductive, internally inconsistent policy position. It is a silo position. You have the minister for the environment or the minister for climate change saying the government wants to do something on emissions, and you have the minister for resources and the Treasury giving subsidies and undermining anything you might be doing on emissions reduction by saying: ‘Don’t worry about them. Just use more oil—we’ll subsidise it. Build more roads—we’ll subsidise it. Build a bigger coal port—we’ll subsidise it. Get those emissions out there. Get them flowing faster.’ It is internally contradictory. It is counterproductive, and I am very keen for Minister Sherry to inform the Senate, from the government’s perspective, how the tax office and the Treasury are fa-
cilitating a reduction in greenhouse gas emissions and energy security for Australia, particularly in terms of transport fuels. Explain to me how this initiative helps on the greenhouse challenge that we face and how it helps on the energy security challenge that we face. Minister Sherry, I look forward to some creativity in your answer.

Senator XENOPHON (South Australia) (6.26 pm)—I indicate my support for the second reading of the Tax Laws Amendment (2009 Measures No. 2) Bill 2009, and I note in general terms that tax offsets are allowed for urban stormwater and desalination, which I think is an unambiguously good thing. I note that the stormwater offsets start at $4 million, which was one of the outcomes of the stimulus package, and it is a good thing to encourage those sorts of projects. I want to focus on one particular aspect of this bill, the Greenhouse Challenge Plus and fuel tax credits, so that I can put my concerns and questions on the record so they can be responded to in the committee stage.

My first question is in relation to Minister Bowen’s second reading speech on 19 March, specifically the comments made by the minister in relation to the amendments detailed in schedule 7 noting that the Greenhouse Challenge Plus program will cease after 30 June 2009. With these amendments, businesses will still be able to claim fuel tax credits that previously relied on participation in the Greenhouse Challenge Plus program. These arrangements, as I understand them, allowed large fuel users to claim fuel tax credits in excess of $3 million in the financial year as an incentive to reduce carbon emissions.

My questions to the minister in relation to this are as follows. What environmental criteria will large fuel users no longer be required to meet after 30 June, while still being eligible for fuel tax credits? Further, as I understand it, Minister Bowen has indicated that the government believes that the CPRS will better achieve the carbon emissions reductions required for fuel tax credits, given that it is unlikely that the current version of the CPRS will pass the Senate by the end of next week, or is it true that large fuel users will still be able to claim fuel tax credits for little to no environmental benefit? Does the minister agree that in the absence of Greenhouse Challenge Plus the standards for large fuel users to claim fuel tax credits are not onerous and are too easily met? Those are my questions and concerns in relation to this particular aspect of the bill. I think I told the minister that I would be speaking for no more than three to four minutes and I think I have done it in under three.

Senator SHERRY (Tasmania—Assistant Treasurer) (6.29 pm)—Thank you for your three-minute time limit, Senator Xenophon. It is just as well you did not mention superannuation, or we might have been here for a while. I would like to thank Senators Coonan, Milne and Xenophon for their contributions in this debate. I will cover the concerns raised by Senator Xenophon and Senator Milne a little later in my contribution. They were essentially the same issue, although I think Senator Milne was a little more broad ranging than you, Senator Xenophon, in her themes and contributions.

Schedule 1 makes amendments to a number of acts which are required as a result of payments which might be made under the Financial Claims Scheme which this parliament enacted in October last year. Under the scheme, APRA can make payments to claims under general insurance policies with failed insurance companies and to account holders in failed financial institutions. These amendments ensure that no inappropriate tax consequences will occur if payments are made under the scheme.
Schedule 2 amends the tax law to expand access to the small business capital gains tax concessions for taxpayers owning passively-held CGT assets whose circumstances mean they are currently ineligible. This will extend access to taxpayers who own a CGT asset used in a business by an affiliate or entity connected with the taxpayer and partners owning certain CGT assets used in the partnership business. These taxpayers will have access to the small business CGT concessions via the small business entity test from the 2007-08 income year. Schedule 2 also refines and clarifies aspects of the existing small business CGT concession provisions so that they operate flexibly and as intended. This is done via a number of minor amendments.

Schedule 3 amends the law to provide a general exemption from CGT for capital gains or capital losses arising from a right or entitlement to receive a tax offset deduction or similar benefit. This amendment will ensure that the value of these benefits is not reduced by the possible application of the CGT in these circumstances, or where taxpayers have a right or entitlement to other similar taxation benefits.

Schedule 4 amends the 1997 Income Tax Assessment Act to provide a refund tax offset in relation to certain projects approved under the National Urban Water and Desalination Plan. Under the plan, the government will provide assistance to large infrastructure projects which assist cities and towns to meet future water demand. 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 financial assistance will be provided as refundable tax offsets for private sector applicants. The plan finishes in 2013-14. Accordingly, the provisions are repealed with effect from 1 July 2014.

Schedule 5 amends division 30 of the 1997 Income Tax Assessment Act to specifically list four new organisations and extend the listing of three organisations as deductible gift recipients—DGRs. 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. The schedule specifically lists or extends the listing of the Australian College for Emergency Medicine; the Grattan Institute; ACT Region Crime Stoppers Limited; PWR Melbourne 2009 Limited, which is the Parliament of the World’s Religions; Yachad Accelerated Learning Project Limited, and apologies if I have mispronounced that; the St George’s Cathedral Restoration Fund; and the Bunbury Diocese Cathedral Rebuilding Fund.

The amendments in part 1 of schedule 6 assist the registrar of the Australian Business Register to prepare to take on the role of the multiagency registration authority and they improve the integrity and efficiency of the Australian Business Register. The amendments in part 2 of schedule 6 establish the role of the multiagency registration authority to facilitate the standard business reporting program, which will enable businesses to streamline their reporting to government agencies through the use of the Australian Business Number. The amendments assist the registrar to identify representatives of businesses for the purpose of online reporting to multiple government agencies. The program is designed to reduce reporting burdens by eliminating unnecessary or duplicated reporting.

Schedule 7 deals with some issues raised by Senator Xenophon and Senator Milne, and I will come back to that at the end. Schedule 8 amends the 1997 Income Tax Assessment Act to exempt from tax the clean-up and restoration grants which form part of the government’s assistance to small
business and primary producers affected by the Victorian bushfires in February this year. This exemption applies to the 2008-09 and the 2009-10 income years and involves a cost to revenue of less than $7 million.

I will now deal with the issues raised in respect of Schedule 7. Senator Milne took the opportunity—as many of us do—to enter into a reasonably wide-ranging commentary and debate. That is not a criticism. She has long had concerns about peak oil and she took the opportunity to raise a range of issues which, without being critical, are not integral to the matters we are dealing with in this bill. However, she, like Senator Xenophon, raised some issues around what is known as the Greenhouse Challenge Plus program. In schedule 7, amendments to 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 will have effect from 1 July 2009. The Greenhouse Challenge Plus program will cease after 30 June 2009. This bill is not bringing it to an end; the program known as Greenhouse Challenge Plus ceases automatically.

Senator Xenophon—So what is the compliance?

Senator SHERRY—I will get to that in a moment. 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—this is a cross-reference amendment—business 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 credits system. As I have mentioned, a condition that businesses may not claim more than $3 million worth of fuel tax credits in a financial year unless they are a member of the Greenhouse Challenge Plus, GCP, was included in the Fuel Tax Act 2006 so that large fuel users would monitor and take measures to reduce their carbon emissions.

In November 2008, Minister Garrett advised that Greenhouse Challenge Plus, GCP, will lapse after 30 June 2009, so this was announced some seven months ago. The GCP commenced in 1995 and was always scheduled to finish and lapse in mid-2009. There is no legislation required; it lapses automatically. The lapsing of the GCP was supported by the Wilkins review of Australian government climate change programs. The key elements of the Greenhouse Challenge Plus program—emissions, inventory reporting and assisting companies in reducing their greenhouse emissions—have been superseded by the National Greenhouse and Energy Reporting System, NGERS, and the Climate Change Action Fund, CCAF, respectively. So that is what has replaced it, Senator Xenophon. This is a removal of a cross-reference to the Fuel Tax Act. This act does not bring to an end Greenhouse Challenge Plus. That is coming to an end via another mechanism. The GCP required reporting on (1) emissions and (2) any reduction programs from 1 July 2008. Large fuel users are required by the National Greenhouse and Energy Reporting System to report on these emissions.

So that is the explanation. I thank Senator Xenophon for his brief and probing question and I thank Senator Milne. I acknowledge her longstanding interest in, particularly, peak oil. I have heard her contributions on many occasions—and she has a perfect right to raise them. I understand the reasons she has done so; however, the particular concern
around Greenhouse Challenge Plus lapsing—not being brought to an end by this legislation—is not directly relevant to any actions that flow from this particular piece of legislation. I thank senators for their contribution and commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

INTERNATIONAL MONETARY AGREEMENTS AMENDMENT (FINANCIAL ASSISTANCE) BILL 2009

Second Reading

Debate resumed from 16 June, on motion by Senator Wong:

That this bill be now read a second time.

Senator COONAN (New South Wales) (6.41 pm)—I rise to speak on behalf of the coalition in response to the proposed International Monetary Agreements Amendment (Financial Assistance) Bill 2009. This bill is not controversial, and I am not going to delay the Senate very long with my comments. The bill proposes to amend the International Monetary Agreements Act 1947 so that the process for Australian acceptance of amendments to the articles of agreement of the International Monetary Fund and the International Bank for Reconstruction and Development is simplified.

At present, when an amendment to the articles of agreement is agreed to by the IMF or the International Bank for Reconstruction and Development, an amendment of the International Monetary Agreements Act is required to change the schedules to reflect the new articles of agreement. This bill proposes to alter the definition of ‘articles of agreement’ in the International Monetary Agreements Act to include any amendments that enter into force for Australia without the need for further legislation to amend the act. It will not have any financial impact. It does make commonsense to do this, because it will allow governance changes approved by the IMF and the IBRD to be accepted by Australia without an amendment bill passing through parliament. An example of the benefit of this action is the speedy approval of the new funding model for the IMF. The current financial crisis has served to highlight the need to be able to respond quickly to changes introduced by these global bodies. Expediting Australia’s formal acceptance of amendments to the IMF and IBRD agreements will ensure that we continue to work together with these bodies in a seamless manner.

While I am aware that there are some concerns that this bill will undermine parliamentary democracy and scrutiny in the chamber and indeed national sovereignty by allowing legislative changes to occur without reference to parliament, we must also acknowledge that there are already similar provisions in place which allow updates to international treaties to which Australia is a party. In addition, as the IMF and IBRD agreements are international treaties, amendments to the agreements will still be tabled in parliament and considered by the Joint Standing Committee on Treaties. So there will be an opportunity to voice concerns that may be wished to be raised. Also, if there are any funding requirements arising from amendments to the IMF or IBRD agreements, they will still be dealt with through an appropriations bill, ensuring that nothing will, in that sense, slip through the cracks.

We in the coalition do support the role that the IMF and the IBRD play in assisting and supporting global financial stability, particularly in times such as these which we now encounter. We also acknowledge the need for swift reaction to enable the full potential of the power of these important international
bodies to be realised. I had thought that this was in the non-controversial business list of the Senate, but it does not really matter where it is dealt with. The coalition will be supporting the bill as drafted and, in those circumstances, I commend it to the Senate.

**Senator SHERRY** (Tasmania—Assistant Treasurer) (6.45 pm)—I would like to thank Senator Coonan for her contribution in the debate on the government’s International Monetary Agreements Amendment (Financial Assistance) Bill 2009. The purpose of this bill is to extend provisions currently contained in the International Monetary Agreements Act 1947—the IMA Act—that enabled the Treasurer to lend money or enter into a currency swap with a country in support of an international monetary fund, IMF, program. The amendments are based closely on the IMA Act provisions and will extend the current arrangements to include support for World Bank and Asian Development Bank, ADB, programs.

On 10 December 2008, the Prime Minister announced that Australia will enter into a stand-by loan agreement with Indonesia, should it be required. This loan arrangement will form part of a World Bank-led arrangement and will include contributions from the ADB and government of Japan. The amendments will enable Australia to provide the stand-by loan to Indonesia, if it is needed, as well as to enter into a loan or currency swap with other countries to support World Bank or ADB programs in the future, should the need arise.

The loan is a stand-by facility. There is no certainty that Indonesia will need to draw down on the loan. If activated, the loan will be paid back in full and an appropriate interest rate will be charged on the loan. It is in Australia’s national interest to support stability and economic recovery, particularly in our region—an issue on which there is bipartisan support. It is particularly important in the current circumstances of the world financial and economic crisis. During the debate on the bill in the House of Representatives the shadow Treasurer indicated that the coalition support this legislation, and they undertook similar activities in the past during the Asian financial crisis. I also note—and Senator Coonan has referred to this—the tabling requirements and the necessity for appropriation bills. Consistent with the 1998 IMA amendment bill, this bill will allow Australia to continue to play its part in international cooperation efforts, particularly during this time of international financial and economic crisis—the worst crisis we have seen in some 75 years.

In concluding, I do have some direct knowledge of the Asian Development Bank, its administration and its programs, because I have been the Australian ministerial representative to the ADB for the last two years. Both the World Bank and the Asian Development Bank are very strong, reputable organisations with good governance and very effective programs. I have no doubt that if the stand-by loan arrangements with Indonesia are activated, both these organisations—and I have first-hand knowledge of the ADB—are well placed to deliver effective assistance in this time of international financial and economic crisis. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

**Third Reading**

Bill passed through its remaining stages without amendment or debate.

**DOCUMENTS**

**Consideration**

The government documents tabled today and general business orders of the day Nos 1
to 4 relating to government documents were called on but no motion was moved.

ADJOURNMENT

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

That the Senate do now adjourn.

RAAF Base Edinburgh

Senator HURLEY (South Australia) (6.50 pm)—The Public Works Committee yesterday brought down its report recommending proposed works at the RAAF Base Edinburgh stage 2. The development of the Edinburgh base will enable the 7RAR mechanised battalion to relocate to Adelaide and will upgrade facilities for the RAAF. This work is very important for South Australia—the northern suburbs of Adelaide in particular. I have a very particular interest in this site because for nearly 12 years I lived a block or so from the air base. For part of that time I was also the state parliament member for the area, and I was very well aware of the benefits of having the defence forces based there. A couple of years ago I also had the privilege of participating in the Defence Force program that allowed me to do a tour in one of the Orions that are based at Edinburgh and which happened to have a navigator who had been a close neighbour of mine.

The Defence Force plans will not only benefit the northern suburbs of Adelaide, with the Edinburgh redevelopment and the associated defence housing, they will also support the associated development at the Cultana Training Range between Whyalla and Port Augusta. Although that area of South Australia is doing very well in terms of employment and growth at the moment with the development of the mining sector, it will still be a welcome development to have that defence establishment there. The federal and state governments are not just working towards upgrading physical infrastructure but also putting effort and resources into building skills with the defence industry sector.

In December last year, the Rudd government announced a $61 million investment in defence industry skilling, and South Australia will benefit from a significant proportion of that funding. I believe this skilling is an important and essential part of South Australia’s involvement in defence projects, and it also contributes to the impressive pool of expertise that already exists in South Australia. Apart from the engineers and technicians that work at RAAF Base Edinburgh, the Collins class submarine employs a great many engineers and technicians. We also have an associated facility, the DSTO, out in the northern suburbs, which has tremendous expertise in signals communications and other defence related technical areas. It is a great employer of scientists and engineers from South Australia.

The $61 million announced by the Rudd government enables that pool of skilled people to increase and relates to a number of programs. Up to $6 million will be available to establish the South Australian Advanced Technology Schools Pathway program, which will provide career pathways to the defence industries for young people in South Australia. There is also $5.9 million for the professional doctorates program in systems engineering. This program will ensure PhD candidates receive the most up-to-date coursework and research in systems engineering and ensure that they have a clear appreciation of its application to the defence industry and the military. The first round of scholarships for this program will be offered nationally early in 2010. Another $6 million will be invested to establish the masters program in systems support engineering, which will equip senior engineering and project managers with the knowledge and under-
standing to deliver integrated support solutions. An Adelaide based company, BAE Systems, will coordinate the development of the course with RMIT and with substantial input from the University of South Australia, Saab and the ASC.

The final prong of this funding will be $2.5 million invested with the University of South Australia to convert its existing masters of military systems integration to a flexible delivery mode. Again, this was developed in partnership with a number of bodies: the University of South Australia and three defence industry companies, BAE Systems, Saab and ASC. As I said, we already have an impressive pool of talent and we look forward to improving that pool of talent with the benefit of the funding that has been provided by this program. South Australia has a number of very impressive educational facilities, and I know that there is a concerted effort by schools and facilities, including in the northern suburbs, to tie in with these defence industry related programs. It is part of a resurgence in the northern suburbs in providing jobs and skills for people in the area.

The defence contribution to the South Australian economy is enormously important for South Australia and for the northern suburbs of Adelaide in particular. It has been something that has been worked on by the South Australian government very assiduously. They have been very strong in negotiating and in pushing their case with the federal government and the defence industry generally about the skills base that we have in South Australia and the potential to develop that even further.

A part of that push for recognition of South Australia as a state of excellence in the defence industry and defence generally has been the formation of the Defence SA Advisory Board. The defence board advises the South Australian government about defence matters and is chaired by General Peter Cosgrove. In March this year, Professor Kim Beazley, who has a well-known interest and expertise in defence matters, joined the board, and that was welcomed by the South Australian government. There are a number of eminent people on the board, including South Australians Mr Andrew Fletcher, who is chief executive of Defence South Australia, and Mr Malcolm Kinnaird, who is a leading South Australian businessman in the area of engineering. Emeritus Professor Paul Dibb is an adviser to the board on strategic policy matters. This has been a matter of great strategic importance to the South Australian government, and South Australia is benefiting substantially from the involvement of the defence forces in the South Australian economy. South Australians everywhere welcome that involvement and look forward to an increased involvement by the defence forces.

Blackstone State School

Senator TROOD (Queensland) (6.58 pm)—I rise this evening to speak on a little Queensland school with a very big heart. Blackstone State School is situated in the eastern suburbs of Ipswich, in South-East Queensland. It was established by local Welsh coalminers over 200 years ago and since then has remained a focal point of the local community. The strong community atmosphere that exists at the school is as evident today as I am sure it was when the school was founded.

With only 150 students, Blackstone is a small school but, as I have seen myself, it is one of considerable charm and has an energetic school community. The school has a supportive culture, with an exceptional group of teachers, who provide a personal and caring touch in their teaching methods. It is possibly for this reason that the school is one of the best performers for literacy and nu-
meracy in the Ipswich area and more widely throughout Queensland. In the state exams in 2007, 100 per cent of the year 3 students at Blackstone performed better than the national benchmark in reading, writing and numeracy. In year 5, 89 per cent performed better than the national benchmark in reading, 94 per cent in writing and 67 per cent in numeracy. In year 7, 91 per cent performed better than the national benchmark in reading, 100 per cent in writing and 78 per cent in numeracy.

With such an emphasis on Queensland being a smart state, Blackstone State School is a positive example of what can be achieved in a small school. The great tragedy is that this school is condemned for closure by the Queensland Bligh government. This is to be done as part of the Bligh government’s $850 million State Schools of Tomorrow program. Sadly, other schools near to my electorate office will also be closed as part of this program, including Dinmore, Richlands and Inala West state schools. The effect will be, of course, to force the students from these schools to others. There will be massive disruption, and already large schools will become a great deal bigger. The result will be that the students will receive considerably less individual attention than is the case at the moment. I can imagine it will be a huge shock for these students, particularly if they have special needs.

Blackstone State School is often sought after because of its size and its diligent attention to students’ needs. It is not by chance that the school is so small. Its size is an excellent way to create an attractive learning environment. This was the point the Bligh government missed completely when it used the school’s size as a reason for its closure. Indeed, it is schools such as Blackstone which Premier Anna Bligh should regard as a benchmark to improve Queensland’s education system. Few public policy issues are of more importance, because Queensland’s performance in national mathematics, science and literary tests is, regrettably, a disgrace. In 2009, Queensland students had the lowest performance in Australia except for the Northern Territory.

Premier Bligh was so embarrassed about the results that she appointed Professor Geoff Masters to review educational standards. Professor Masters’s report was released last month, and he made five recommendations, including better support and development for school leaders. Professor Masters is aware of a fundamental truth—that all outstanding schools have cultures where the school community has a sense of belonging and pride in their achievements. And, of course, they all have committed leaders whose primary focus is on establishing a quality learning environment.

It is a sign of the Bligh government’s perverse policymaking that Blackstone State School is to close and yet it has all the qualities of an outstanding school as characterised by Professor Masters. Pride in the school is manifest. It can be seen in the support the school has received from the local community, from the current students and parents, from ex-students and parents and even from ex-teachers, all of whom have made their voices heard in protest against the closure.

The Blackstone State School community has been fighting against the closure for over a year, but its pleas have fallen on deaf ears. Sixteen hundred people have signed a petition opposing the decision for closure. The Premier, it seems, is determined not to listen, and the Minister for Education and Training, Mr Geoff Wilson, has contemptuously ignored all calls for a meeting to discuss the school’s future. The school’s teachers have also been gagged and are unable to speak out.
Yet I must say I admire the tenacity of the Save Our Blackstone School Action Group. The group is determined to fight the Bligh government all the way. There is no question that Blackstone State School is a great school, with strong links into the local community. The school has an active P&C Association, and parents participate in decision-making processes to ensure the school achieves its educational objectives. Over half a million dollars in state and federal government funding has been spent on upgrading the facilities, including, as I recall, funds from the Howard government’s excellent Investing in Our Schools Program. The school has won a number of awards, including the prestigious Education Queensland Showcase Award for Excellence in Education.

In the face of all this, the bizarre thing is that the Bligh government is determined that this school shall close. One wonders whether or not it is serious about educational reform. Schools like Blackstone should be encouraged, not closed. They should be made an example, not just in my state but throughout Australia. It is a case of quality, not quantity. Successful schools provide a healthy learning environment, and bigger schools do not necessarily mean better schools. Indeed, we Queenslanders would all be better off if there were more schools like Blackstone. I support the retention of the Blackstone State School and wish the school community every success with its campaign to keep its classrooms open and to continue teaching young Queenslanders with the success it has already achieved.

**Australian Defence Force Parliamentary Program**

**Senator FURNER** (Queensland) (7.06 pm)—I rise this evening to talk about the experience I had at RAAF Amberley on 18 May. I entered the Australian Defence Force Parliamentary Program at RAAF Amberley with no preconceived views, only to find a sense of satisfaction and appreciation of the men and women who make up our Australian Defence Force. I was not disappointed.

Day one commenced with the traditional welcoming by Wing Commander Marty Smith and Corporal Adele Taylor. From there it was a transition into defence greens at the clothing store. From top to bottom, I donned the traditional camo clothing, along with the ADF Parliamentary Program tags.

Following the induction process we headed for the Health Services Wing to get a briefing from Captain Karen Leshinskas. It was an interesting experience to obtain knowledge of how our troops take care not only of fellow defence personnel—many of the rescue missions recently conducted in disaster relief have been handled by these dedicated people. After lunch we visited the airfield and surrounds with Flight Lieutenant Ashley McAlpine. As we inspected the different ends of the airfield various aircraft were landing and departing. These ranged from C-17s to the F111s. Being in close proximity to the aircraft was an experience of its own.

In the afternoon we went to an exercise where the 38/2 ECSS Night Owl were performing simulated training in the rescue of what would normally be Australian citizens overseas in areas of conflict. As the afternoon unfolded, the defence personnel were processing people who were endeavouring to evacuate from conflict areas along with other nationalities. Some who had issues with not having identification or other papers were attended to by Australian immigration officials. In general, all of those participating in the exercise conducted themselves in a professional manner in the real-life scenario.

Tuesday was a day to catch up with the HQ CSG. In the afternoon I had the opportu-
nity to meet the airfield fire fighters. These people are stationed directly adjacent to the tarmac and in emergencies have a response time of 15 seconds to be in their Panther fire vehicles ready to leave the station. The Panther replaces the Trident fire truck, which has passed its use-by date. The Panther is fully equipped with the technology required in the 21st century to deal with any situation. Following that we went to the RAAF base museum and had a tour with Warrant Officer Dennis Doggett. Dennis explained in passionate detail his Air Force displays, which ranged from a complete Douglas Boston recovered from Papua New Guinea to a Canberra and other bits and pieces of memorabilia acquired over the past years.

Wednesday delivered the experience of gaining first-hand exposure to the C-17 Globemaster, courtesy of 36 Squadron. From takeoff to return over Richmond, New South Wales, despite the weather being severely inclement, being in the cockpit of this huge jet was a real experience. The RAAF purchased the first of four C-17s in December 2006. The C-17 Globemaster is a high-wing four-engine heavy transporter. It has three times the carrying capacity of the C-130 Hercules, allowing Australia to rapidly deploy troops, combat vehicles, heavy equipment and helicopters anywhere in the world. The C-17 Globemaster is large enough to transport the M1A1Abrams tank; Blackhawk, Seahawk or Chinook helicopters; three Tiger armed reconnaissance helicopters; or five Bushmaster infantry vehicles. It significantly enhances our ability to support national and international operations and major disaster relief efforts. Most of the pilots I spoke to had been on several missions around the world assisting in humanitarian support to either deliver urgent supplies or save people from extreme situations. Although the weather was some of the worst south-east Queensland had delivered since the devastating 1974 floods, the experience of being part of the exercise was overwhelming. Throughout the flight the Health Services Wing was engaged in simulated exercises as well, dealing with injured and complicated issues like cardiac arrest and giving birth. All pulled through without any complications, thanks to the dedicated defence personnel.

Thursday was another experience, under the hospitality of Flight Lieutenant Mathew Nunn from 36 Squadron. With the weather cleared, the day’s exercise looked promising for the simulated airdrop off Mackay. Before departure the morning was spent with the various maintenance departments. I found the experience interesting for the depth of each particular area’s involvement in ensuring the aircraft are maintained with precision and commitment.

We left RAAF Amberley around 1230 hours and headed north over Gayndah, tracking towards the islands east of Mackay. Just north-east of Prudhoe Island off the coast of Mackay we conducted the first airdrop. This involved descending approximately 500 metres above sea level to conduct a simulated drop. Following a further swoop over the same area, another successful drop was executed with precision. From there we returned to base involving several touch and departure landings on the Amberley airfield. Following these exercises we landed with amazing accuracy on the shorter runway.

Friday’s program was amended due to other commitments in North Queensland on the weekend. However, the delivery of information and displays was consistent with those delivered throughout the week. In the morning I was presented to the RAAF SFS to gain insight into their activities. These included the dog unit and the emergency rescue wing. The RAAF Military Working Dogs Fleet Supply Flight unit was a true experi-
ence as we saw handlers and their dogs work through various techniques of attack. Additionally, it was great to witness the breeding division and handle some of the young dogs heading for a future in the defence service.

The working dog unit at Amberley is responsible for supplying dogs to the Australian Defence Force suitable for training as military working dogs. They breed approximately 80 pups each year and need foster carers to look after the pups in their homes for approximately four months. The pups usually head out to foster care at 12 weeks of age. They are usually returned at seven months of age. However, this may vary depending on the individual dog and how it is progressing in foster care. The unit breeds German Shepherds and Malinois. The Malinois has an athletic build, generally a tan short coat and a black face. Both breeds have proven themselves successful in many police and service organisations throughout the world.

The dogs are developed for training as military working dogs in the RAAF. At maturity they are teamed with RAAF handlers and are involved in Air Force base security and law enforcement. They must provide protection for their handler and ensure the security of RAAF assets and personnel. As such, the dog has an attack-under-control capability, as well as the ability for ground and airborne scent detection and trailing. As a foster carer for an RAAF pup, you would provide a valuable service to our Australian Defence Force and to our country.

After this we went to the Emergency Rescue Wing to experience the involvement these men and women have in various training and rescue techniques. In the training I witnessed apparatus such as the jaws of life was used to recover people from vehicle wrecks. Despite not reaching my aspirations of flying an F111, the overall experience was an absolute pleasure. Each and every defence person, from the corporal to the OC of the base, demonstrated a level of commitment, professionalism and competence that would make any Australian proud that these dedicated people are representing Australia nationally and internationally in various situations. I would certainly encourage every parliamentary to experience the ADF Parliamentary Program at some stage.

**Occupational Health and Safety**

**Community Television**

**Senator TROETH (Victoria) (7.14 pm)**—I intend to speak on two matters involving what I believe to be the manifest failure of Senators Conroy and Carr to perform their duties as ministers. The first matter is the tragic death of a young man working at the Midfield Meat plant in Warrnambool and Senator Carr’s repugnant politicisation of this very sad event. Aaron Willis was an apprentice at Midfield Meat, and on 31 May 2005 he suffered, according to the coroner, a probable epileptic seizure, similar to ones that he had previously suffered while he had not been taking his prescribed medication. As he slumped at his workstation, he fell into the tray where the meat offcuts were left. The coroner found that there was no head injury. On 26 May 2006, nearly one year later, Mr Willis died of what the coroner determined to be natural causes.

Sadly, Senator Carr and the Labor Party in Victoria have chosen to play politics with the tragic and untimely death of Mr Willis. In an effort to continue making points about occupational health and safety, Senator Carr has attempted to link the epileptic episode in 2005 to Mr Willis’s death in 2006—12 months later. Senator Carr has distorted the facts with comments such as: ‘young Aaron fell three metres into a mincing machine’; ‘he hit his head and suffered serious injury’; ‘he remained unconscious for 18 hours’; and
'what is apparent to me is that the accident that preceded his illness occurred at Midfield Meat'. Senator Carr’s Victorian colleague Mr Steve Herbert has made similar comments detailing this supposed sequence of events and clearly linking the epileptic episode to the man’s death.

The fact is, the coroner clearly states in his report that the two events are separate and unrelated—that is, that Midfield Meat did not play a role in the death of Mr Willis. Despite this, Senator Carr has continued to make shameful and frankly slanderous assertions which are highly damaging to a local and successful Victorian business and highly stressful and emotional for the family—yet there is not one piece of fact in what he has said. This craven attempt to smear a small business to advance the interests of the union movement’s stance on occupational health and safety is a dangerous development and unbecoming of a minister of the Crown. Thuggery, lies and intimidation may work when you are hammering out factional deals during preselection at the Trades Hall, but they are a disgusting indictment of a minister. I call on Senator Carr to apologise for the distress he has caused the family of Mr Willis, the distress he has caused to Midfield Meat by the attempted ruining of their reputation, and the distress he has caused in the Warrnambool community.

The second matter I wish to raise is on a slightly lighter note; nevertheless, it is an important issue. I refer to the attitude of Senator Conroy to the community television sector, especially Channel 31 in Melbourne. Unlike the ABC or SBS, community television is completely self funded and offers the community the chance to produce quality programming and have it put to air, offering a variety of groups, people and interests the opportunity to express themselves publicly. It provides a unique opportunity, started and run by a talented group of people dedicated to providing the service. The nub of the issue is that community television in Melbourne is currently an analog service which will cease to operate when the digital switch-over occurs. Senator Conroy and the Rudd government have made repeated public commitments to assist community television to prepare for the switch-over. The ABC received $136 million in the last budget to fund its third channel, yet Channel 31 receives not one cent. Channel 31 produces more local content than any other broadcaster in Australia, with 95 shows produced each week. It provides an incredibly valuable training ground for the sector, both in front of and behind the camera. I was delighted to see in the Age Magazine of 14 June 2009 some glowing testimonials to the success of Channel 31. The article, by Melinda Houston, states:

Community television does all kinds of important and largely invisible stuff. It connects people with their ethnic and racial communities. It connects different … communities with each other. It provides a mainstream voice for the marginalised.

It’s an incredibly important training ground for all aspects of television, from electricians to directors and everything in between. And because it’s voluntary and so much of the programming is grounded in those … groups, it allows people from these communities to learn the ropes and join the wider broadcasting community.

Indeed, Mr Greg Dee, who until a couple of weeks ago was general manager of Melbourne’s community television station, Channel 31, is now the new Melbourne-based executive director of ABC TV Arts. A couple of weeks ago I visited Channel 31, and a more productive, thriving and happy workplace you could not imagine. So, it is an incubator of local talent, with luminaries such as Rove McManus, Peter Hellier and Corinne Grant emerging from it, as well as the well-known radio couple Hamish and Andy, who also started out at Channel 31.
It is time to give Channel 31 a fair go. In a time when it is seemingly nothing to spend $43 billion on an economic stimulus, why not spend the miniscule amount required to provide for digital conversion for Channel 31, a place that generates hundreds of jobs locally and does not require recurrent funding. The continued failure to do this is placing a great strain on the ability of the station to generate sponsorship as its audience shifts to digital ahead of the switch-over. Delay and indecision are causing chaos in the sector, and the minister must bear some responsibility for this. Senator Conroy could also easily assign one of the three unused channels in the digital spectrum to Channel 31. With this valuable community service to underrepresented community groups and those sections of our community that cannot access this type of content anywhere else, this must be done. Senator Conroy has made promises to the sector, the hundreds of people employed and the 1.4 million viewers who watch Channel 31 that he will look after them. It is about time he did. I can only urge him to give some attention, time and funding to Channel 31.

Senate adjourned at 7.23 pm
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Health and Ageing: Staffing
(Question Nos 625, 648 and 650 amended)

Senator Minchin asked the Minister representing the Minister for Health and Ageing, upon notice, on 25 August 2008:

(1) How many departmental officers are working in the office of the Minister/Parliamentary Secretary.
(2) How many of these staff are Departmental Liaison Officers.
(3) How many departmental officers, on secondment from the department, are in the office of the Minister/Parliamentary Secretary in personal staff positions.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) As at and including 27 August 2008, departmental staff working in the offices of the Ministers for Health and Ageing, Ageing and Sport, and the Parliamentary Secretary numbered nine. Three of these staff were participants in the department’s Graduate Program on a four month rotation.
(2) Five.
(3) As at 27 August 2008 there were no departmental officers on secondment.

Climate Change and Water: Staffing
(Question No. 631)

Senator Minchin asked the Minister for Climate Change and Water, 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 Wong—The answer to the honourable senator’s question is as follows:

(1) There are two departmental officers working in my office, one for Climate Change and one for Water. There is one departmental officer working in the office of the Parliamentary Secretary for Climate Change, and another working in the office of the Parliamentary Secretary for Water.
(2) All four are Departmental Liaison Officers.
(3) Nil

Defence: Hospitality
(Question Nos 808 and 809 amended)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 13 November 2008:

(1) For each agency within the responsibility of the Minister, in the period 1 April to 30 September 2008: (a) what was the department’s hospitality spend; and (b) for each departmental hospitality event, can the following details be provided (i) date, (ii) location, (iii) purpose, (iv) cost.
(2) (a) For the Office of the Minister, what was the total hospitality spend in the period 1 April to 30 September 2008; and (b) for each hospitality event in the office, can the following details be provided: (i) date, (ii) location, (iii) purpose, and (iv) cost.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) (a) Defence: $991,170, inclusive of GST.
This amount comprised:

Representation allowances paid to members stationed overseas $527,645.

This expense related to Defence members required to represent the Defence organisation at official events while on duty overseas.

Other official entertainment costs incurred by Defence $463,525.

This expense included dinners for official visitors from overseas and refreshment costs for events that marked significant achievements and involved attendance by people external to Defence.

Defence Housing Australia: $29,884, exclusive of GST.

(b) Defence’s financial systems do not include the detailed breakdown requested. However, Defence’s Chief Executive Instruction on official hospitality requires written records of attendees, venue, delegate’s approval and final costs to be kept. These records are maintained on individual files across Defence Groups and the Services. To collate information manually solely for the purpose of answering this question would be a major task and I am not prepared to authorise the expenditure and effort that would be required.

(2) (a) Minister for Defence: $3,126.25, inclusive of GST.
Minister for Defence Science and Personnel: $3,046.16, inclusive of GST.

(b) Minister for Defence:

(i) 28 May 2008.

(ii) Aubergine Restaurant, Canberra.

(iii) Dinner for UK Secretary of State for Defence, the UK Chief of the Defence Staff and 13 other guests.

(iv) $2,057.00.

(i) 29 May 2008.

(ii) Parliament House, Canberra.

(iii) To meet with visiting UK Defence delegation.

(iv) $65.75.

(i) 2 July 2008.

(ii) Daniels Steakhouse, Sydney.

(iii) To meet with newly appointed Service Chiefs.

(iv) $449.50.

(i) 21 July 2008.

(ii) Sofitel Wentworth, Sydney.

(iii) White Paper team to provide Minister with an update on progress.

(iv) $554.00.

Minister for Defence Science and Personnel:

(i) 29 May 2008.
(ii) Parliament House, Canberra.
(iii) Defence Women’s Roundtable.
(iv) $145.75.
(i) 2 June 2008.
(ii) Parliament House, Canberra.
(iii) Defence Women’s Roundtable.
(iv) $165.75.
(i) 17 June 2008.
(ii) Parliament House, Canberra.
(iii) Defence Women’s Roundtable.
(iv) $185.75.
(i) 24 June 2008.
(ii) Parliament House, Canberra.
(iii) Defence Women’s Roundtable.
(iv) $145.75.
(i) 24 June 2008.
(ii) Parliament House, Canberra.
(iii) Passage of the DHOAS Legislation with 40 departmental officials.
(iv) $1,210.29.
(i) 27 June 2008.
(ii) Parliament House, Canberra.
(iii) Defence Women’s Roundtable.
(iv) $110.75.
(i) 2 July 2008.
(ii) Parliament House, Canberra.
(iii) Launch of DFR Contract with 40 guests.
(iv) $550.00.
(i) 9 July 2008.
(ii) Parliament House, Canberra.
(iii) Defence Women’s Roundtable.
(iv) $45.00.
(i) 13 July 2008.
(ii) Fox Harbour, Wallace, Novia Scotia, Canada.
(iii) Breakfast hosted by the Minister with delegates to the Pugwash Conference.
(iv) $103.77.
(i) 17 August 2008.
(ii) Bistro One, Townsville.
(iii) Working meal with senior ADF personnel.
(iv) $122.60.

(i) 18 September 2008.
(ii) Parliament House, Canberra.
(iii) Launch of new Discipline Law Manuals.
(iv) $115.00.

**Attorney-General: Program Funding**

(Question No. 892)

**Senator Ronaldson** asked the Minister representing the Attorney-General, upon notice, on 24 November 2008:

For the 2008 calendar year, can lists be provided for: (a) the department’s top 5 program overspends and their costs; and (b) the department’s top 5 program underspends and their costs.

**Senator Wong**—The Attorney-General has provided the following answer to the honourable senator’s question:

(a) The Department manages its program funding and expenditures on a financial year basis. For the 2007-08 financial year, The Department did not have any overspent administered programs.

(b) For the 2007-08 financial year, the Department’s top 5 program underspends were:

<table>
<thead>
<tr>
<th>Administered Program</th>
<th>Budget $’000</th>
<th>Actual $’000</th>
<th>Variance $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Disaster Relief and Recovery Arrangements</td>
<td>$ 8,300</td>
<td>$ 152</td>
<td>$ 8,148</td>
</tr>
<tr>
<td>Anti-money laundering and counter-terrorism financing -information and public awareness</td>
<td>$ 22,999</td>
<td>$ 18,073</td>
<td>$ 4,926</td>
</tr>
<tr>
<td>National Community Crime Prevention Programme</td>
<td>$ 7,428</td>
<td>$ 3,536</td>
<td>$ 3,892</td>
</tr>
<tr>
<td>Australia’s contribution to the International Criminal Court</td>
<td>$ 126,991</td>
<td>$ 124,468</td>
<td>$ 2,523</td>
</tr>
</tbody>
</table>

**Climate Change and Water: Media Monitoring**

(Question No. 911)

**Senator Ronaldson** asked the Minister for Climate Change and Water, upon notice, on 24 November 2009:

What is the aggregate amount spent by the department on media monitoring during the 2008 calendar year.

**Senator Wong**—The answer to the honourable senator’s question is as follows:

One new contract for media monitoring services for the Department of Climate Change has been established since 1 July 2008. The value of this contract (including GST) is $132,000.00.

The total spend on this contract to 24 November 2008 is $36,152.44.

Prior to 1 July 2008, media monitoring services were provided by the Department of Environment, Water, Heritage and the Arts (DEWHA). Please refer to DEWHA’s response question on notice 912.
Health and Ageing: Media Contracts  
(Question Nos 928 and 943)

Senator Ronaldson asked the Minister representing the Minister for Health and Ageing, 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 Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

For the period 1 January 2008 to 24 November 2008 —

(a) Nil.

(b)

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Description</th>
<th>Procurement Method</th>
<th>Consultancy Reason(s)</th>
<th>Start Date</th>
<th>End Date</th>
<th>Value $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ipsos Public Affairs Pty Ltd</td>
<td>Survey for the National Binge Drinking Campaign</td>
<td>Select</td>
<td>Need for independent research or assessment</td>
<td>11-Nov-08</td>
<td>10-Mar-09</td>
<td>85,832.20</td>
</tr>
</tbody>
</table>

(c) Nil.

(d)

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Description</th>
<th>Procurement Method</th>
<th>Consultancy Reason(s)</th>
<th>Start Date</th>
<th>End Date</th>
<th>Value $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrol Communications PTY LTD</td>
<td>Professional services - Population health market research</td>
<td>Direct</td>
<td>Need for specialised or professional skills</td>
<td>30-Apr-08</td>
<td>30-Jun-08</td>
<td>32,225.18</td>
</tr>
<tr>
<td>Blue Moon Unit Trust</td>
<td>Consultancy services - ABHI Measure Up Campaign</td>
<td>Select</td>
<td>Skills currently unavailable within agency</td>
<td>15-Aug-08</td>
<td>30-Jun-09</td>
<td>183,590.00</td>
</tr>
</tbody>
</table>

(e) The Minister submits the following details:

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Description</th>
<th>Procurement Method</th>
<th>Consultancy Reason(s)</th>
<th>Start Date</th>
<th>End Date</th>
<th>Value $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Moon Unit Trust</td>
<td>Professional services - Evaluation of Phase 1 of the ABHI Social marketing campaign</td>
<td>Select</td>
<td>Need for specialised or professional skills</td>
<td>9-Sep-08</td>
<td>30-Jun-09</td>
<td>408,758.90</td>
</tr>
</tbody>
</table>
Senator Ronaldson asked the Minister for Climate Change and Water, 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 answer to the honourable senator’s question is as follows:

### Climate Change

For the period 1 January 2008 to 24 November 2008:

The Department of Climate Change did not enter into any consultancy contracts for media relations.

The Department of Climate Change did not enter into any consultancy contracts for public relations.

The Department of Climate Change entered the following consultancy contracts for public events management:

- Context Pty Ltd: 14/10/2008 – 30/10/2008, $14,102.08 ex GST, select source from seven providers.

(d) The Department of Climate Change entered into the following consultancy contracts for communications:

- Woolcott Research: 24/06/2008 – 27/06/2008, $62,300.00 ex GST, select source from four providers.
- Woolcott Research: 03/07/2008 – 06/07/2008, $22,835.00 ex GST, direct source. Direct source undertaken as part of development of an advertising campaign. It built upon previous research undertaken by Woolcott Research.
- Woolcott Research: 07/07/2008 – 09/07/2008, $35,800.00 ex GST, direct source. Direct source undertaken as part of development of an advertising campaign. It built upon previous research undertaken by Woolcott Research.

QUESTIONS ON NOTICE
- GfK Bluemoon: 06/10/2008 – ongoing, $90,300.00 ex GST, select source from four providers.
- Grid Graphic Design: 09/05/2008 – 30/06/2008, $11,980.00 ex GST, select source from three providers.
- M&C Saatchi: 04/07/2008 – ongoing, $415,352.09 ex GST, select source from three providers.

(e) The Department of Climate Change did not enter into any consultancy contracts for communications strategy.

Water
(a) to (e) The Department of Environment, Water, Heritage and the Arts did not tender for any consultancy contracts dealing with the aforementioned communications areas during the period 1 January – 24 November 2008.

Environment, Heritage and the Arts: Media Contracts
(Question No. 935)

Senator Ronaldson asked the Minister representing the Minister for the Environment, Heritage and the Arts, 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 Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:
The Department of the Environment, Water, Heritage and the Arts did not tender for any consultancy contracts dealing with the aforementioned communications areas during the period 1 January-24 November 2008.

Resources and Energy and Tourism: Staffing
(Question Nos 962 and 963)

Senator Ronaldson asked the Minister for Resources and Energy and Minister for Tourism, 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 Carr—The Minister for Resources and Energy and Minister for Tourism has provided the following answer to the honourable senator’s question:

(1) (a) one. (b) five.

(2) (a) $70,000 to $110,000 plus Ministerial Staff Allowance of $20,000 – the salary range only is provided so as not to identify personal information of individual employees. Depending on their individual circumstances, employees under the Commonwealth Members of Parliament Staff Collective Agreement 2006-2009 may be eligible to be a member of the CSS, PSS or PSSap or may have an employer superannuation contribution of 15.4 per cent paid to an eligible superannuation fund of their choice. Individual details are not supplied due to privacy reasons. (b) $400,000.

(3) (a) $20,000 (travel costs are up to and including 24/11/08. (b) $1,827 (travel costs are up to and including 24/11/08).

(4) (a) $1,701. (b) $194.

(5) As at 24 December 2008 the following reviews, inquiries and committees have been announced (since 1 December 2007):
   - The Oilcode Review
   - The Biofuels Policies Review
   - Ministerial Council on Mineral and Petroleum Resources (MCMPR) and Ministerial Council on Energy Joint Working Group on Natural Gas Supply
- Independent Review of the National Offshore Petroleum Safety Authority (NOPSA) Operational activities (refer NOPSA - review in table below)
- Review of Governance Arrangements between the Department of Resources, Energy and Tourism and the Australian Diver Accreditation Scheme Board (refer ‘Governance Arrangements’ in table below)
- Joint enquiry between the Commonwealth and WA Governments into the gas explosion at the Varanus Island facilities operated by Apache Energy Ltd (refer ‘Varanus Island’ in the table below)
- National Long Term Tourism Strategy (NLTTS)
- National Tourism Accreditation Joint Working Group (NTAJWG)
- Business Events Strategy Working Group (BESWG)

<table>
<thead>
<tr>
<th>Review</th>
<th>Status</th>
<th>Reporting Date</th>
<th>ASL **</th>
<th>Cost of staff</th>
<th>Cost of consultants</th>
<th>Travel costs</th>
<th>Other costs</th>
<th>Total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilcode Review</td>
<td>Completed</td>
<td>May-09</td>
<td>0.75</td>
<td>$70,000</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$70,000</td>
</tr>
<tr>
<td>Biofuels Policies Review</td>
<td>Completed</td>
<td>Aug-08</td>
<td>0.92</td>
<td>$137,400</td>
<td>$-</td>
<td>$2,600</td>
<td>$-</td>
<td>$140,000</td>
</tr>
<tr>
<td>Ministerial Council on Mineral and Petroleum Resources (MCMPR) and Ministerial Council on Energy Joint Working Group on Natural Gas Supply</td>
<td>Ongoing</td>
<td>Not set</td>
<td>NDS</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Independent Review of the National Offshore Petroleum Safety Authority (NOPSA) Operational activities</td>
<td>Completed</td>
<td>Jun-08</td>
<td>0.23</td>
<td>$18,800</td>
<td>$30,000</td>
<td>$3,400</td>
<td>$-</td>
<td>$52,200</td>
</tr>
<tr>
<td>Review of Governance Arrangements between the Department of Resources, Energy and Tourism and the Australian Diver Accreditation Scheme Board</td>
<td>Completed</td>
<td>Oct-08</td>
<td>0.03</td>
<td>$2,200</td>
<td>$30,000</td>
<td>$-</td>
<td>$-</td>
<td>$32,200</td>
</tr>
</tbody>
</table>
### QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Review</th>
<th>Status</th>
<th>Reporting Date</th>
<th>ASL **</th>
<th>Cost of staff</th>
<th>Number of consultants</th>
<th>Cost of consultants</th>
<th>Travel costs</th>
<th>Other costs</th>
<th>Total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of Cost Recovery Levies and Cost Recovery Impact Statement for the National Offshore Petroleum Safety Authority</td>
<td>Completed</td>
<td>Apr-09</td>
<td>0.15</td>
<td>$16,200</td>
<td>0</td>
<td>$-</td>
<td>$2,300</td>
<td>$-</td>
<td>$18,500</td>
</tr>
<tr>
<td>Joint enquiry between the Commonwealth and WA Governments into the gas explosion at the Varanus Island facilities operated by Apache Energy Ltd</td>
<td>Completed</td>
<td>Apr-09</td>
<td>NDS</td>
<td>$-</td>
<td>0</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>National Long Term Tourism Strategy (NLTTS)</td>
<td>Ongoing</td>
<td>Mid-2009</td>
<td>4.6</td>
<td>$477,285</td>
<td>1</td>
<td>$50,000</td>
<td>$55,040</td>
<td>$13,27</td>
<td>$595,600</td>
</tr>
<tr>
<td>National Tourism Accreditation Joint Working Group (NTAJWG)</td>
<td>Ongoing</td>
<td>Jun-09</td>
<td>1.6</td>
<td>$175,863</td>
<td>1</td>
<td>$50,000</td>
<td>$3,767</td>
<td>$865</td>
<td>$230,495</td>
</tr>
<tr>
<td>Business Events Strategy Working Group (BESWG)</td>
<td>Under consideration</td>
<td>0.8</td>
<td>$54,760</td>
<td>0</td>
<td>$-</td>
<td>$9,146</td>
<td>$432</td>
<td>$64,338</td>
<td></td>
</tr>
</tbody>
</table>

** NDS - no defined staff

Note: Staffing has been reported on an ASL basis, which reflects the annual proportion of staff, even though projects may have been of a shorter duration.

**Senator Ronaldson** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary traveled 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.

---

**Minister for Agriculture, Fisheries and Forestry and Parliamentary Secretary: Overseas Travel**

**Question No. 1022**

Senator Ronaldson asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary traveled 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 Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1)

<table>
<thead>
<tr>
<th>Country visited</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan, China and Korea</td>
<td>Enhanced cooperation with Japan, the Republic of Korea (ROK) and China on issues of mutual interest and, in particular, further strengthening of existing cooperation toward an ambitious outcome in the WTO Doha Round negotiations on agriculture. Maintain the momentum on agriculture in FTAs with China and Japan and advance Australia’s interest in moving to an FTA negotiation with the ROK. Outline to senior government representatives and agriculture industry representatives, including in Hong Kong, Australia’s agriculture trade policy interests. Strengthen relationships with counterpart ministers and farmer organisations involved in formulating agriculture policy.</td>
</tr>
<tr>
<td>PNG and Indonesia</td>
<td>Enhance bilateral agricultural relationships and cooperation with PNG and Indonesia on issues of mutual interest Outline to senior government representatives and agriculture industry representatives Australia’s agriculture trade policy interests. Strengthen relationships with counterpart ministers involved in formulating agriculture, fisheries and forestry policy Outline Australia’s commitment to providing targeted technical assistance to Indonesia and Papua New Guinea, aimed at improving agricultural and quarantine systems, as well as the health status of Indonesia’s and PNG’s animal and plant industries. Maintain the momentum on agriculture in the negotiations on the ASEAN-Australia-New Zealand Free Trade Agreement (FTA).</td>
</tr>
<tr>
<td>Italy</td>
<td>Lead the FAO delegation and deliver Australia’s statement, highlighting the importance of increasing productivity to tackle food security concerns. Discuss a range of issues with counterparts at the conference, and the FAO reform agenda with Secretary-General. Meet representatives from major Australian wool buyers and clothing retailers to discuss important industry issues, particularly mulesing.</td>
</tr>
</tbody>
</table>

(2) The Department of Finance and Deregulation (Finance) is responsible for the payment of overseas travel costs of Ministers and an accompanying spouse and Members of Parliament (Staff) Act 1984 employees. All costs of travel paid for by Finance are tabled in the Parliament every six months in a document titled Parliamentarians’ Travel Paid by the Department of Finance and Deregulation 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 media reports.

(3)

<table>
<thead>
<tr>
<th>Country/ies visited</th>
<th>Date</th>
<th>Cities visited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan, China and Korea</td>
<td>1-14 April 2008</td>
<td>Tokyo, Hong Kong, Beijing, Seoul, Boao, Shanghai</td>
</tr>
<tr>
<td>PNG and Indonesia</td>
<td>18-23 August 2008</td>
<td>Port Moresby, Jakarta</td>
</tr>
<tr>
<td>Italy</td>
<td>16 – 21 November 2008</td>
<td>Rome</td>
</tr>
</tbody>
</table>
Country/ies visited | Number of meetings
--- | ---
Japan, China and Korea | 28
PNG and Indonesia | 11
Italy | 15

(5)

Country/ies visited | Number of Departmental Staff | Number of personal ministerial staff
--- | --- | ---
Japan, China and Korea | 2 | 1
PNG and Indonesia | 3 | 1
Italy | 1 | 1

(6) The Department of Finance and Deregulation (Finance) is responsible for the payment of overseas travel costs of Ministers and an accompanying spouse and Members of Parliament (Staff) Act 1984 employees. All costs of travel paid for by Finance are tabled in the Parliament every six months in a document titled Parliamentarians’ Travel Paid by the Department of Finance and Deregulation 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 media reports.

Below are aggregate Departmental costs associated with each trip.

| Country/ies visited | Aggregate cost |
--- | --- |
Japan, China and Korea | $54,182 |
PNG and Indonesia | $45,507 |
Italy | $15,765 |

(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. The Department of Finance and Deregulation (Finance) is responsible for the payment of overseas travel costs of Ministers and an accompanying spouse and Members of Parliament (Staff) Act 1984 employees. All costs of travel paid for by Finance are tabled in the Parliament every six months in a document titled Parliamentarians’ Travel Paid by the Department of Finance and Deregulation 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 media reports.

Below are Departmental costs associated with each trip.

| Country/ies visited | Flights | Accommodation | Travel allowance, (meals and incidentals) | Other Costs* |
--- | --- | --- | --- | --- |
Japan, China and Korea | $22,363 | $8540 | $1964 | $21,315 |
PNG and Indonesia | $26,461 | $3261 | $1528 | $13,642 |
Italy | $13,064 | $1670 | $763 | $267.56 |

* Includes interpreters, car hire, official hospitality, taxi fares, business centre facilities, security

**Attorney-General’s and Home Affairs: Program Funding**

(Problem Nos 1070 and 1075)

**Senator Abetz** asked the Minister representing the Attorney-General and the Minister representing the Minister for Home 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

(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 Wong—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:

(1) (a) and (b) Spending on departmental outputs and administered programs is reported by agencies in their annual reports. Where agencies have administered appropriation these items are reported in Part 2 - Performance Reports by outcome and administered item.

(2) The departmental appropriations of agencies do not lapse and are retained by the relevant agency. Administered appropriations do lapse and are returned to the Budget as a result of underspends.

The Attorney-General’s Department had an underspend against its administered appropriation of $112.930 million. Of this amount, $36.893 million has been moved from the 2007-08 financial year to the 2008-09 financial year as part of the 2008-09 Budget process and Additional Estimates process. The Attorney-General’s Department therefore returned $76.037 million as a result of underspends against administered appropriation in the 2007-08 financial year.

The Federal Magistrates Court had an underspend against its administered appropriation of $0.3 million. The Federal Magistrates Court therefore returned $0.3 million as a result of underspends against administered appropriation in the 2007-08 financial year.

The Australian Federal Police had an underspend against its administered appropriation of $9.5 million. The Australian Federal Police therefore returned $9.5 m as a result of underspends against departmental appropriation in the 2007-08 financial year.

The National Capital Authority had an underspend against its administered appropriation of $0.66 million. The National Capital Authority therefore returned $0.66 million as a result of underspends against administered appropriation in the 2007-08 financial year.

**Attorney-General’s and Home Affairs: Program Funding**

(Question Nos 1106 and 1111)

Senator Abetz asked the Minister representing the Attorney-General and the Minister representing the Minister for Home Affairs, 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 Wong—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:
(1) The below table provides funds committed, for departments and agencies in the portfolio, for the period 1 December 2007 to 30 June 2008, to spend under regulation 10 of the Financial Management and Accountability Act 1997. It also provides how much of the commitments were approved at the department or agency level and by the Minister for Finance and Deregulation.

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Total funds committed to spend under regulation 10 of the FMA Act 1 (a)</th>
<th>Funds committed approved by the Department/Agency 1 (b) (i)</th>
<th>Funds Committed approved by the Minister for Finance and Deregulation 1 (b) (ii)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney-General’s Department</td>
<td>$211.06m</td>
<td>$211.06m</td>
<td>Nil</td>
</tr>
<tr>
<td>Australian Commission for Law Enforcement Integrity</td>
<td>$0.30m</td>
<td>$0.30m</td>
<td>Nil</td>
</tr>
<tr>
<td>Australian Crime Commission</td>
<td>$3.83m</td>
<td>$3.83m</td>
<td>Nil</td>
</tr>
<tr>
<td>Australian Customs and Border Protection Service</td>
<td>$84.58m</td>
<td>$84.58m</td>
<td>Nil</td>
</tr>
<tr>
<td>Australian Federal Police</td>
<td>$503.00m</td>
<td>$172.39m</td>
<td>$330.61m</td>
</tr>
<tr>
<td>ASIO</td>
<td>$79.04m</td>
<td>$79.04m</td>
<td>Nil</td>
</tr>
<tr>
<td>AUSTRAC</td>
<td>$2.47m</td>
<td>$2.47m</td>
<td>Nil</td>
</tr>
<tr>
<td>CrimTrac Agency</td>
<td>$18.66m</td>
<td>$18.66m</td>
<td>Nil</td>
</tr>
<tr>
<td>Family Court of Australia</td>
<td>$5.63m</td>
<td>$5.63m</td>
<td>Nil</td>
</tr>
<tr>
<td>Federal Court of Australia</td>
<td>$14.13m</td>
<td>$14.13m</td>
<td>Nil</td>
</tr>
<tr>
<td>Federal Magistrates Court</td>
<td>$1.39m</td>
<td>$1.39m</td>
<td>Nil</td>
</tr>
<tr>
<td>Australian Human Rights Commission</td>
<td>$0.52m</td>
<td>$0.52m</td>
<td>Nil</td>
</tr>
<tr>
<td>Insolvency &amp; Trustee Service Australia</td>
<td>$3.82m</td>
<td>$3.82m</td>
<td>Nil</td>
</tr>
<tr>
<td>National Capital Authority</td>
<td>$1.91m</td>
<td>$1.91m</td>
<td>Nil</td>
</tr>
<tr>
<td>National Native Title Tribunal</td>
<td>$0.93m</td>
<td>$0.93m</td>
<td>Nil</td>
</tr>
<tr>
<td>Office of the Director of Public Prosecutions</td>
<td>$7.76m</td>
<td>$7.76m</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(2) (a) The budget is allocated to priorities on the basis of need and the Government does not try to allocate funding from particular sources to programs. (b) and (c) The table below provides details for each department and agency in the Attorney-General’s Portfolio for depreciation spent in the 2007-08 financial year.

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Depreciation funding spent in 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney-General’s Department</td>
<td>$13.28m</td>
</tr>
<tr>
<td>Administrative Appeals Tribunal*</td>
<td>$1.55m</td>
</tr>
<tr>
<td>Australian Commission for Law Enforcement Integrity</td>
<td>Nil</td>
</tr>
<tr>
<td>Australian Crime Commission</td>
<td>$18.97m</td>
</tr>
<tr>
<td>Australian Customs and Border Protection Service</td>
<td>$71.30m</td>
</tr>
<tr>
<td>Australian Federal Police*</td>
<td>$42.49m</td>
</tr>
<tr>
<td>AIC</td>
<td>Nil</td>
</tr>
<tr>
<td>ALRC</td>
<td>Nil</td>
</tr>
<tr>
<td>ASIO</td>
<td>$23.16m</td>
</tr>
<tr>
<td>AUSTRAC</td>
<td>$2.04m</td>
</tr>
<tr>
<td>CRC</td>
<td>Nil</td>
</tr>
<tr>
<td>CrimTrac Agency</td>
<td>Nil</td>
</tr>
<tr>
<td>Family Court of Australia*</td>
<td>$4.84m</td>
</tr>
</tbody>
</table>
Agency Name | Depreciation funding spent in 2007-08
--- | ---
Federal Court of Australia | $3.47m
Federal Magistrates Court | $2.95m
High Court of Australia | $1.94m
Australian Human Right Commission | $0.38m
Insolvency & Trustee Service Australia | $2.37m
National Capital Authority* | $7.39m
National Native Title Tribunal | $0.64m
Office of the Director of Public Prosecutions | $3.24m
Office of Parliamentary Counsel* | $0.17m

* These Agencies also received capital funding for the purchase of new assets that were acquired in 2007-08.

### Defence: Hospitality

**Question Nos 1317 and 1318**

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 26 February 2009:

1. For each agency within the responsibility of the Minister/Parliamentary Secretary, in the period 1 October to 31 December 2008: (a) what was the department’s hospitality spend; and (b) for each departmental hospitality event, can the following details be provided: (i) date, (ii) location, (iii) purpose, and (iv) cost.

2. (a) For the office of the Minister/Parliamentary Secretary, what was the total hospitality spend in the period 1 October to 31 December 2008; and (b) for each hospitality event in the office, can the following details be provided: (i) date, (ii) location, (iii) purpose, and (iv) cost.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

1. (a) Defence: $603,008, inclusive of GST.

   This amount comprised:
   - Representation allowances paid to members stationed overseas $400,553
     *This expense related to Defence members required to represent the Defence organisation at official events while on duty overseas.*
   - Other official entertainment costs incurred by Defence $202,455
     *This expense includes dinners for official visitors from overseas and refreshment costs for events that marked significant achievements and involved attendance by people external to Defence.*

   Defence Housing Australia: $24,820, exclusive of GST.

   (b) Defence’s financial systems do not include the detailed breakdown requested. However, Defence’s Chief Executive Instruction on official hospitality requires written records of attendees, venue, delegate’s approval and final costs to be kept. These records are maintained on individual files across Defence Groups and the Services. To collate information manually solely for the purpose of answering this question would be a major task and I am not prepared to authorise the expenditure and effort that would be required.

2. (a) Minister for Defence: $3,027.28 inclusive of GST.

   Minister for Defence Science and Personnel: $655.30 inclusive of GST.

   (b) Minister for Defence:
   - (i) 27 October 2008.
(ii) Hyatt Regency, Perth.
(iii) Meeting with key Defence Industry leaders.
(iv) $259.55.

(i) 1 December 2008.
(ii) Parliament House, Canberra.
(iii) 34 Squadron ‘thank you’ function.
(iv) $2767.73.

Minister for Defence Science and Personnel:

(i) 20 October 2008.
(ii) Portia’s Place, Kingston.
(iii) Working dinner with Chief Defence Scientist.
(iv) $73.40.

(i) 5 November 2008.
(ii) Portia’s Place, Kingston.
(iii) Working dinner with Defence officials.
(iv) $96.40.

(i) 27 November 2008.
(ii) Parliament House, Canberra.
(iii) Official launch of ADF Families Program.
(iv) $305.00.

(i) 2 December 2008.
(ii) Parliament House, Canberra.
(iii) Official dinner for Chief of Army and Chief of Navy.
(iv) $180.50.

**Telephone Sex Services**

*(Question No. 1372)*

**Senator Cormann** asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 5 March 2009:

With reference to Part 9A of the Telecommunications (Consumer Protection and Service Standards) Act 1999 and associated regulations governing the provision of telephone sex services in Australia:

(1) Does the Minister believe that the laws passed in 1999 are still achieving their stated goal of restricting phone sex services to 1900 numbers and to adults who have clearly elected in writing to access such services?

(2) Is the Minister aware of the increasing number of phone sex services advertising in major newspapers with mobile phone contact details only, rather than 1900 numbers?

(3) Are the services advertised in breach of the current law?

(4) Are breaches such as these investigated and prosecuted; if so, how many breaches have been prosecuted in 2008?

(5) If phone sex services are being marketed and accessed through mobile phone numbers, how are children being stopped from accessing these services?
Senator Conroy—The answer to the honourable senator’s question is as follows:

(1) The laws passed in 1999 governing the provision of telephone sex services in Australia (that is, Part 9A of the Telecommunications (Consumer Protection and Service Standards) Act 1999) were aimed at prohibiting unacceptable conduct by telephone sex services providers and carriage service providers in relation to telephone sex services. Part 9A was introduced to address community concerns that telephone sex lines were too easily accessed by children of standard telephone service customers.

Prior to the enactment of the Communications Legislation Amendment (Content Services) Act 2007, Part 9A of the Telecommunications (Consumer Protection and Service Standards) Act 1999 (the TCPSSA) provided that before a telephone sex service billed on a telephone account is supplied, the phone customer must have agreed in writing to the supply of telephone sex services and been issued with a personal identification number (PIN) or some other means of limiting access by others to the telephone sex service. Part 9A also requires that such services have to be supplied from a special number range (e.g. 1901 numbers).

The arrangements introduced under Part 9A were not proposed for the purpose of closing down the telephone sex industry but were introduced to allow the industry to operate by providing for the services only to telephone customers who ‘opted-in’ or where the telephone sex service customer pays for the service otherwise than by the telephone account, for example, by using a credit card.

The Communications Legislation Amendment (Content Services) Act 2007 introduced a new Schedule 7 into the Broadcasting Services Act 1992 (BSA). Schedule 7 of the BSA amalgamated the regulation of all content services delivered via carriage services and extended the legislative framework established to regulate content under Schedule 5 of the BSA to a broad range of content services delivered on convergent devices.

A key component of Schedule 7 of the BSA is that content that is, or potentially would be, rated X 18+ and above must not be delivered or made available to the public and access to material that is likely to be rated R18+ must be subject to appropriate age verification mechanisms.

The Restricted Access System Declaration 2007, developed by the Australian Communications and Media Authority in accordance with the new content regulation framework under Schedule 7 of the BSA, sets out rules about accessing MA15+ and R18+ content. For example, in relation to R18+ content, these rules include the requirement to apply for access, warning and safety information, verification of the age of applicants, and the provision of Personal Identification Numbers (PIN) in order to limit access to the content by other persons.

The Communications Legislation Amendment (Content Services) Act 2007 also repealed elements of Part 9A of the TCPSSA. The regulatory controls regarding age restricted content are now regulated under Schedule 7 of the Broadcasting Services Act 1992. Part 9A of the TCPSSA still exists, however it only continues to regulate the prefixes of numbers used by telephone sex services and prohibits the supply of other goods and services tied to the supply of telephone sex services.

(2) Under Part 9A of the Telecommunications (Consumer Protection and Service Standards) Act 1999, all telephone sex services must be provided using the 1901 prefix. As a consequence, any telephone sex services not being provided through a number which uses the approved 1901 prefix will be prohibited under the existing provisions of Part 9A of the Act. Pecuniary penalties apply for carriage service providers who engage in such unacceptable conduct under Part 9A.

I am unable to comment on the incidence of phone sex services being advertised in major newspapers with other than 1900 contact numbers.

(3) Where the telephone sex services meet the definition of a ‘telephone sex service’ under section 158J of the TCPSSA, and they are being supplied using a number other than a number with the approved 1901 prefix, those services would be in breach of Part 9A of the TCPSSA.
(4) Under Schedule 7 of the Broadcasting Services Act 1992, the Australian Communications and Media Authority (ACMA) has the power to investigate complaints about prohibited content and potentially prohibited content on a wide range of content services, monitor compliance with industry codes and undertake enforcement action. In addition, the ACMA has the authority to assess whether a particular service is a telephone sex service and to institute legal proceedings against a telephone company or a service provider which supplies a telephone sex service in breach of the requirements under the TCPSSA.

There have been no investigations of telephone sex services, under either Part 9A of the TCPSSA or Schedule 7 of the Broadcasting Services Act 1992, during 2008.

(5) In accordance with the Australian Communications and Media Authority’s Restricted Access System Declaration 2007, there are access-control systems for MA15+ and R18+ content provided on a commercial basis. Different requirements exist for the different classification levels. In the context of telephone sex services, the access-control systems are designed to prevent children from accessing these services.

Where the content of the telephone sex service is classified as R18+ content, the access-control system must:

- require an application for access to the content; and
- require proof of age that the applicant is over 18 years of age; and
- include a risk analysis of the kind of proof of age submitted; and
- verify the proof of age by applying the risk analysis; and
- provide warnings as to the nature of the content; and
- provide safety information for parents and guardians on how to control access to the content; and
- limit access to the content by the use of a PIN or some other means; and
- include relevant quality assurance measures; and
- retain records of age verification for a period of 2 years after which the records are to be destroyed.

**Crude Oil Excise**

(Question No. 1463)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 31 March 2009:

(1) With reference to the 2008-09 Budget measure entitled ‘Crude oil excise - condensate’, that imposed, for the first time, excise on condensate from the North West Shelf Gas Project, how much revenue has been collected by the Commonwealth under the measure from: (a) 13 May 2008 to 30 June 2008; and (b) 1 July 2008 to 30 March 2009.

(2) How much revenue has been collected by the Commonwealth from additional onshore areas included as a result of the measure from: (a) 13 May 2008 to 30 June 2008; and (b) 1 July 2008 to 30 March 2009.

Senator Conroy—The Treasurer has provided the following answer to the honourable senator’s question:

The question is not able to be answered without risking the disclosure of sensitive commercial information in relation to the tax affairs of potentially identifiable businesses. It is the normal practice of the Commissioner of Taxation not to release information in such situations.
The 2008-09 Budget costing for the condensate measure was based on publicly available information on the production of condensate by production area published by the Australian Bureau of Agricultural and Resource Economics and Treasury projections of publicly available price information used to project the VOLWARE price for condensate. Consequently, the published costing did not involve disclosure of any confidential taxpayer information.

National Nanotechnology Strategy
(Question No. 1479)

Senator Milne asked the Minister for Innovation, Industry, Science and Research, upon notice, on 6 April 2009:

(1) Given that the Rudd Government has previously stated that existing funding for the National Nanotechnology Strategy (NNS) and the Australian Office of Nanotechnology (AON) will terminate on 30 June 2009, what funding: (a) has been allocated for the NNS for the 2009-10 financial year; and (b) is allocated specifically for the AON.

(2) Given that the Minister stated in late February 2009 that the Federal Government currently spends around $140 million on support for the nanotechnology sector, can a breakdown be provided of the allocation of these funds, including what amount is dedicated to industry support, promotion and commercialisation.

(3) (a) When will the Federal Government make a formal response to the recommendations made by the 2008 New South Wales parliamentary inquiry into nanotechnology; and (b) what is the Minister’s response to the recommendations that nanoparticles should be treated as new chemicals, and their use in sunscreens, cosmetics, foods and workplaces should face mandatory labelling.

(4) Is the Minister aware that in a peer-reviewed journal article published in Progress in Organic Coatings, researchers at BlueScope Steel Limited reported that when they come into contact with roofs, nanoparticles now used in some sunscreens cause the breakdown of roof coatings that is one hundred times more rapid than that normally observed.

(5) Is the Minister aware that the Commonwealth Scientific and Industrial Research Organisation investigation of the potential of nanoparticles in sunscreens to penetrate intact skin will not be completed for at least another 1 to 2 years.

(6) Is the Minister aware of any peer-reviewed published studies that demonstrate skin uptake of non-sunscreen nanoparticles across compromised skin, sunburnt skin, skin that is flexed or to which surfactants (penetration enhancers) have been applied.

(7) Is the Minister aware that: (a) in a peer-reviewed journal article published in Nanoethics, legal and medical academics at the Australian National University and Monash University questioned the failure of the Therapeutic Goods Administration (TGA) to treat nanoparticles in sunscreens as new chemicals, and to require mandatory labelling of nanoparticle ingredients; and (b) these academics suggested that given the risks of nanoparticles in sunscreens, a precautionary approach to their regulation may be warranted.

(8) Is the Minister aware that the TGA has refused: to treat nanoparticles as new chemicals (which would trigger safety testing of nanoparticle ingredients before they could be used in sunscreens), to label nanoparticle ingredients, and to disclose publicly which sunscreens contain nanoparticle ingredients.

(9) What regulatory action will the Minister take to ensure that sunscreens containing manufactured nanoparticle ingredients are withdrawn from sale until these ingredients face appropriate safety assessment and mandatory labelling.
(10) Is the Minister aware that during 2008, two separate studies were published showing that carbon nanotubes cause asbestos-like pathogenicity and the onset of mesothelioma, the deadly cancer previously thought to be associated only with asbestos exposure.

(11) Is the Minister aware that although carbon nanotubes are used internationally in electronics, specialty plastics, sports equipment and some car and aeroplane parts, the extent of carbon nanotube use in Australian industry is unknown, with workers in relevant industries unaware of whether or not they are currently facing nanotube exposure.

(12) Does the Minister support the principle of workers’ ‘right to know’ whether or not they are facing carbon nanotube exposure, therefore requiring mandatory notification by manufacturers, research laboratories and employers.

(13) Given the early evidence that carbon nanotubes pose serious asbestos-like risks, will the Minister support a temporary ban on their commercial use until new safety standards, workplace exposure control measures and workplace notification can be implemented to guarantee we do not repeat the asbestos tragedy.

Senator Carr—The answer to the honourable senator’s question is as follows:

(1) (a) There has been no funding allocated for the National Nanotechnology Strategy for the 2009-10 financial year. However, in the 2009-10 Budget, the Government committed $38.2 million to the National Enabling Technologies Strategy, to commence in July 2009 and run for 4 years. The new Strategy will address issues related to nanotechnology, biotechnology and other new technologies. (b) No funding has been allocated for the Australian Office of Nanotechnology although a unit will be established to coordinate implementation of the National Enabling Technologies Strategy.

(2) I released the inaugural National Nanotechnology Strategy annual report on 30 January 2009. The report estimates that the Australian Government in 2007-08 spent $141.2 million on research and industry support for nanotechnology. Detail of the breakdown of this funding is provided in the report by agency or program (page 16) and by area of activity (page 17). The later table is included at Attachment A.

(3) (a) The Australian Office of Nanotechnology (AON) is working with other Commonwealth agencies to develop coordinated advice to those issues raised by the NSW Government with implications for the Australian Government. (b) I welcome the NSW Government’s response to its Inquiry into Nanotechnology. The Australian Government will work cooperatively with the NSW Government in considering the many actions highlighted that recommend the need for continued work between our Governments.

(4) The Government is committed to using an evidence based approach to making decisions about nanotechnology. The paper mentioned is one of many publications that the Government reviews to ensure that appropriate consideration is given to the risks to human health and safety and the environment as an integral part of the development and application of nanotechnology.

(5) The Government supports efforts to assist with an evidence based approach to making decisions about nanotechnology. The Therapeutic Goods Administration (TGA) is aware that the CSIRO has an ongoing research program in this area. The TGA and the CSIRO are represented on a Government Health Safety and Environment Working Group established to address any health, safety or environmental issues that nanotechnology may pose. The TGA has reviewed the safety of nanoparticles of zinc oxide and titanium dioxide in sunscreens and concluded that there is currently no evidence that these substances pose health risks to people that use them. The TGA is continuing to actively monitor and assess the literature to ensure that this conclusion remains valid in light of new scientific information. Given the public interest in this issue, the TGA intends to publish an updated review of the scientific literature on the safety of zinc oxide and titanium dioxide nanoparticles in sunscreens on their website in the second half of 2009.
(6) The TGA is aware of a number of studies that have investigated whether nanoparticles known as quantum dots can penetrate damaged skin. These nanoparticles are not used in sunscreens and the relevance of these results to the penetration of sunscreen nanoparticles through human skin is unknown. Before these materials could be used in therapeutic goods they would need to be assessed for safety by the TGA.

The TGA has reviewed the scientific literature for the ability of nanoparticles in sunscreens to penetrate human skin and concluded that the weight of evidence suggests that they remain on the surface of the skin or in the outer dead layer of skin. The TGA is continuing to actively monitor and assess the scientific literature to ensure that this conclusion remains valid.

(7) The Government is committed to using an evidence based approach to making decisions about nanotechnology. The paper mentioned is one of many publications that the Government reviews to ensure that appropriate consideration is given to the risks to human health and safety and the environment as an integral part of the development and application of nanotechnology.

(8) When considering labelling, the Government aims to ensure that information about the health, safety and environmental impacts of nanotechnology is based on scientific evidence. There are a number of factors that dictate the various warnings, statements and declarations that are made on any individual medicine label. The aim of this information is to support the consumer using the medicine appropriately and safely. To date, the TGA has not identified a requirement for a specific safety warning regarding nanoparticles of zinc oxide and titanium dioxide in sunscreen medicines.

(9) The Government has confidence in the existing regulatory frameworks to deliver an efficient and effective response to the health, safety, and environmental impacts of nanotechnology. As noted above, the TGA has reviewed the safety of nanoparticles of zinc oxide and titanium dioxide in sunscreens and concluded that currently there is no evidence that these substances pose health risks to people that use them. The TGA is continuing to actively monitor and assess the literature to ensure that this conclusion remains valid in light of new scientific information.

(10) The Government is committed to using an evidence based approach to making decisions about nanotechnologies. The two papers that you mention are being considered by Government to ensure that appropriate consideration is given to the risks to human health and safety and the environment as an integral part of the development and application of nanotechnology.

The Government is supporting and co-ordinating research work on carbon nanotubes and other nanomaterials to better understand their hazard properties, to help ensure the health and safety of workers.

(11) In Australia employers are required under Occupational Health and Safety (OHS) legislation, administered by the Commonwealth and each State and Territory, to take all reasonably practicable steps to protect the health and safety of workers and others in the workplace, irrespective of material type. Employers’ obligations include the need to prevent exposure to hazardous chemicals. Based on evidence currently available, manufacturers, importers and suppliers would need to provide safety information about carbon nanotubes on labels and on safety data sheets to employers who in turn have an obligation to provide this information to workers.

(12) In Australia, under OHS legislation administered by the Commonwealth and each State and Territory, employers are required to inform employees about potential hazards to which they may be exposed. This would include potential exposure to carbon nanotubes. Manufacturers, importers and suppliers of hazardous chemicals are required to label their products with hazard information and provide employers with safety data sheets about the chemicals.

(13) Australian Government decisions on the effective and responsible oversight of nanotechnology are based on the best available scientific, technical, economic and other evidence.
Safe Work Australia, in conjunction with its stakeholders, is examining the options available to address concerns related to carbon nanotubes, based on evidence currently available.

The Australian government supports the use of a precautionary approach to the handling of carbon nanotubes, which means that organisations working with carbon nanotubes where there is the potential for exposure need to use the best available controls to prevent exposure.

Attachment A: Excerpt from NNS Annual Report

Table 2: Expenditure of Australian Government funding by area of activity

<table>
<thead>
<tr>
<th>Area of NNS focus</th>
<th>Expenditure ($ million)</th>
<th>%</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health, safety and environment</td>
<td>$31.7m</td>
<td>22.5%</td>
<td>Health, safety and environment related work supports efforts to understand risks and benefits from nanotechnology to human health and safety, and environment including nanotechnology developments, applications and impacts. This is subset of $31.7m and covers targeted research of impacts of nanotechnology on human health and safety, environment and regulatory frameworks. The cost was shared between CSIRO, ARC, DoHA, DEEWR, DEWHA, NHMRC, and ANSTO.</td>
</tr>
<tr>
<td>Nanotechnology impacts on HSE and regulations</td>
<td>$4.7m (part of the above figure of $31.7m)</td>
<td>3.3% of $141.2m and 14.8% of $31.7m</td>
<td>Work at the National Measurement Institute relates equally to both HSE and Industry issues, and so has been identified separately.</td>
</tr>
<tr>
<td>Measurement</td>
<td>$0.8</td>
<td>0.6%</td>
<td>Covers activities aimed at raising public awareness and understanding of nanotechnology and developing forums of communication between the public, government, industry and academics.</td>
</tr>
<tr>
<td>Public awareness</td>
<td>$0.58</td>
<td>0.4%</td>
<td>Covers support for industry R&amp;D and commercialisation activities, and events promoting nanotechnology to industry and encouraging uptake of nanotechnology</td>
</tr>
<tr>
<td>Industry</td>
<td>$11.1</td>
<td>7.8%</td>
<td>Covers participation in the nanotechnology related activities of the OECD and ISO; and in the international nanotechnology events</td>
</tr>
<tr>
<td>International engagement</td>
<td>$0.3</td>
<td>0.2%</td>
<td>Covers research on nanotechnology developments and applications in the areas of biosciences, food science, textiles and fibre technology, materials science and engineering, ICT and quantum computing, and policy coordination by the AON</td>
</tr>
<tr>
<td>Other</td>
<td>$97.8</td>
<td>69%</td>
<td>Total $141.2 100%</td>
</tr>
</tbody>
</table>

This table should only be seen as an estimate and an attempt by the AON to identify the level of expenditure by area of activity. These figures were derived by the AON from the stakeholders’ inputs to this report. The agencies contributing to this report were not specifically asked to report on funding or expenditure for these areas.

QUESTIONS ON NOTICE
Avastin
(Question No. 1480)

Senator Milne asked the Minister representing the Minister for Health and Ageing, upon notice, on 6 April 2009:

(1) Given that 350 people die in Australia each year from bowel cancer, why has Cabinet continued to delay a decision to enable affordable access to the drug Bevacizumab (Avastin) under the Pharmaceutical Benefits Scheme (PBS).

(2) With reference to the Minister’s statement of 13 May 2008, ‘Like Medicare, the PBS is an essential component of Australia’s health system. The Government will ensure all Australians have reliable, timely and affordable access to their essential medicines through the PBS’, and taking into consideration that Avastin is proven to be cost effective, when will Cabinet make a decision regarding the inclusion of Avastin in the PBS.

(3) Why has the Government failed to reply to or action the correspondence sent by Cancer Voices Australia to the Prime Minister, dated 24 December 2008, regarding the need to make Avastin affordable under the PBS.

(4) Will the Government immediately adopt the recommendation of the Pharmaceutical Benefits Advisory Committee (PBAC) of June 2008, and instruct Cabinet to sign-off on Avastin so it becomes affordable under the PBS; if not, why not.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) and (4) Avastin® will be listed on the Pharmaceutical Benefits Scheme from 1 July 2009. The timeframe for this listing is consistent with other high cost drug listings that have required approval by the Government.

(2) The Government announced on 3 May 2009 that Avastin® will be listed from 1 July 2009.

(3) Consistent with the handling of correspondence to the Prime Minister, the letter was referred to me as the Minister who has portfolio responsibility for the PBS. A detailed response was sent to Cancer Voices Australia on 24 February 2009.

Uranium
(Question No. 1482)

Senator Ludlam asked the Minister representing the Attorney-General, upon notice, on 8 April 2009:

With reference to the uranium seized on 1 April 2009 during a police raid on a property in Harcourt, central Victoria:

(1) Was the quantity of uranium found 300 grams as reported in the media.

(2) (a) Where is this material currently stored; and (b) what are the long-term plans for its handling.

(3) (a) What is the chemical form of the uranium; and (b) what is its isotopic composition.

(4) Given that it is possible to determine where uranium is mined and last chemically processed: (a) can the Attorney-General confirm that this uranium came from an Australian uranium mine; and (b) if an assessment has not yet been conducted will the Federal Government commit to do so as a matter of urgency and publicly report the outcomes.

(5) If the uranium is Australian, is it from an existing mine, Olympic Dam, Ranger or Beverley, an old mine, or was the material sourced from a research facility at the Australian Nuclear Science and Technology Organisation or the Australian Radiation Protection and Nuclear Safety Agency.
(6) Is this uranium related to a significant security breach of the Olympic Dam mine in 2007 wherein ten 300 gram jars of yellow cake uranium samples were found.

(7) What security measures are in place at uranium mines in Australia to prevent the theft, unauthorised use or loss of material control of radioactive materials.

(8) Will the Attorney-General be working with the Minister for Resources and Energy and the Minister for Innovation, Industry, Science and Research to review the security and procedures at nuclear facilities and uranium mines following this incident.

(9) (a) Are there inadequate material control procedures; if so, what steps will the Federal Government undertake, or require uranium mine operators to implement, in an attempt to address this; and (b) does this incident reflect a disturbing deficiency in workplace culture in relation to the responsible handling of uranium; if so, what steps will the Federal Government undertake, or require uranium mine operators to implement, in an attempt to address this.

(10) Is the Federal Government considering expanding the role and jurisdiction of the Office of the Supervising Scientist to cover uranium mining operations outside of the Alligator Rivers Region; if not, why not.

(11) (a) How much information on quantities of uranium mined, processed, transported etcetera comes from the companies themselves; and (b) how much of that information is independently verified by the Australian Safeguards and Non-Proliferation Office or other government agencies.

(12) Given that media reports on this incident state that uranium is valuable on the black market, what is the size and value of the black market in nuclear materials in Australia.

**Senator Wong**—The Attorney-General has provided the following answer to the honourable senator’s question:

I am advised that:

(1) This incident is a Victorian jurisdictional issue and is being investigated by Victoria Police. It is not appropriate that the Commonwealth comment on this matter, especially as investigations are continuing and analyses of the samples are not complete.

(2) (a) See response to Question (1). (b) The Australian Nuclear Science and Technology Organisation (ANSTO) will store the material [See response (4) (b)]

(3) (a) and (b) See response to Question (1).

(4) (a) See response to Question (1). (b) ANSTO has been commissioned by the Victorian Police to conduct a detailed analysis of the material in question.

(5) See response to Question (1).

(6) See response to Question (1).

(7) The Minister for Foreign Affairs has responsibility for the Nuclear Non-Proliferation (Safeguards) Act 1987 (Safeguards Act) which covers the security of nuclear facilities and materials.

The Safeguards Act is implemented by the Australian Safeguards and Non-Proliferation Office (ASNO). ASNO’s Annual Report, which is tabled in Parliament, describes ASNO’s activities in this regard.

Security requirements for uranium mines in Australia are specified through conditions in permits issued under the Safeguards Act. The relevant international instruments, e.g. the Convention on the Physical Protection of Nuclear Material (CPPNM) and its 2005 amendment, and the International Atomic Energy Agency (IAEA) physical protection standards (INFCIRC/225/Rev.4) do not contain specific requirements for uranium ore concentrates (UOC) at mines, apart from protection “in accordance with prudent management practice”. However, ASNO has put in place robust physical
protection measures at all uranium mines. In developing these requirements, ASNO has taken into account technical advice from the Australian Security Intelligence Organisation (ASIO).

A uranium mine operator is required to have a security plan covering UOC production, transport and storage, including associated security measures and procedures scaled according to risk. Core elements of the security plan and associated security system include: accounting and auditing of the product; control of access to the product; and, measures to deter and detect attempted theft or attack. ASNO inspects and audits uranium mining operations in Australia to ensure appropriate material management and physical protection measures are being applied.

The security risks associated with nuclear materials vary widely, depending on the types and quantities of material – and nuclear safeguards and security requirements are scaled to accommodate this variability. For example, possession of less than 10kg of natural uranium does not normally require a permit for safeguards and security under the Safeguards Act, reflecting the fact that the security and proliferation risks associated with such small quantities are negligible.

(8) No. Security of nuclear material and facilities is the responsibility of the Minister for Foreign Affairs under the Safeguards Act [see the answer to Question (7)]. ASNO will take into account the results of the investigation of this incident, when it has been completed, in determining what further actions may be required.

(9) (a) & (b) No. In 2006, ASIO completed a comprehensive review of the security arrangements for uranium production, transport and storage arrangements in Australia. ASNO has reflected the recommendations of this review in the conditions of permits issued to the uranium mine operators. These security requirements provide for robust material control measures, consistent with world’s best practice. ASNO works with permit holders on these security requirements, and monitors their implementation.

(10) The Supervising Scientist Division, which includes the Office of the Supervising Scientist Branch, is a division of the Department of the Environment, Water, Heritage and the Arts. The Division contributes to the Australian Government’s environmental assessment of uranium mining proposals under the Environment Protection and Biodiversity Conservation Act 1999. This includes provision of advice on mining operations outside the Alligator Rivers Region.

(11) (a) and (b) All uranium producers are required to record and report their production, stocks and movements of UOC, which are subject to audit by ASNO. IAEA inspectors also visit uranium mines as part of the safeguards activities under Australia’s Additional Protocol with the IAEA – there have been five such visits since 1997. Furthermore, State and Territory authorities audit production for the purpose of royalties.

(12) The Government is not aware of a black market in nuclear materials in Australia.

Broadband, Communications and the Digital Economy: Legislation
(Question No. 1491)

Senator Minchin asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 30 April 2009:

(1) How many and which: (a) Acts; and (b) legislative instruments, including select legislative instruments, statutory rules and regulations, are administered within the Minister’s portfolio.

(2) Have any reviews or stocktakes been done on any of the Acts and legislative instruments mentioned in (1) above, if so: (a) can details be provided of each review and/or stocktake; and (b) did any of these reviews or stocktakes identify whether they are redundant or superseded by other Acts or legislative instruments; if so, which ones have been identified as redundant or superseded.

Senator Conroy—The answer to the honourable senator’s question is as follows:
The Department of Finance and Deregulation is coordinating a ‘clean-up’ of redundant and potentially redundant regulation. This has involved departments undertaking an initial stocktake of existing regulation within each portfolio and identifying all redundant and potentially redundant regulation. My Department advises me that following the completion of the stocktake the existing regulation stood at:
• 40 pieces of primary legislation and 670 pieces of subordinate legislation and quasi regulation.

Following further legal reviews and consultation with the Department of Finance and Deregulation in relation to redundant regulation in my portfolio, my Department has contributed measures to a Bill dealing with the removal of redundant regulation across the Commonwealth. That Bill is scheduled to be brought forward during the Winter Sittings. Details of the measures included in the Bill will be available at the time of its introduction.

Fortescue Metals Groups Ltd
(Question No. 1499)

Senator Bob Brown asked the Minister representing the Treasurer, upon notice, on 12 May 2009:

With reference to insider trading in Fortescue Metals Group Limited during February 2009:
(1) Has the Government asked the Australian Securities and Investments Commission and the Australian Securities Exchange Markets Supervision Pty Limited about this matter; if not, why not; if so, what was the reply?

(2) Has the Government determined that no such insider trading took place?

Senator Conroy—The Treasurer has provided the following answer to the honourable senator’s question:

(1) The Government is in regular contact with all its regulators. The regulators continue to monitor the conduct in the market and take action as appropriate.

(2) Only a court can determine that there has been a breach of the insider trading sections of the Corporations Act. The Government cannot make a determination regarding a breach of the Corporations Act. There have been no penalties or convictions imposed by a court in relation to insider trading in Fortescue Metals Group Limited during 2009.

Human Services: Statutory Reviews
(Question No. 1528)

Senator Minchin asked the Minister for Human Services, upon notice, on 18 May 2009:

With reference to all legislation administered within your portfolio:
(1) (a) How many and which statutory reviews are due to commence and/or conclude in 2009; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

(2) (a) How many and which statutory reviews are due to commence and/or conclude in 2010; and (b) what are the specified timelines for the commencement and conclusion of each these reviews.

Senator Ludwig—The Minister for Human Services has provided the following answer to the honourable senator’s question:

With reference to the legislation that is administered within my Portfolio:
(1) There are no statutory reviews due to commence or conclude in 2009.

(2) There are no statutory reviews due to commence or conclude in 2010.