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SITTING DAYS—2009

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FORTY-SECOND PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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

Senate Officeholders

President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Hon. Alan Baird Ferguson
Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Stephen Shane Parry

Senate Party Leaders and Whips

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

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

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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

<p>| Minister for Veterans’ Affairs | Hon. Alan Griffin MP |
| Minister for Housing and Minister for the Status of Women | Hon. Tanya Plibersek MP |
| Minister for Home Affairs | Hon. Brendan O’Connor MP |
| Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery | Hon. Warren Snowdon MP |
| Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs | Hon. Dr Craig Emerson MP |
| Assistant Treasurer | Senator Hon. Nick Sherry |
| Minister for Ageing | Hon. Justine Elliot MP |
| Minister for Early Childhood Education, Childcare and Youth and Minister for Sport | Hon. Kate Ellis MP |
| Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change | Hon. Greg Combet AM, MP |
| Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery | Senator Hon. Mark Arbib |
| Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government | Hon. Maxine McKew MP |
| Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water | Hon. Dr Mike Kelly AM, MP |
| Parliamentary Secretary for Western and Northern Australia | Hon. Gary Gray AO, MP |
| Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction | Hon. Bill Shorten MP |
| Parliamentary Secretary for International Development Assistance | Hon. Bob McMullan MP |
| Parliamentary Secretary for Pacific Island Affairs | Hon. Duncan Kerr SC, MP |
| Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade | Hon. Anthony Byrne MP |
| Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion | Senator Hon. Ursula Stephens |
| Parliamentary Secretary for Multicultural Affairs and Settlement Services | Hon. Laurie Ferguson MP |
| Parliamentary Secretary for Employment | Hon. Jason Clare MP |
| Parliamentary Secretary for Health | Hon. Mark Butler MP |
| Parliamentary Secretary for Industry and Innovation | Hon. Richard Marles MP |</p>
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<tr>
<td>Leader of the Opposition</td>
<td>The Hon. Malcolm Turnbull MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition</td>
<td>The Hon. Julie Bishop MP</td>
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<tr>
<td>Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals</td>
<td>The Hon. Warren Truss MP</td>
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<td>Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate</td>
<td>Senator the Hon. Nick Minchin</td>
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<td>Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate</td>
<td>Senator the Hon. Eric Abetz</td>
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<td>Shadow Treasurer</td>
<td>The Hon. Joe Hockey MP</td>
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<td>The Hon. Christopher Pyne MP</td>
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<td>The Hon. Andrew Robb AO, MP</td>
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<td>Senator the Hon. Nigel Scullion</td>
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<td>The Hon. Ian Macfarlane MP</td>
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<td>Shadow Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>The Hon. Tony Abbott MP</td>
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<tr>
<td>Shadow Special Minister of State and Shadow Cabinet Secretary</td>
<td>Senator the Hon. Michael Ronaldson</td>
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<td>The Hon. Greg Hunt MP</td>
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<td>The Hon. Peter Dutton MP</td>
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<td>Shadow Minister for Defence</td>
<td>Senator the Hon. David Johnston</td>
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<td>Shadow Attorney-General</td>
<td>Senator the Hon. George Brandis SC</td>
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[The above constitute the shadow cabinet]
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<td>The Hon. Tony Smith MP</td>
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<td>The Hon. Bruce Billson MP</td>
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<td>Shadow Minister for Competition Policy and Consumer</td>
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<td>Affairs and Deputy Manager of Opposition Business in the House</td>
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<td>Mrs Margaret May MP</td>
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<td>Shadow Minister for Defence Science and Personnel and Assisting Shadow</td>
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<td>Shadow Minister for Veterans’ Affairs</td>
<td>Mrs Louise Markus MP</td>
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<td>Shadow Minister for Early Childhood Education, Childcare, Status of</td>
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9.30 am and read prayers.

PETITIONS

The Clerk—A petition has been lodged for presentation as follows:

Youth Allowance

To the Honourable President and members of the Senate in Parliament assembled:
The petition of the undersigned shows:
changes to the Youth Allowance will cause great strain on young people especially those from regional areas who choose to study beyond High School.

Your petitioners ask/request that the Senate:
call upon the Government to rethink the proposed changes to the qualifying requirements to receive the Independent Rate of the Youth Allowance.

by Senator Ronaldson (from 444 citizens)

Petition received.

NOTICES

Presentation

Senator Ludlam to move on the next day of sitting:
That the following bill be introduced: A Bill for an Act to prohibit disruptive advertising during SBS television programs, and for related purposes. Special Broadcasting Service Amendment (Prohibition of Disruptive Advertising) Bill 2009.

Senator Bob Brown to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) Australian Defence Force (ADF) personnel have been deployed in Afghanistan since 2001,
(ii) the Minister for Defence (Senator Faulkner) recently announced a further increase in the number of Australian troops in that country, and
(iii) there is speculation that the deployment of ADF personnel in Afghanistan may be extended for a further 5 years; and
(b) calls on the Government to debate the options for Australian troops in Afghanistan, including their return to Australia.

BUSINESS

Consideration of Legislation

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.32 am)—I move:
That the following bill be introduced: A Bill for an Act to prohibit disruptive advertising during SBS television programs, and for related purposes. Special Broadcasting Service Amendment (Prohibition of Disruptive Advertising) Bill 2009.

Senator Bob Brown to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) Thursday, 3 September 2009 marks Australian National Flag Day, commemorating 108 years since the Australian national flag was flown for the first time, and
(ii) the national flag is Australia’s primary national symbol and over the years has become an expression of Australian identity and pride;

NOTICES

Postponement

The following item of business was postponed:
General business notice of motion no. 531 standing in the name of Senator Ludlam for today, proposing a reference to the Joint Standing Committee on Foreign Affairs, Defence and Trade, postponed till 7 September 2009.

AUSTRALIAN NATIONAL FLAG DAY

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (9.32 am)—I move:
That the Senate:
(a) notes that:
(i) Thursday, 3 September 2009 marks Australian National Flag Day, commemorating 108 years since the Australian national flag was flown for the first time, and
(ii) the national flag is Australia’s primary national symbol and over the years has become an expression of Australian identity and pride;
(b) further notes that Merchant Navy Day is also commemorated on 3 September; and
(c) encourages schools and businesses, cities and towns across Australia to mark National Flag Day with a flag raising ceremony.

Question agreed to.

COMMITTEES
Economics References Committee
Meeting
Senator PARRY (Tasmania) (9.33 am)—At the request of the Chair of the Economics References Committee, Senator Eggleston, I move:
That the Economics References Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 20 August 2009.

Question agreed to.

Economics Legislation Committee
Meeting
Senator O'BRIEN (Tasmania) (9.33 am)—At the request of the Chair of the Economics Legislation Committee, Senator Hurley, I move:
That the Economics Legislation Committee be authorised to meet during the sitting of the Senate on Thursday, 20 August 2009, from 5 pm, for a private briefing, and immediately after the completion of this private briefing, the committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1).

Question agreed to.

FOOD STANDARDS AMENDMENT (TRUTH IN LABELLING LAWS) BILL 2009
First Reading
Senator XENOPHON (South Australia) (9.34 am)—I, and also on behalf of Senators Bob Brown and Joyce, move:
That the following bill be introduced: A Bill for an Act to provide for accurate labelling of food, and for related purposes.

Question agreed to.

Senator XENOPHON (South Australia) (9.34 am)—I present the bill and the explanatory memorandum and move:
That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading
Senator XENOPHON (South Australia) (9.35 am)—I move:
That this bill be now read a second time.

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

Leave granted.

Senator XENOPHON—The incorporated speech read as follows—

This Bill seeks to implement long overdue reforms of Australia’s food labelling laws – it’s about doing the right thing by consumers and our farmers.

I am very pleased to be co-sponsoring this Bill with the Leader of the Greens Senator Bob Brown and Leader of the Nationals in the Senate Senator Barnaby Joyce.

I think it speaks volumes about the importance of this Bill that politicians from a broad spectrum of politics can agree on the need for an overhaul of current food labelling laws so that Australian consumers can be fully informed about what they are buying.

If we are what we eat, we have a right to know what we are eating and current Australian labelling laws don’t allow consumers the opportunity to know the origins of the food they are purchasing and consuming.

Under current legislation and the resulting Australia New Zealand Food Standards Code ‘Made in Australia’ doesn’t mean what many of us would think that it means.

Under current rules you can describe a product as ‘Made in Australia’ when half of that product may in fact have been imported from overseas.
Under the rules only 50% of a product has to come from this country for a product to be labelled as ‘Made in Australia’.

Moreover, that 50% can include packaging. So you can have a system where most of the actual food contained in a product is foreign and yet it can still be labelled ‘Made in Australia.’

Adding to the confusion is the fact that the less clear term ‘Product of Australia’ is used to describe wholly Australian produce, even though it could be argued that to Australian consumers, this term is decidedly ambiguous.

I believe the current labelling laws are bad for consumers and bad for primary producers. They make it hard for consumers to buy Australian, and in doing so they dampen demand for Australian produce, hurting food producers in this country.

I have received many submissions from Riverland fruit growers in my home state of South Australia who say that the current labelling laws are significantly contributing to the serious challenges they face.

And I would like to take this opportunity to pay particular tribute to the work of Riverland citrus grower Ron Gray, who has campaigned for decades on this issue.

Like all Riverland growers and primary producers around the country, Ron doesn’t want a special deal, he just wants a fair deal.

He wants ‘Made in Australia’ to mean just that, totally made in Australia from Australian produce.

He wants ‘Fresh’ to mean ‘Fresh’ and ‘Daily’ to mean the product is produced every day.

And that is fair enough.

Allowing foreign fruit to be effectively hidden in juices that call themselves ‘Australian made’ for example, hurts demand for their produce and is contributing to unsustainable prices.

And yet, it doesn’t seem as though consumers are paying any less at the supermarket.

In fact, the only ones who seem to be making money out of the confusion surrounding fruit juice labelling are the big, predominantly foreign owned juice companies who are able to pass off significantly foreign juices as ‘Made in Australia’ and then pocket the difference and the big supermarkets chains who sell the stuff.

There are also environmental factors to be considered here.

Why would we allow foreign food, which has had to travel thousands of kilometres to make it to Australia to be labelled as ‘Made in Australia?’

What are the environmental impacts of this travel?

I note that this is not the first time this issue has been raised in the Senate and I want to pay tribute to the work Senator Bob Brown has previously done on this issue.

A similar Bill was championed by Senator Brown in 2003 and again in 2005, and the reasons Senator Brown gave for change then are just as valid now.

I note in his 2nd reading speech on this issue in 2005 that Senator Brown objected to claims made by Coles and Woolworths that they put country of origin labelling on 90% of their fresh food products.

Senator Brown quite rightly pointed out at the time that the claim made no reference to the vast amounts of packaged food that consumers buy off the shelves in these supermarkets.

Clearly we can’t trust the supermarkets to put consumer knowledge above the profit motive, which is why we as legislators must act.

This Bill is a good first step in ensuring clarity for consumers and protection for Australian food producers and retailers.

If a product is only partially Australian, the label should say so.

If half of it comes from overseas the label should say so.

There is no question that food production standards are lower in some countries and that needs to be an issue consumers can factor into their choices.

It’s appropriate that this Bill goes to a Senate Committee to be robustly scrutinised and I would encourage grower groups and packagers, retailers and consumer advocates to take part in that process.
It is important that we achieve real change on this issue. Consumers have a right to know what they are consuming and food producers shouldn’t have to put up with foreign rivals passing their products as Australian made. I sincerely hope this government does not make the same mistake the previous government made in assuming that Australian consumers will put up with business as usual on this issue. They should not underestimate the current level of consumer and producer concern.

I commend this Bill to the Senate.

I seek leave to continue my remarks later.

Leave granted.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.35 am)—The incorporated speech read as follows—

Overview of the Bill

This Bill provides for a clear and accurate system of food labelling, specifically information on country of origin. Australian consumers need simple information to be able to make informed choices at the supermarket. The labelling regime facilitates the option for consumers, in the supermarket filling their trolley with products to support the Australian economy, Australian farmers, Australian manufacturers and producers. Under the current labelling regime consumers are being deceived by confusing laws and deprived of genuine choice.

The Australian Greens and Independent Senator, Nick Xenophon, have co-sponsored this Bill to give consumers real choice and safeguard Australian jobs.

This Bill amends section 16 of the Food Standards Australia New Zealand Act 1991 to limit the use of the word “Australian” to those foods which are 100 percent produced in Australia. In the case of food which contains one or more imported ingredients the food product must display notice of the inclusion in the food of imported ingredients in letters of at least 15 mm on the front label.

The Bill also outlines specific provisions for fruit juices and drinks ensuring that liquids labelled as juice do not partly or wholly contain fruit skins.

Country of Origin labelling- a confusing history

In 1994 the Labor Government attempted to legislate for the labelling of goods which claimed to be made, manufactured, packed or designed in Australia. Despite two Committee inquiries, the Bill lapsed when Parliament was prorogued prior to the 1996 election.

In 1998 the Liberal Government amended the provisions of the Trade Practices Act which brought in our current, misleading system of labelling, which sees consumers who think they are buying a wholly Australian product possibly getting only a half Australian product.

The current labelling regime is less than clear. It states that in order to use the words ‘Australian Made’ the product must be “substantially transformed” in Australia [i.e. the final manufacturing process must take place here] and 50% or more of the cost of production must be incurred in Australia. Furthermore, in order to use the words ‘Product of Australia’, all significant components or ingredients must originate from Australia, and all, or virtually all, of the production processes must take place in Australia.

The consumer requires an explanatory document the size of a small thesis to be able to grasp the complexity of definitions and interpretations of terminology to decipher which products are actually 100% made in Australia.

The Australian Greens moved amendments to the Liberal Government’s proposed Bill in 1998 to have the term ‘Made in Australia’ defined as a product that was 100% made in Australia and to clarify the difference between the terms ‘Product of Australia’ and ‘Made in Australia’. To the detriment of Australian consumers, these amendments were voted down by both the Labor Party and the Coalition Party.

The concurrent advertising campaign, undertaken by the Howard Government, aimed to educate consumers about the difference between a ‘Product of Australia’ and ‘Made in Australia’ has failed and consumers continue to be confused and misled by labels.
This Bill seeks to rectify this situation and provide simple, clear labels to facilitate consumer choice.

My previous attempts in the Senate to bring certainty for consumers through my Private Senators’ Truth in Labelling Bill 2003 [2005], has never been resolved by a vote in the parliament. That bill sought to ensure all packaged meat, fish, fruit and vegetables placed on the market in Australia must have labelling identifying its country of origin and all unpackaged goods must have the country of origin identified at the point of sale. It also covered residues or contaminants in food of pesticides, heavy metals, and labelling for genetically engineered foods.

Country of Origin labelling – the way forward
It is clear from research, undertaken by Roy Morgan in late 2006, that Australian consumers want to buy Australian and that more than two thirds consciously do so ‘whenever possible’ or ‘often’. This Bill ensures the good will of Australian consumers is not undermined by the current confusing labelling regime.

Consumers want to know where their food comes from for a variety of reasons. Buying locally grown and produced food means profits and jobs stay in Australia. An increasing reliance on the long-distance transport and refrigeration of foods that are grown thousands of kilometres away impacts heavily on our carbon footprint. Buying local also reduces the environmental impact of our food choices by minimising transportation. Buying local, Australian products is often more convenient and the food is fresher and better tasting.

I am pleased to be co-sponsoring this Bill with Senator Xenophon and I commend it to the Senate.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (9.35 am)—The incorporated speech read as follows—
Australia needs a clear capacity to know what is Australian about the food they buy. Australians need the capacity to quickly and concisely make decisions about the food they buy.
Australians do not want to be misled or confused with labelling that is deliberately obtuse. Australians want to know how much of the product is Australian and how much of the processing and manufacturing is Australian.

The first issue Australians want is to know whether the food comes from an Australian farm or what proportion comes from Australian farm. Secondly, was the product fully manufactured in Australia or what proportion was manufactured in Australia? Australians want the choice, but they can’t make the choice with out clear information to identify the origin of the products we purchase and consume and what portion that product is attributed to Australian processing.

Currently we have the capacity to advise expiry dates and daily price changes which is appropriate. We are bombarded with a myriad of information about the nutritive content of products and their relative ingredients, but what we want to know is whether the product came from Australia, which is not clear.

If people want to deliberately make labelling obtuse, then that in itself shows that labelling is important. When people try to avoid clear labelling then they are fearful of the knowledge that will be released to consumers in Australia. Not all of the produce originates from our nation, but we should be knowledgeable of what product comes from where and be able to base our purchasing preferences on clear information. This nation needs to develop a system of labelling that is obvious and easily understood.

From my research and the feedback to my office, most Australians do not know what the terms “Made in Australia”, “Product of Australia” or “Made in Australia from Local and Imported Ingredients” even mean, let alone being able to comprehend the differentiation between those terms. There is real consumer and producer concern over this labelling confusion.

Therefore we need to remove the confusion and develop a form of identification that clearly show what product is truly Australian in origin or what proportion of the product comes from this nation. We refer this matter to an enquiry as the issue of food labelling is complicated and involves a whole range of groups and bodies with varying interests. It is important that we commence a
process to reform food labelling definitions and standards.

This Food Standards Amendment (Truth in Labelling Laws) Bill is not a fait accompli, but what is before the Chamber today is the commencement of a process that will initiate thought and process to develop clear and consistent food labelling in Australia.

I commend this Bill to the Senate.

Debate adjourned.

PLAIN TOBACCO PACKAGING
(REMOVING BRANDING FROM CIGARETTE PACKS) BILL 2009

First Reading

Senator FIELDING (Victoria—Leader of the Family First Party) (9.35 am)—I move:

That the following bill be introduced: A Bill for an Act to amend product information standards to remove brands, trademarks and logos from tobacco packaging, and for related purposes.

Question agreed to.

Senator FIELDING (Victoria—Leader of the Family First Party) (9.36 am)—I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator FIELDING (Victoria—Leader of the Family First Party) (9.36 am)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

I make no secret of the fact that I’m against smoking because it kills.

I have no issue declaring my bias against the tobacco industry.

It is an industry whose main objective is to con as many people as possible into buying its deadly products and to make as much money as it can from feeding off their addiction.

It saddens me when I see people with hardly any money spending their few dollars on expensive cigarette packets and needlessly damaging their health for no good reason. It saddens me even more when I see young children embarking along the same path.

We live in a democracy and I support the right of people to smoke if they wish. However, I think as responsible legislators, we need to do our very best to put in place measures that will discourage as many people smoking as possible.

This is not a radical approach which should take anyone in the community by surprise. For many years now, we have witnessed a concerted campaign to reduce smoking levels across the country through the introduction of numerous measures, each with varying degrees of success. This includes strict advertising restrictions and a ban on smoking in places such as bars, restaurants, sporting events and the workplace. These measures have contributed to a fall in smoking rates throughout the country and have been the building blocks of a healthier Australia.

The bill I have put forward today goes one step further towards achieving this.

Under the provisions set out in this Bill, tobacco companies will be banned from advertising their logos or trademarks on their products. Instead, all cigarette and other tobacco packets will have plain labelling, with the only predominant item to feature on the packets to now be the warning labels.

What this legislation will do is take the polish and attractiveness off cigarette branding and the positive images that tobacco giants try to associate with their products. It is a move which has been strongly supported by health groups, including the Public Health Association of Australia, the Heart Foundation and Cancer Council Australia.

Countless parents I have spoken to have also welcomed the initiative.

These new laws take the move by some state governments to ban point of sale advertising a
step further by taking away the promotion of tobacco on the product itself.

Forcing tobacco companies to sell their products in unbranded packets will strip cigarettes of their glamorous image and reduce the number of young people taking up the habit.

Smoking related diseases cost the Australian community over $30 billion each year. It is an absolutely staggering amount and an unnecessary waste of taxpayers dollars. It is money that could instead be put into education to help secure our children’s future or money that could go towards easing the plight of pensioners who must get by on the tightest of all budgets. It is money that could go towards struggling families who have difficulties making ends meet or money that could be redirected towards other areas in our already overburdened health care system.

Smoking is also the largest single preventable cause of death and disease in Australia, with over 15,000 deaths each year. That is 15,000 Australians who die needlessly each year. We have a responsibility to do more in order to lower those numbers and plain labelling of cigarette packets will help achieve this.

According to the Public Health Association of Australia, plain packaging is a vital component of a comprehensive tobacco control program. This has been further confirmed by the CEO of Cancer Council Australia, Professor Ian Olver, who has said that reforms to tobacco product packaging are essential to reducing the unacceptable level of cancer death and disability caused by smoking in Australia.

In an earlier statement on this issue, Professor Olver said:

“Cancer Council Australia supports this move by Senator Fielding to introduce plain packaging of tobacco products, which could eliminate the tobacco industry’s ability to promote smoking and brand personality through the pack, reduce rates of smoking initiation and consumption, enhance the effectiveness of pack warnings and remove the pack’s ability to mislead and deceive consumers”.

These comments were also echoed by the Heart Foundation, with their spokesperson Maurice Swanson saying

“Current cigarette packaging is a potent form of advertising and promotion for smoking. Requiring the plain packaging of cigarettes, and ensuring that tobacco products are not displayed at point-of-sale, will significantly reduce the number of children who take up smoking and help adult smokers to quit.”

Probably the best indication that the reforms outlined in this Bill are indeed effective can be seen from the reactions within the tobacco industry. The tobacco industry has been up in arms fighting vigorously to prevent a ban on branded cigarette packaging, as was the case in the UK when this idea first came up for discussion there last year. One can always tell whether an anti-smoking initiative is likely to be effective according to the kicking and screaming from the tobacco companies, who are obviously seriously concerned that plain labelling on their packets will significantly hurt their sales.

A fall in sales means fewer people smoking and as far as I am concerned, that is a result we should all be striving for.

There is no case for allowing any glossy brand promotion for a product that is lethal and addictive.

This Bill does not pretend to be the antidote for Australia’s smoking woes, but it certainly does move us closer towards reducing our smoking rates across the country. A healthier Australia is a more productive Australia and this is something we should all be striving for.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.
The ability of the Commonwealth, across state borders, to sustainably manage water resources in the national interest, with particular reference to:

(a) the issuing, and sustainability of water licences under any government draft resource plans and water resource plans;
(b) the effect of relevant agreements and Commonwealth environmental legislation on the issuing of water licences, trading rights or further extraction of water from river systems;
(c) the collection, collation and analysis and dissemination of information about Australia’s water resources, and the use of such information in the granting of water rights;
(d) the issuing of water rights by the states in light of Commonwealth purchases of water rights; and
(e) any other related matters.

Question agreed to.

AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION HEADQUARTERS BUILDING

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.37 am)—I will ask that this motion be given formality but, before doing so, I seek leave to amend it in the terms circulated in the Senate.

Senator PARRY (Tasmania—Manager of Opposition Business in the Senate) (9.38 am)—by leave—The amendment that has just been circulated was literally handed to me just then. It has been raised at whips’ meetings that having amendments circulated a moment before we deliberate and vote on them is disconcerting. Could I ask that this motion be deferred until after the consideration of committee reports so that we can understand the meaning and intent of the amendment?

The PRESIDENT—I will intervene for a moment. If this is the case, one of the things that might accommodate the situation is to put it at the end of the list. Senator Parry, would that assist?

Senator PARRY—Yes.

The PRESIDENT—Senator Brown, are you happy for this motion to be considered at the end of the list?

Senator Bob Brown—Yes.

The PRESIDENT—I am just asking you, Senator Brown, as it is your motion.

Senator Bob Brown—Yes, I am quite happy to give Senator Parry time to look at it.

DALAI LAMA

Senator HANSON-YOUNG (South Australia) (9.39 am)—I, and also on behalf of Senator Xenophon, move:

That the Senate—

(a) notes that His Holiness, the Dalai Lama:
   (i) is a Nobel Peace Prize laureate,
   (ii) addressed a joint sitting of the United States (US) Congress in 1991 and received a US Congressional Gold Medal in 2007,
   (iii) addressed the European Parliament in 2001 and 2008, and
   (iv) has been made an honorary citizen of Canada; and
(b) extends an invitation to His Holiness, the Dalai Lama, to sit in the distinguished visitors gallery on the floor of the Senate during Question Time, on Thursday, 26 November 2009, the last sitting day of 2009.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.39 am)—by leave—The Australian government does not support the motion. The Dalai Lama is always welcome to visit Australia in his capacity as a religious leader and Nobel Prize laureate, as he has done on several previous occasions. The precedent of this chamber on this issue is that only members of legislature and members of government have been granted seats
in the distinguished visitors’ gallery. It would therefore, on that advice, be inappropriate for the Dalai Lama to be seated in the distinguished visitors’ gallery. Successive Australian governments have consistently adhered to the one-China policy. We recognise China’s sovereignty over Tibet and China’s territorial integrity. The Australian government does not recognise the Tibetan government in exile as a government. Granting the Dalai Lama a seat in the distinguished visitors’ gallery could easily be misconstrued as some kind of political recognition. On that basis, as I have indicated, we do not support the motion.

Senator MINCHIN (South Australia) (9.41 am)—by leave—Could I place on record on behalf of the coalition our view on this matter. I have discussed it with Senator Xenophon on several occasions. It has been considered seriously within the coalition at the highest levels. Our consideration has been based on our very great regard for the Dalai Lama. Indeed, it has been my privilege to be present while he has addressed the Press Club and other forums in Australia on several occasions. He is truly a great human being. But it is a matter of what is appropriate, what has been the practice with visitors of his kind and what precedent there is for such a proposal. Based on the Clerk’s clear advice, there is no known precedent for anyone other than members of parliamentary delegations being on the floor of the chamber, as Senator Ludwig properly said. Based on that advice, we on balance do not believe that a precedent should be set in this case or that the convention should be broken.

We have concerns about a precedent of this kind being set. That would mean that it would be frankly impossible to reject requests of this kind for any other visiting religious leader or non-parliamentary member to be on the floor. We think it would be an enormous privilege for us to have the Dalai Lama visit our Parliament House in November, but in our view the proper and appropriate approach would be for the President to invite the Dalai Lama to be present in this chamber in the President’s gallery. I would certainly hope that such an invitation could be extended and accepted were the Dalai Lama be good enough to visit Australia—a visit that I hope will indeed take place.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.43 am)—by leave—The China syndrome is alive and well. The Dalai Lama is a Noble Peace Prize winner and one of the great philosophers, religious leaders and political thinkers on the planet in 2009. He has addressed the US Congress—both houses—and he has addressed the European parliament and he ought to have the facility to come into this chamber. I think what the parliament should have done a long time ago is have a joint meeting in the Great Hall to hear an address from the Dalai Lama, but—

Senator Minchin—Sure.

Senator BOB BROWN—‘Certainly,’ says Senator Minchin. I will put that proposal to the government. The last time His Holiness was in this building there was a refusal from the Presiding Officers to hold a reception. That was bilateral. It seems that, whichever major party gets into office, they immediately go to water because there is fear of what the communist authorities in Beijing will say. The Dalai Lama is a political leader of the exiled Tibetan people and, as far as they are concerned, of the seven million people in Tibet. Let us not beat around the bush here. The fact is there is fear of Beijing, alive and well. I do not accept it and the Greens do not accept it. Convention is something that grows; it is not something that blocks. It would be appropriate for the proposal to be adopted by this chamber and the
Greens feel very strongly about it. (Time expired)

Senator XENOPHON (South Australia) (9.45 am)—Mr President, I seek leave to make a short statement.

The PRESIDENT—Leave is granted for two minutes.

Senator XENOPHON—I do appreciate the discussions I have had with both Senator Minchin and Senator Ludwig in relation to this. I wish to make the point in relation to the motion that I jointly moved with my colleague Senator Hanson-Young that precedents can be made by this place; we are not bound by previous precedents and we can set a new precedent. If the concern of senators is that this would open the floodgates for you, Mr President, to be obliged to invite a whole host of people to the distinguished visitors’ gallery, I would have thought that this was quite narrowly confined in the sense that we are talking about a remarkable individual who has won the Nobel Peace Prize, who addressed a joint sitting of the United States congress in 1991, who received a US congressional medal in 2007, who addressed the European parliament both in 2001 and as recently as November 2008, and who has been made an honorary citizen of Canada.

I do not think it would disrupt the business of the Senate unduly for the Dalai Lama to be invited to the distinguished visitors’ gallery on the floor of the Senate and to be acknowledged. I would have thought that this was quite narrowly confined in the sense that we are talking about a remarkable individual who has won the Nobel Peace Prize, who addressed a joint sitting of the United States congress in 1991, who received a US congressional medal in 2007, who addressed the European parliament both in 2001 and as recently as November 2008, and who has been made an honorary citizen of Canada.

Question put:

That the motion (Senator Hanson-Young and Senator Xenophon’s) be agreed to.

The Senate divided. [9.51 am]

(The President—Senator the Hon. JJ Hogg)

| Ayes | 6 |
| Noes | 36 |
| Majority | 30 |

AYES

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

NOES

Adams, J. Back, C.J.
Barnett, G. Bernardi, C.
Bishop, T.M. Boswell, R.L.D.
Brown, C.L. Cameron, D.N.
Cash, M.C. Collins, J.
Crossin, P.M. Farrell, D.E.
Feeney, D. Ferguson, A.B.
Fielding, S. Fisher, M.J.
Furner, M.L. Hogg, J.J.
Hurley, A. Hutchins, S.P.
Ludwig, J.W. McEwen, A.
McLucas, J.E. Minchin, N.H.
Moore, C. Nash, F.
O’Brien, K.W.K. Parry, S. *
Polley, H. Pratt, L.C.
Ronaldson, M. Stephens, U.
Sterle, G. Troeth, J.M.
Trood, R.B. Wortley, D.

* denotes teller

Question negatived.

AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION
HEADQUARTERS BUILDING

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.54 am)—I seek leave to amend general business notice of motion No. 515 standing in my name.

Leave granted.

Senator BOB BROWN—I move the motion as amended:

CHAMBER
That the Senate, noting the prominence that the new Australian Security Intelligence Organisation headquarters building near Lake Burley Griffin will have on Canberra’s cityscape and that there was no reference of this proposal to the Parliamentary Standing Committee on Public Works, requests the Parliamentary Standing Committee on Public Works to provide the Senate with the recommendation from the former Attorney-General, the Honourable Philip Ruddock, that the committee seek an exemption from the Governor-General from scrutiny of this project, with any identifying particulars removed.

Senator TROETH (Victoria) (9.54 am)—As a member of the Public Works Committee, I seek leave to make a short statement on the motion.

The PRESIDENT—Leave is granted for two minutes.

Senator TROETH—It is a pity that Senator Bob Brown had not sought further information about the procedures of the Public Works Committee. It has always been the case, under any government, that normally, by general agreement, the buildings and operations of ASIO and ASIS, some of the AFP work and some other functions of the Attorney-General’s Department have not been subject to scrutiny or have been exempt from scrutiny because of the very nature of their work. Therefore we do not have very detailed briefings on that nor do we have site inspections because they are normally granted exemption. So for Senator Brown to be putting up this motion is quite ill advised, in my view, and the amendment that he has made is even more ill advised, because it is my understanding that the contents of this letter, which is a confidential letter, have been published in the Canberra Times with the identifying particulars removed in any case. So for Senator Brown to bring this before the Senate is very ill advised and quite ignorant of the procedures of the Public Works Committee.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.55 am)—I seek leave to make a statement.

The PRESIDENT—Leave is granted for two minutes.

Senator BOB BROWN—Obviously, what Senator Troeth wants to do is institute ignorance in the Senate. This is a request for information.

Senator Parry—Mr President, I rise on a point of order. I ask that Senator Brown withdraw that remark about Senator Troeth.

The PRESIDENT—Senator Brown, you may continue your remarks. There is no point of order.

Senator BOB BROWN—Of course there is not, and that was another example of a failure to understand how this place works. This is a Senate chamber in the Australian democracy and its job is to get information and to make decisions based on that information. Here we have an ASIO headquarters building with the secret service upfront wanting to grandstand on Lake Burley Griffin with its building as a monument—to the spying agency in Australia, which we need and agree to. But it is seeking a different form of review—that is, no review—of its place within the Parliamentary Triangle. It is our job, and there has been a furore about this in the ACT, to get information and make sure we are acquainted with this building and how it fits in with the architecture of this great city. What Senator Troeth and presumably other colleagues are saying is, ‘No, ASIO is exempted from the purview and the scrutiny of the Senate.’ That is a fundamental failure to understand the role of democracy. We are in charge here, not the secret service agents, and if they want to put a building at the forefront of this city it should be under the scrutiny of this parliament and this Senate. It is an abrogation of duty for the opposition or the government to say otherwise.
Question agreed to.

REMUNERATION TRIBUNAL
DETERMINATION 2009/11

Motion for Disallowance

Senator BOB BROWN (Tasmania—
Leader of the Australian Greens) (9.58
am)—I move:

(1) That the Senate notes the Remuneration Tri-
bunal’s failure to provide a financial or eco-
nomic justification for the proposed in-
creases in the Members of Parliament travel-
ling allowance.

(2) That Remuneration Tribunal Determination
2009/11: Members of Parliament – Travel-
ling Allowance, made pursuant to subsec-
tions 7(1), 7(2) and 7(4) of the Remuneration
Tribunal Act 1973, be disapproved.

Senator LUDWIG (Queensland—
Special Minister of State and Cabinet Secretary)
(9.59 am)—I seek leave to make a short
statement.

The PRESIDENT—Leave is granted for
two minutes.

Senator LUDWIG—I anticipate that
Senator Brown may also wish to make a
short statement as well. In respect of
this motion, the Remuneration Tribunal
made a determination in 2009/11 Members
of parliament travelling allowance on 6 Au-
gust 2009. On that same day, the tribunal
also made determination 2009/10 Official
travel by office holders. The determination
sets the rates of travelling allowance for par-
limentarians and public office holders re-
spectively. The determination establishes
rates applicable for travel to individual
towns and cities. The rates in each determi-
nation for each travel tier and common loca-
tion are the same. The reason I mention that
is to give context in relation to the motion
before the Senate which suggests that
the tribunal has not advanced any financial or
economic justification for the proposed in-
crease in travelling allowance. This is not
correct.

I refer the Senate to the tribunal’s state-
ment of 19 August 2009, which is available
from the tribunal’s website. It sets out details
of how the decision in relation to the deter-
mination was made. I think it would be help-
ful for the Senate if I table that statement. In
light of the publicly available statement, the
government will not be supporting the mo-
tion. In fact, it appears unnecessary in that
regard.

Senator BOB BROWN (Tasmania—
Leader of the Australian Greens) (10.00
am)—I seek leave to make a brief statement.

The PRESIDENT—Leave is granted for
two minutes.

Senator BOB BROWN—Firstly, if the
Remuneration Tribunal has reason for alter-
ing parliamentarians’ or public servants’ enti-
tlements then that information should be
made available with the determination when
it is requested in the Senate chamber. I made
a request for that determination and I got it,
but I had to write to the president, Mr John
Conde AO, to get that information, which
was made available to me last night. I hope
that in future the Remuneration Tribunal will
furnish information to parliamentarians when
it makes determinations. We should not have
to seek it out, the way the minister says.

Secondly, over the last 12 months, the in-
fation rate was 1.5 per cent while this is a
seven per cent lift in the travel allowance.
We ought to be keeping this in proportion.
You cannot escape the surmise, at least, that,
with the Prime Minister having frozen in-
creases in parliamentary salaries last year
and with way-above-inflation increases in
the electorate allowance and now in the
travel allowance, there is an adjustment here
to make up for that freezing. That may not be
so, but it is a matter that ought to be debated.
I think that, as parliamentarians, we are vul-
nerable to the sort of speculation that we do not like but that we see in the press and in the public arena if we do not have due reasoning up front. As far as I am concerned, the reasoning from the Remuneration Tribunal is way short of sufficient.

Senator RONALDSON (Victoria) (10.02 am)—I seek leave to make a short statement.

The PRESIDENT—Leave is granted for two minutes.

Senator RONALDSON—I will reflect on Senator Bob Brown’s words about vulnerability to speculation. My argument with Senator Brown in relation to his constant raising of these matters—which I think, with the greatest respect are more about politics than good policy—is that we will be far more vulnerable to speculation if we do not have an independent arbiter. I cannot for the life of me understand why Senator Brown constantly attacks the independent tribunal. As I have said in this place before, if you want to provide the opportunity for speculation then we will be the ones who will make decisions. It is a ridiculous notion that members of parliament should be making decisions about their own remuneration, and that can be the only outcome of Senator Brown’s constant attack on the Remuneration Tribunal.

I am very confident going out into the community and saying there is an independent umpire. I would have no confidence in going out into the community and saying that members and senators make determinations about their own entitlements. This is a sensible approach by the Remuneration Tribunal because there is a benchmark. But the beauty of an independent tribunal is that it can make decisions that are not, on the face of it, giving equality to members and senators. Indeed, Senator Brown, the Canberra rate for parliamentarians is substantially lower because the Remuneration Tribunal quite rightly said that we are here for a longer period of time and we can make accommodation decisions so it is economically feasible for us to be on a lower rate. Please can we leave the decision of the tribunal where it is. (Time expired)

Senator XENOPHON (South Australia) (10.04 am)—I seek leave to make a short statement.

The PRESIDENT—Leave is granted for two minutes.

Senator XENOPHON—I agree with Senator Ronaldson that we do need to have an independent umpire, but where I differ—with the greatest respect to Senator Ronaldson—is that I think the disquiet in the community is as a result of the processes involved, and there ought to be greater degree of transparency in relation to the process. The reasons need to be given, the process of the reasoning needs to be given publicly and there ought to be greater input in that decision-making process. That is where I differ. I agree with Senator Ronaldson that it has to be done by an independent umpire, but it needs to be done in the context of a transparent process, a process where there is greater input in terms of the decision making, and also that the reasons given for the increases are quite clear. I think that would give greater confidence in the system. It may well be that, in relation to these allowances, we go to a receipt based system. That is something that I think the tribunal ought to consider in due course. But I think it is important that we have this debate, and I think there is room for improvement in the way that the Remuneration Tribunal carries out its work.

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

The Senate divided. [10.10 am]
INTERNATIONAL RED CROSS

Senator HANSON-YOUNG (South Australia) (10.13 am)—I move:

That the Senate calls on the Australian Government to urge the Indonesian Government to allow the International Red Cross full and unfettered access into West Papua.

Question agreed to.

AFGHANISTAN ELECTIONS

Senator LUDLAM (Western Australia) (10.13 am)—I move:

That the Senate notes:

(a) an international petition with 275 signatories, expressing the view that the presence of warlords, corrupt officials and incompetent leaders will not win freedom, peace, stability and prosperity for the people of Afghanistan;

(b) the petitioners call to the international community, the United Nations and the International Court of Justice to help the people of Afghanistan by bringing those warlords and criminals implicated in the Human Rights Watch report, Blood stained hands to the International Court of Justice; and

(c) the Human Rights Watch report implicates former warlords in crimes against humanity, which should preclude them from running in the election for the post of Vice President.

Question put.

The Senate divided. [10.18 am]

(The President—Senator the Hon. JJ Hogg)

Ayes…………… 7
Noes…………… 36
Majority………. 29

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

NOES
Abetz, E. Back, C.J.
Bernardi, C. Birmingham, S.
Bishop, T.M. Boswell, R.L.D.
Brown, C.L. Cameron, D.N.
Cash, M.C. Colbeck, R.
Cormann, M.H.P. Farrell, D.E.
Feeney, D. Ferguson, A.B.
Furner, M.L. Hogg, J.J.
Humphries, G. Hurley, A.
Hutchins, S.P. Joyce, B.
Ludwig, J.W. McEwen, A.
McLucas, J.E. Moore, C.
Nash, F. O’Brien, K.W.K. *
Parry, S. Payne, M.A.
Polley, H. Pratt, L.C.
Ronaldson, M. Stephens, U.
Sterle, G. Troeth, J.M.
Trood, R.B. Wortley, D.

* denotes teller

Question negatived.
NOTICES

Presentation

Senator WORTLEY (South Australia) (10.20 am)—by leave—Following the receipt of a satisfactory response, on behalf of the Standing Committee on Regulations and Ordinances, I give notice that, on the next day of sitting, I shall withdraw business of the Senate notice of motion No. 1 standing in my name for the next day of sitting for the disallowance of the Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations 2009 (No. 1). I seek leave to incorporate in Hansard the committee’s correspondence concerning this instrument.

Leave granted.

The correspondence read as follows—

Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations 2009 (No. 1), Select Legislative Instrument 2009 No. 4 12 March 2009

The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts
Suite M1.40
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations 2009 (No. 1), Select Legislative Instrument 2009 No. 4. These Amendment Regulations insert new regulation 111 into the principal Regulations which creates the strict liability offence of handling a refrigerant.

The Committee notes that paragraph 111(2)(b) defines the phrase ‘handle a refrigerant’ to include the situation where a person manufactures, installs, commissions, services or maintains refrigeration or air conditioning equipment even where there is no refrigerant present. It thus appears that a person can be liable for the strict liability offence created by subregulation 111(1) relating to handling a refrigerant even where they do not handle a refrigerant because no refrigerant is present. The Committee would appreciate your advice as to why the offence is created in these terms.

The Committee would appreciate your advice on the above matter as soon as possible, but before 1 May 2009, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley
Chair
2 April 2009
Senator Dana Wortley
Chair
Senate Standing Committee on Regulations and Ordinances
Room SG49
Parliament House
CANBERRA ACT 2600

Dear Senator Wortley


Paragraph 111(2)(b) has been added to the Regulations to clarify an ambiguity that existed in the Regulations in the context of the definition of handling a refrigerant. The amendment aims to ensure that the areas of highest risk for emissions of refrigerant are prescribed in the Regulations and only appropriately skilled technicians undertake work on this equipment.

As background, the Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995 (the Regulations) and its parent Act give effect to Australia’s obligations under the Montreal Protocol on Substances that Deplete the Ozone Layer and the synthetic greenhouse gas (SGG) aspects of the Kyoto Protocol.

The primary purposes of the Act and Regulations are to meet our obligations under the Montreal Protocol and, for SGGs, the Kyoto Protocol by
phasing out the use of ozone depleting substances (ODS) in Australia and minimising the emissions of both ODS and SGGs.

Section 45A of the Act provides the power to make regulations covering the sale, purchase, acquisition, disposal, storage, use and handling of these substances. To date specific regulations have been created for the refrigeration and air conditioning and fire protection industries. The refrigeration and air conditioning industry uses 93% of ODS and SGGs consumed in Australia.

A permit scheme for the refrigeration and air conditioning industry was created under the Regulations in 2005 for businesses and technicians that acquire, possess, use and dispose of ODS and SGG refrigerants. The permit scheme aims to ensure that emissions of ODS and SGG refrigerants are minimised by allowing only suitably skilled technicians to handle refrigerant where there is a reasonable opportunity for its emission to the atmosphere. The Regulations require that any person who handles an ODS or SGG refrigerant hold an appropriate licence. To obtain a licence, an applicant must have completed training appropriate to the type of work that they will be performing.

The risk of emission of refrigerant comes primarily from inappropriate use of tools or improper design, assembly and maintenance of equipment. Therefore, the conditions that will allow refrigerant to be emitted to the atmosphere are generally established before refrigerant is introduced into a system.

To handle a refrigerant, in the literal sense, is in most cases neither possible nor desirable as most refrigerants are gases at room temperature and direct contact, particularly with refrigerant at high pressure, could result in quite serious injury. Due to these considerations, refrigerant cannot be present for most work on a piece of refrigeration and air conditioning (RAC) equipment. The addition of refrigerant to a piece of RAC equipment is the final step in the process of manufacture, installation or maintenance. Proper assembly and preparation of the equipment are essential to prevent emissions once the refrigerant is introduced.

The phase “handle a refrigerant” is, for the purposes of the new regulation, construed in the same way that an electrician could be construed to be working with electricity. The skill of the electrician is in the design, installation and servicing of the current bearing components and, through ensuring that only qualified and licensed electricians do this work, regulators ensure that, when the system is live, the public and environment are protected.

The Regulations were amended to ensure that ODS and SGG refrigerant emissions are minimised through appropriate system design, installation, maintenance and decommissioning.

Yours sincerely
Peter Garrett
Minister for the Environment, Heritage and the Arts
14 May 2009
The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts
Suite M1.40
Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 2 April 2009 responding to the Committee’s concerns with the Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations 2009 (No. 1), Select Legislative Instrument 2009 No.4. These Amendment Regulations, among other things, create a strict liability offence of handling a refrigerant.

In your letter you indicate that “refrigerant cannot be present for most work on a piece of refrigeration and air-conditioning (RAC) equipment” and that the “addition of refrigerant to a piece of RAC equipment is the final step in the process of manufacture, installation or maintenance”. You advise that the phrase “handle a refrigerant” is, for the purposes of the new regulation, “construed in the same way that an electrician could be construed to be working with electricity”.

The Committee notes that this provision is not simply an offence provision, but a strict liability offence provision. This means that a person may commit the offence irrespective of their intent.
such circumstances, clarity and certainty are essential. Arguably, charging someone with the offence of ‘handling a refrigerant’ where no refrigerant is present does not meet those standards of certainty and clarity.

The Committee notes that provisions in the legislation covering electricians often refer to undertaking ‘electrical work’ (which is defined in terms of work on equipment as well as with power) rather than ‘handling electricity’. It may be that taking a similar approach to the description of this offence may make it clearer and more certain.

The Committee would appreciate your advice on the above matter as soon as possible, but before 12 June 2009, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair

20 June 2009
Senator Dana Wortley
Chair
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator

Thank you for your letter of 14 May 2009 regarding the Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations (No. 1) 2009 (the Amendment Regulations).

I fully agree with your concern that there should be clarity and certainty in the definition that underpins a strict liability offence provision. It is for this reason that the change to regulation 111 has been made.

The term “handle a refrigerant” is now defined for the purposes of the offence in regulation 111 to mean doing anything with the refrigerant, or a component of refrigeration and air conditioning (RAC) equipment, that carries the risk of refrigerant being emitted, including: (a) decanting the refrigerant; or (b) manufacturing, installing, commissioning, servicing or maintaining RAC equipment, irrespective of whether or not refrigerant is present; or (c) decommissioning RAC equipment where refrigerant is present.

The inclusion of “irrespective of whether or not refrigerant is present” makes it unambiguous that correct manufacture, installation and servicing of RAC equipment, which must be carried out in the absence of refrigerant, is an integral part of preventing unintended emissions and should not be carried out by unlicensed persons.

The change to the definition removes the previous ambiguity about what types of activities were encompassed by the term “handle a refrigerant”. The definition was amended at the request of, and in consultation with, the RAC industry which endorses the revised definition and the continuing use of the term “handle a refrigerant”.

The definition is widely understood in the RAC industry and sits within a broader framework regulating the RAC industry, which includes the requirement for persons to have refrigerant handling licences to work with refrigerant or equipment that contains or is intended to contain refrigerant. The licences are issued to persons who hold the appropriate qualifications to handle refrigerants. These qualifications have long been accepted by the RAC industry as sufficient to ensure such emissions are minimised when undertaking the type of work which is encapsulated by the term “handle a refrigerant”. A holder of such a licence can and does work on RAC equipment (for example by maintaining, servicing or installing) which does not contain refrigerant and is therefore handling a refrigerant within the meaning of that definition.

The licences are required therefore to ensure that when the refrigerant is added to the RAC equipment, the refrigerant is not emitted into the atmosphere. As the refrigerants controlled by the Ozone Protection and Synthetic Greenhouse Gas Management Regulations 9995 (the Regulations) are ozone depleting substances or synthetic greenhouse gases, it is imperative that their emission to the atmosphere be minimised. This is necessary to achieve the policy intent of the legislation and to give effect to Australia’s international obligations under the Montreal Protocol on Substances that Deplete the Ozone Layer and the
synthetic greenhouse gas aspects of the Kyoto Protocol. The Amendment Regulations are an integral part of this broader framework.

In conclusion, I am satisfied that the definition of “handle a refrigerant” provides certainty and clarifies the application of the offence in regulation 111 for the RAC industry. The Amendment Regulations are an important part of the overall regulatory framework aimed to reduce emissions of greenhouse gases and ozone depleting substances.

Yours sincerely

Peter Garrett
Minister for the Environment, Heritage and the Arts

25 June 2009

The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts

Suite M1.40
Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 20 June 2009 concerning the Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations (No. 1) 2009 (the Regulations).

I note the Committee’s recommendation to reword the relevant offence provision to ‘handle a refrigerant or refrigerant equipment’. The Commonwealth’s heads of power under ratified international agreements do not currently allow for the regulation of all refrigerants, only fluorinated refrigerants. Thus, the generally encompassing nature of the phrase ‘refrigerant equipment’ might cause further ambiguity for and concern amongst currently unregulated sectors of the industry who may feel that this construction represents an intention by the Commonwealth to extend the scope of the Regulations into previously unregulated sectors.

To address the Committee’s concerns, I have instructed my Department to consider the matter, liaise with industry and to advise on an appropriately specific and unambiguous phrase to be included in the next set of amendments to the Regulations presented for the consideration of the Governor-General.

Thank you for writing on this matter.

Yours sincerely

Peter Garrett
Minister for the Environment, Heritage and the Arts
13 August 2009
The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts
Suite M1.40
Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 3 August 2009 responding to the Committee’s concerns with the Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations 2009 (No. 1), Select Legislative Instrument 2009 No. 4. These Regulations, among other things, create a strict liability offence of ‘handling a refrigerant’.

In your letter you undertake to instruct your Department to liaise with industry and to advise on an appropriately specific and unambiguous phrase to be included with the next set of amendments to be presented for the consideration of the Governor-General. To enable the Committee to finalise its consideration of these regulations, could you please indicate when this amendment might be expected (ie is it a matter of months away, or is it likely to require more than a year to be settled) and would you please inform the Committee when the amendment is finally made.

The Committee has given a disallowance notice in respect of these regulations. It would assist if we could finalise our consideration at the next Committee meeting on 20 August. We would, therefore, appreciate your urgent advice on the above matter as soon as possible, but before 19 August 2009. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley
Chair

18 August 2009
Senator Dana Wortley
Chair
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator

Thank you for your letter of 13 August 2009 concerning the Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations (No. 1) 2009.

The issue raised by the Standing Committee on Regulations and Ordinances will be addressed in the next set of amendments to the Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995. I expect these amendments to be presented in the first half of 2010. I will notify the Standing Committee when the Regulations have been presented to the Governor-General for consideration.

Thank you for writing on this matter.

Yours sincerely
Peter Garrett
Minister for the Environment, Heritage and the Arts

COMMITTEES

Publications Committee
Report
Senator O’BRIEN (Tasmania) (10.20 am)—On behalf of Senator Carol Brown, I present the 12th report of the Senate Standing Committee on Publications.

Ordered that the report be adopted.

Rural and Regional Affairs and Transport References Committee
Report: Corrigenda
Senator PARRY (Tasmania) (10.21 am)—On behalf of Senator Nash, I present a correction to the report of the Senate Rural and Regional Affairs and Transport References Committee on its inquiry into the long-
term sustainable management of the Murray-Darling Basin.

Ordered that the document be printed.

BUDGET
Consideration of Estimates
Additional Information

Senator O’BRIEN (Tasmania) (10.21 am)—On behalf of the respective chairs, I present additional information received by committees relating to the following estimates:

**Budget estimates 2008-09 (Supplementary)—**
Rural and Regional Affairs and Transport Legislation Committee—Additional information received between 5 February and 20 August 2009—Agriculture, Fisheries and Forestry portfolio.

**Additional estimates 2008-09—**
Environment, Communications and the Arts Legislation Committee—Additional information received between 25 June and 19 August 2009—Environment, Water, Heritage and the Arts portfolio.

Rural and Regional Affairs and Transport Legislation Committee—Additional information received between 13 May and 19 August 2009—Agriculture, Fisheries and Forestry portfolio.

Infrastructure, Transport, Regional Development and Local Government portfolio.

**Budget estimates 2009-10—**
Community Affairs Legislation Committee—Additional information received between 25 June and 19 August 2009—

Families, Housing, Community Services and Indigenous Affairs portfolio. Health and Ageing portfolio.


Economics Legislation Committee—Additional information received between 1 June and 19 August 2009—

Innovation, Industry, Science and Research portfolio.

Resources, Energy and Tourism portfolio.

Treasury portfolio.

Education, Employment and Workplace Relations Legislation Committee—Additional information received between 31 July and 19 August 2009—

Education, Employment and Workplace Relations portfolio.

Environment, Communications and the Arts Legislation Committee—Additional information received between 26 June and 19 August 2009—

Broadband, Communications and the Digital Economy portfolio.

Environment, Water, Heritage and the Arts portfolio.

Finance and Public Administration Legislation Committee—Additional information received between 26 June and 19 August 2009—

Finance and Deregulation portfolio.

Human Services portfolio.

Parliamentary departments.

Prime Minister and Cabinet portfolio.

Foreign Affairs, Defence and Trade Legislation Committee—Additional information received between 30 July and 20 August 2009—

Defence portfolio.

Foreign Affairs and Trade portfolio.

Legal and Constitutional Affairs Legislation Committee—Additional information received between 24 June and 18 August 2009—

Attorney General’s portfolio.

Immigration and Citizenship portfolio.

Rural and Regional Affairs and Transport Legislation Committee—Additional information received between—


22 July and 19 August 2009—Agriculture, Fisheries and Forestry portfolio.

**THERAPEUTIC GOODS AMENDMENT (2009 MEASURES No. 2) BILL 2009**

First Reading

Bill received from the House of Representatives.
Senator WONG (South Australia—Minister for Climate Change and Water) (10.22 am)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator WONG (South Australia—Minister for Climate Change and Water) (10.22 am)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This Bill is the third in a series of bills to implement important and much needed amendments to the Therapeutic Goods Act 1989. The bill reflects the Government’s commitment to ensuring the ongoing safety and efficacy of therapeutic goods available in Australia while reducing the regulatory burden on the therapeutic goods industry.

Many of the amendments in the Government’s therapeutic goods regulatory reform program were to have been adopted as part of the legislation underpinning the proposed Australia New Zealand Therapeutic Products Authority, or ANZTPA.

One such amendment is to provide for the separate scheduling of medicines and chemicals. I should begin by explaining that scheduling is a collaborative process involving both the Commonwealth and the states and territories. A committee established under Commonwealth law with state and territory representatives makes decisions that are then implemented through state and territory legislation.

Scheduling is the process by which substances that can be harmful if not used or kept correctly are grouped into categories, known as schedules. Specific requirements are then attached to the schedules under state and territory law regarding supply, availability and oversight of use to support the safe and effective use of these substances. This then has a flow on effect on the supply, availability and use of medicines and chemicals that contain scheduled substances.

Scheduling decisions are recorded in a document known as the ‘Poisons Standard’ which brings together the names and details of the substances that have been scheduled and categorises these by schedule. For example, schedule 2 covers medicines that can be purchased only from a pharmacy whereas schedule 6 covers poisons that are available for purchase from a wide variety of retail outlets.

While the current scheduling arrangements have worked effectively for many years, there are ways that they can be improved.

Areas for improvement were identified in the Council of Australian Governments’ Review of Drugs, Poisons and Controlled Substances Legislation undertaken by Ms Rhonda Galbally some eight years ago. The recommendations from this Review were provided to the Australian Health Ministers’ Conference (AHMC) in 2001 and were the basis for further consideration by the Commonwealth in partnership with the states and territories in the development of ANZTPA legislation.

The recommendations from the Review were wide ranging and many have already been implemented, including recommendation 6 which recommended that independent, comprehensive and quality information be provided to consumers to support safe and effective use of medicines. This has been implemented through a package of measures including through the provision of ‘consumer medicine information’ to patients on dispensing of a script.

A key recommendation from the Review was to provide separate scheduling arrangements for medicines and chemicals to reflect the different uses and environments in which these substances are made available and used. Further, the Review considered that there were additional advantages in having separate committees as they will be able to provide more focused advice on the scheduling of medicines and chemicals. Amongst the other advantages were improvements to efficiency of the scheduling arrangements. Separate scheduling arrangements were supported by a wide range stakeholders consulted during the Review proc-
The Australian Health Ministers’ Conference agreed to implement this recommendation by providing for the Secretary of the Department of Health and Ageing to be the final decision maker for scheduling decisions, taking into account advice provided by these separate medicines and chemicals advisory committees.

The Productivity Commission’s Research Report on Chemicals and Plastics Regulation, which was published in July last year, supported this by recommending that these new scheduling arrangements be implemented as soon as feasible.

The amendments in schedule 1 to the Bill deliver on the Government’s commitment to implement the recommendations from these reviews through new scheduling arrangements. The new arrangements have also been informed more recently by additional consultation undertaken by the Therapeutic Goods Administration (the TGA) with industry and other interested parties.

One key element from the existing scheduling arrangements will be retained – the cooperative arrangement we have with the states and territories. This is necessary under the constitution to achieve scheduling implementation uniformly across all states and territories. It has served Australia well in the past. The Government will, therefore, continue to work in partnership with our state and territory counterparts under the new arrangements.

The Bill will replace the existing National Drugs and Poisons Scheduling Committee (NDPSC) that makes scheduling decisions with two new expert advisory committees which will provide recommendations and advice to the Secretary of the Department of Health and Ageing to inform her in making scheduling decisions.

The Advisory Committee on Medicines Scheduling will be able to provide recommendations and advice about substances used in medicines, while the Advisory Committee on Chemicals Scheduling will advise on substances such as agricultural, domestic and veterinary chemicals.

Decisions of the Secretary will then be incorporated in the Poisons Standard. This will be retained as a single complete reference for the scheduling classifications of both medicinal and chemical substances.

Reflecting the important collaborative Commonwealth – state/territory arrangements for scheduling, the committees will include members from the Commonwealth and each of the states and territories as well as other experts to be provided for in the subordinate legislation.

The new arrangements will provide greater clarity and opportunity for individuals to make applications to the Secretary to seek amendment to the scheduling of a substance, such as to request that a substance be down-scheduled to a less restrictive schedule. In considering these applications the Secretary will be able to seek the advice of either or both the medicines or chemicals advisory committee. She may also seek advice from another committee or another person, such as from a recognised international expert, if that would be useful.

The transitional provisions will ensure that applications currently under consideration by the NDPSC are able to be transferred across for consideration under the new arrangements, and that any recommendations made by the NDPSC will be taken into account by the Secretary. This will ensure a smooth transition to the new arrangements upon their commencement on 1 July 2010. This timing will also allow development of the supporting subordinate legislation.

Moving on, schedule 2 of the Bill provides arrangements to enable the Secretary to declare purposes for which kinds of medical devices cannot be included in the Register. Purposes will be precluded where such a use would pose a risk to public health or where it would be otherwise inappropriate.

Presently as long as a medical device satisfies all of the application and certification requirements under the Act it is included in the Register. That is, as long as the device works correctly and is manufactured appropriately it can be made available in Australia.

However, a device may be entirely effective and of high quality but the use it is intended for may jeopardise the health of the person using it. The amendments in this Schedule will address this by ensuring that in considering an application to include a device in the Register the Secretary must give consideration to its intended use.
If the intended use of the device is solely an excluded use the device will not be able to be included in the Register. Where a device has multiple uses including both prohibited and appropriate uses the device will be able to be included in the Register subject to the condition that it is not to be made available or indicated to be used for the prohibited use.

Recently the Government has become aware of ‘do-it-yourself’ home testing kits for serious conditions or illnesses. This is a concern, as people need the support and expert clinical advice from a doctor or other appropriately qualified health professional to understand the results of a test for a serious condition and their options for clinical care.

There are also some conditions which are required to be notified to health authorities for public health reasons, such as HIV. Notifications are made by the patient’s doctor and are treated in the strictest confidence. It is unlikely that patients self-testing at home will either be aware of the notification requirement or willing to notify their test result.

The amendments in this Bill will ensure that medical devices are only available for appropriate purposes to support high quality, safe medical care.

Finally, Schedule 3 includes provisions intended to make a number of minor amendments to improve the operation of the Act.

The amendments under Part 1 of Schedule 3 will enable the TGA to consult with and seek advice from the Gene Technology Regulator about applications for the listing or registration of therapeutic goods that are genetically modified organisms (GMOs) or that contain GMOs.

These amendments simply augment the current provisions under sections 30C and 30D of the Act which allow the TGA to consult with the Gene Technology Regulator regarding genetically modified products. These products, by definition, do not include GMOs and it is therefore necessary to amend these sections to allow consultation on any genetically modified therapeutic good. Schedule 3 also ensures that advertising of medicines and other therapeutic goods is only for the purpose that was approved when the good was included in the Register.

Presently subsection 22(5) of the Act makes it an offence to advertise a therapeutic good inappropriately but only if the person advertising it is the sponsor. Therefore, a sponsor may ask another person to advertise a medicine for them for an unapproved purpose and that person would not be subject to the offence provision. This is concerning as such advertising may be relied upon by Australians in choosing medicines and other therapeutic goods and the unapproved purpose being advertised may not be safe or effective.

This Schedule addresses this by extending the offence provision to any person who inappropriately advertises a therapeutic good – not just the sponsor.

Part 1 of Schedule 2 updates a delegation provision under section 57 of the Act to remove the reference to a specific branch of the TGA and the replacement provision enables this to be specified in the regulations. This will ensure that delegation arrangements can keep pace with administrative changes at the TGA. The level of the person to whom the Secretary can delegate her decision making power to will not be affected by this amendment.

Finally, the regulations currently require that certain medicines, mainly over the counter medicines, are required to include advisory statements on their labels to assist consumers in choosing the most appropriate medicine and using it safely and effectively.

The Bill improves the transparency of these requirements by empowering the Minister to specify them in a legislative instrument. Any medicine that the regulations list for the purposes of the legislative instrument will now be required to include the advisory statements relating to it that are set out in the instrument.

The sorts of advisory statements that labels will be required to include will depend on the medicine but will be familiar to us all and include such statements as ‘If symptoms persist beyond 5 days consult a doctor’. By setting out standardised statements this ensures that consumers receive consistent information and advice in language that is easy to understand and clear to read.
The Government intends to make further changes to the therapeutic goods regulatory regime later in the year.

In particular, we intend to introduce further legislation to give effect to a new framework for the regulation of human cellular and tissue-based therapies - as foreshadowed as part of the ANZTPA process.

It is important that the regulatory regime the TGA implements is kept up to date so that the TGA and the industry it regulates can operate as efficiently as possible, and so that Australian consumers can continue to have timely access to safe and effective therapeutic goods.

Debate (on motion by Senator Wong) adjourned.

BUSINESS

Rearrangement

Senator WONG (South Australia—Minister for Climate Change and Water) (10.23 am)—by leave—I move:

That intervening business be postponed till after consideration of government business order of the day no.1, the Renewable Energy (Electricity) Amendment Bill 2009 and a related bill.

Question agreed to.

RENEWABLE ENERGY
(ELECTRICITY) AMENDMENT BILL 2009

RENEWABLE ENERGY
(ELECTRICITY) (CHARGE)
AMENDMENT BILL 2009

In Committee

Consideration resumed from 19 August.

RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2009

The TEMPORARY CHAIRMAN (Senator Mark Bishop)—The question is that the Greens amendment (R16) on sheet 5886 be agreed to.

Question negatived.

Senator BOSWELL (Queensland) (10.25 am)—I move opposition amendment (1) on sheet 5872:

(1) Schedule 2, item 8, page 13 (after line 26), at the end of section 38B, add:

38B. Regulations made under subsection 38AA(1) must determine a food processing activity, to the extent that it is trade-exposed, to be an emissions-intensive trade-exposed activity.

The partial exemption of an emissions-intensive trade-exposed food processing activity for 2010 and any later year is to be calculated to be equal to 90% of the additional renewable source electricity acquisition obligation of the activity during the relevant year.

(4) In subsection (3):

additional renewable source electricity acquisition obligation means the amount of renewable source electricity that the activity is required to acquire under this Act after the commencement of the Renewable Energy (Electricity) Amendment Act 2009 in addition to the amount of renewable source electricity that the activity was required to acquire under this Act before the commencement of the Renewable Energy (Electricity) Amendment Act 2009.

The amendment seeks to provide trade assistance to Australian dairy and livestock farmers and food processors. It seeks to protect Australian farming families against costs being passed backwards from food processors that would lead to substantial farm gate income losses. It seeks to protect the future viability of farming in Australia by providing assistance to Australian trade-exposed food processors, including dairying and abattoirs.

The amendment requires regulation to determine that food processing activities, to the extent they are trade exposed, be given a 90 per cent exemption from liabilities associated with the RET. It seeks the same protection for farmers as that given to industries such as
cement, newsprint, glass and those sorts of industries. Processed agricultural products are among the most trade exposed in the world and any additional cost imposed on Australian production cannot be passed on to customers. These costs will inevitably be passed back to farmers.

Can I quote the case of the Murray Goulburn dairy cooperative. They are a high energy user and trade exposed. The RET squeezes their profit margins to the extent they will have a lot of trouble competing in export markets. They cannot sustain the cost increases and will be forced to pass the costs back to dairy farmers or actually go out of business. Murray Goulburn Co-Operative told the Senate Standing Committee on Economics that liabilities under the CPRS would result in income losses to its 2,500 farming members of between $5,000 and $10,000 and that the RET would impose an additional $1 million in 2010, rising to over $2 million by 2020. I have been told by regional Queensland abattoirs that the RET costs will start at $315,000 in 2010 and rise by $850,000 by 2020. Like dairy, these additional costs cannot be absorbed and will be passed back to the graziers.

The Australian Dairy Industry Council’s submission to the economics committee inquiry states:

Although dairy processing is highly trade exposed in most products – the main activities do not meet the cut-offs for EITE classification … We believe this is a flaw in the CPRS system which will see less competitive food processing and farming in Australia and lead to carbon leakage. Our major competitors in the world dairy market will provide support for dairy processors and exclude farm emissions or will not have an ETS at all.

I refer to the Australian Financial Review article ‘Burke seeks to calm fears of farmers’. What he is saying in here, in short, is that we should synchronise our dairy industry with New Zealand. I understand that Senator Wong had a very delightful evening the other evening as she sat next to Murray Goulburn. She had an introduction to the dairy industry, and I am sure after an hour’s discussion that she would have been right across—

Senator Wong—My grandfather was a dairy farmer.

Senator BOSWELL—Her grandfather was a dairy farmer and she has been told about the dairy industry. Senator Wong, you did mention yesterday some breaks that the Productivity Commission could give the dairy industry. I do not think they are going to be terribly helpful, but I would like you to explain again how the dairy industry goes through the Productivity Commission to get some benefits. You did indicate that yesterday, but could you reiterate how the Productivity Commission can assist the dairy industry. And can the dairy industry make a direct representation to the Productivity Commission or do you have to give it a tick? Could you also refer to the Burke statement that he believes the dairy industry should be synchronised with that of New Zealand, who are the biggest exporters in the world and with whom we compete very heavily, bringing their cheese and other milk products into Australia. The earliest they will get an ETS and a RET, if they do get them, will be in 2018.

Senator Wong (South Australia—Minister for Climate Change and Water) (10.30 am)—First, obviously the dairy industry in Australia, given the competition with New Zealand, particularly with Fonterra, is an important issue. The New Zealand parliament has in fact already passed its emissions trading scheme, although it is not in operation as yet, pending some legislative committee review, from memory. But I
would say that both prime ministers have indicated in previous discussions—and also I have had discussions with my New Zealand counterpart—the possibilities of harmonising the Australian and New Zealand schemes in the future. So that is a matter where the two governments are considering those possibilities. A lot more work would need to be done, because obviously Australia does not actually have a scheme as yet, but that preliminary work is being done in order to consider that, because there would obviously be some benefits in the two markets being integrated. So that is one set of issues, and that work will continue. If we are going to harmonise, we will actually have to have our own scheme, Senator Boswell! That is a prerequisite.

You asked a question about the Productivity Commission possibilities. I am happy to provide those words again, Senator Boswell. I have provided them to the opposition formerly—yesterday. I do not know if the relevant shadow ministers have had a discussion with the National Party, but these words were provided to the opposition and their representatives as part of the negotiations and they were also read into Hansard.

What the government agreed to do in relation to the Productivity Commission is extend the capacity which already exists under the CPRS white paper if an industry which does not qualify for industry assistance—I should take a step back. In terms of assistance, the first point for any industry, if they believe that they should and can qualify for assistance under the CPRS, is to make application accordingly and to work with the department on assessing whether or not they are sufficiently emissions intensive to qualify for assistance. I do not know if the dairy industry has formally started that process or not. If they are eligible then there are a quantity of free permits available in accordance with the government’s policies. If they are not eligible, what we did include as part of our agreement with the opposition to pass this bill was enable the existing provisions of the white paper in relation to industries who do not qualify for assistance to extend that to industries impacted on by the renewable energy target. So these arrangements allow firms, including those that do not qualify for industry assistance—I perhaps erroneously suggested that this option was open only to industries that did not qualify for assistance; it is potentially open to both: industries that have assistance and those that do not. So I will read again the words I read out yesterday, Senator Boswell, that form part of the agreement with the opposition:

... the government will extend the current potential review provisions under the Carbon Pollution Reduction Scheme—as set out in the white paper at section 12.7.4—to industries potentially affected by the renewable energy target once the renewable energy target has commenced. These arrangements allow firms, including those that do not qualify for industry assistance, to make representation to the government to request that the government commission the Productivity Commission to undertake an assessment of the renewable energy target’s impact on their industry. The government will not necessarily refer all requests to the commission; it will take into account the nature and details of the request. The Productivity Commission will make an assessment of this industry’s circumstances, taking into account the range of factors unrelated to the scheme that will also affect the profitability of firms and industries, such as exchange rate movements, capital and labour costs, and commodity price movements. It will assess whether the introduction of the renewable energy target—including the assistance provided under the renewable energy target and Climate Change Action Fund assistance programs—will substantially adversely affect the industry in which the firm is located within the next five years, result in carbon leakage and be likely to result in the premature closure of an industry that would be likely to be competitive in a carbon constrained world. Taking into account all of the above, the commission will
make recommendations to the government about whether it should provide additional support to this industry from the Climate Change Action Fund and the appropriate mechanism for that support.

That is what was read into Hansard yesterday and provided to the opposition yesterday as well. I think that answers your questions in relation to the Productivity Commission issue.

I would also make the point that the government is opposing this amendment, Senator Boswell, and there are a range of reasons for that. The first is that there is not an activity definition for food processing and, as you know, food processing would encompass a diverse range of businesses which would have very different levels of exposure to changes in electricity prices, whether from the renewable energy target or the Carbon Pollution Reduction Scheme. This is precisely why the government has chosen to go down the route of providing assistance on the basis of activities rather than industries. ‘Industries’ can be very broad notions that cover a whole range of activities, some of which are very energy intensive and some of which are not; therefore, if you provided assistance on the basis of industries, you would get a less fair form of assistance, a less fair architectural assistance. We welcome the fact that the opposition has recognised this by, in this bill, essentially endorsing the architecture for assistance under the CPRS which is based on activities. We think it is important that assistance be fair.

It would be unfair to provide more assistance to a firm that was, arguably, engaged in food processing but had a lower exposure to electricity price increases than another firm that was not doing food processing but had higher energy use. You would essentially be saying, ‘We’ll give more to one sector because it’s called food processing, even if they have less liability.’ We do not think that is a sensible or fair way to provide assistance. We think the fairest way is to do what we have done, which is to assess the potential cost impact and the exposure to cost increases by looking at the energy intensity of activities. On that basis, you provide assistance across the economy fairly. So the government is not minded to support this amendment.

In addition, neither the renewable energy target for which you voted when in government, Senator Boswell, nor, for example, the Victorian renewable energy target provided any exemptions to the food-processing sector. The John Howard renewable energy target, which was introduced under the previous government, did not provide an exemption for this sector.

In addition to the Productivity Commission possibility, as I said, food-processing businesses may qualify for assistance under the Climate Change Action Fund to implement, for example, low-emission technologies, energy efficiency technologies. I note there is some capacity in some of these industries to abate, and in fact a number of industries and firms have been very responsible in seeking, ahead of the introduction of the Carbon Pollution Reduction Scheme and the renewable energy target, to reduce their liability by becoming more energy efficient. For example, I know from my private discussions with Murray Goulburn that they have significantly reduced their emissions over their, I think, eight sites over the last few years. Fonterra, which the senator referred to, has also cut its energy use by around 15 per cent since 2002-03. Obviously, reducing energy use reduces your exposure to cost increases flowing from these bills. So, Senator, I appreciate where you are coming from, but we do not think this is the fairest or most sensible way to provide assistance to that industry or to any other industry.
Senator MILNE (Tasmania) (10.39 am)—Unfortunately, there seems to be a really high degree of confusion about the CPRS and the RET. In my view, that was caused by the government coupling the legislation in the first place. Out in rural and regional Australia people were looking at the combined impact and trying to understand what it would mean if they went together and so on, and that led to the high level of confusion. Now that they are decoupled and there is no CPRS, we are just talking about the impact of a renewable energy target price.

I am also interested in the fact that the coalition, in its negotiations with the government, reached an agreement with the government that it would support the government’s legislation in exchange for certain concessions. It is very clear to me, from what has happened here, that the coalition dropped all its other demands to get specific demands on the big emitters, particularly the aluminium sector. They got what they wanted for aluminium and dropped support for emerging technologies. They ought to be under no illusion that anybody out there is not aware that they dumped solar thermal, geothermal and wave.

The industry understands that Senator Abetz has withdrawn all the opposition amendments. I am interested in why the National Party, as part of the coalition, did not insist on them and instead preferred to get outcomes for the aluminium rather than the farming sector. The coalition withdrew every amendment but this one. This is clearly a concession to the National Party, a grandstand, because they did not fight for it. It is not part of the deal. This did not get up for the National Party. The coalition decided to support the bill, dump this amendment and get a concession, some form of words about a reference to the Productivity Commission. That is the reality, and I think that anyone who does not see it that way, who cannot see that when push came to shove they preferred aluminium and coal gas to the dairy industry—

Senator Nash interjecting—

Senator MILNE—Well, it’s true—otherwise that would be part of the deal. It is also true that that is why there is no reference to the emerging technologies—those amendments were withdrawn. The industry says the coalition made them a promise and then reneged on it, and they did renege on it. Let’s understand that.

Let’s go specifically to the renewable energy target and the points that are being made in relation to food processing, and I take the minister’s point in terms of the definitional issues that need to be established here. The Greens have long supported a renewable energy target. As the minister has just indicated, the mandatory renewable energy target has gone on for a very long time and there have not been exemptions for this sector. There have, of course, been exemptions for aluminium, which I will get to in a minute when we get to the next amendment. That is something that has been spread across the whole community and, as a result, it is less of an impost.

I will be interested to see what the Productivity Commission has to say when these matters are referred in the future and to see what the government comes up with in terms of how it might work in association with the CPRS if it is ever passed. But, at the moment, I think there is total confusion in the National Party about these two issues. That is the result of the government linking them. I accept that, now that they are decoupled, we should be looking at this purely in terms of impost. I remind Senator Boswell that a number of other countries also have renewable energy targets—it is not a case of trade exposure when other countries operate under these targets as well. In fact, by bringing in
the renewable energy target and spreading it across the system, as the pool price is depressed, everybody benefits by the reduced wholesale pool price.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (10.44 am)—Hearing what Senator Milne just said, the opportunity is there for the Greens today—if they have a concern for food processing, as the National Party does—to support this amendment and have food processing removed. I acknowledge your desire, Senator Milne, to represent regional issues and regional people; to look after food labelling; and to make sure that we keep Australian product on Australian tables and support the Australian processing sector. If you are authentic, that can be done so easily. All you have to do is support this amendment and you will have done those things, and you will have displayed your authenticity.

This issue is one that is a clear call about where you stand on the production of food inside Australia. Quite obviously, if the Australian food production industry is made unviable it will move overseas, and food production that is overseas uses food from overseas; therefore, we start once more to put further weight on the capacity of Australians to eat Australian product produced in Australia. You need there to be a nexus, in both geography and locality, between the production facilities and the food. If the production facilities go overseas they will quite obviously have to use food from overseas.

The challenge is that this is an amendment, regardless of people’s views on other issues, that specifically deals with keeping Australian food on Australian shelves—produced by Australian farmers and employing Australian working families in its manufacture and all the things associated with it. Therefore, I am strongly in support of it. I commend Senator Boswell. He has been pursuing this all the way through. Senator Boswell has really taken this issue on board. It is reflects his time in the Senate—as a father of the Senate—and his passion in supporting such places as Golden Circle, his passion in always going to bat for regional industries and his passion to look at the detail and how it affects things on the ground. This amendment needs to be supported if we want to have a clear statement about looking after the production of Australian food that is supplied by Australian farmers and put on the supermarket shelves for us to eat.

I am also interested in getting back information from Minister Wong about the Climate Change Action Fund and exactly where that money comes from. I also would like to know that if this amendment fails—and I hope it does not—are we then in the hands of the Productivity Commission to try and protect Australian manufacturing workers’ jobs in the food industry and to protect Australian farmers who supply that process? Is it not just a little bit nebulous to rely on the possible musings of the Productivity Commission when we can make it quite clear? This is a most important thing. The Australian people are focused on food sovereignty. They are focused on the capacity for the Australian nation to eat Australian product that is produced by Australian farmers. This amendment can do it and if this amendment succeeds we will have put that issue to bed. I think that would be an extremely decent thing to do.

Senator FIELDING (Victoria—Leader of the Family First Party) (10.48 am)—It is interesting to listen to this debate. Why are we moving an exemption here for food processing? It is because we are concerned about the escalating price of electricity for food processing—the extra cost. Here we are, standing up for food processing. We have seen the coalition roll on getting something for aluminium. Some of the other industries
are still very nervous about it. Food processing misses out because the Nationals went missing, and here they are trying to get some scraps off the table and scrambling around the chamber trying to get enough votes to guarantee that they are looked after. But, no—they were sold out. The Nationals should not have agreed. How can they stay in with the coalition when they are selling out food processing, which is in rural and regional areas? It is a disgrace. Where are your principles on this one? You have sold them out. Mums and dads are being sold out because the electricity prices are going to go through the roof. I tell them they can send their bills to the Prime Minister, but he is not going to pay either.

We needed to look at this issue a lot harder. We have had a week since the Senate report was out. There are other models that maybe we should be considering; rather than getting mums and dads, the diary industry and the food processing to foot the bill for risky renewable energy. I am for renewable energy. Let us be simple here. The sun shines, and if we can get it from the sun, why not? If we can get it from the wind—the wind blows. If we can get it from a hot core in the earth, by all means do so. But do you know how much these cost? People out there genuinely think it is free. I have spoken to people on the street and they think this is free. They think renewables are a great idea because the sun shines and the wind blows. They do—they are great ideas. But do you know how much they are going to cost? They cost a lot of money. They are not viable. Wind energy is not viable. Solar energy is not viable. Geothermal is not viable. They are expensive and they are propped up with subsidies. And who is paying those subsidies? The mums and dads of Australia are paying.

And here we are worried about the food processing industry. We should be worried about mums and dads. We should be worried about all the others. They have been sold out by the coalition. You did not have the guts or the stamina to hold on even longer because you are worried about holding this bill up and coming back to it a second time. You are making sure. Many years ago, when we invested in energy for electricity, the government took the risk—not mums and dads. They were state owned. We have had no debate about this at all. Even yesterday we were debating and saying: ‘Look, we have got to keep some aside for geothermal because we have got wind and solar. And, even though it is attractive, it will not do base load.’ This is a dog’s breakfast, seriously. We are passing this, and we are putting our hands into our pockets for the investors and the bankers, and mums and dads are footing the bill. I will support this amendment but we should not have been supporting the rest of it. It is disgraceful. It is a dog’s breakfast.

Senator XENOPHON (South Australia) (10.52 am)—Senator Fielding talks about viability, and that is fair enough, in terms of renewable energy and emerging technologies. Can I just say that what will not be viable is if we do not have comprehensive policies in place to deal with climate change. There are doubters—and I do not criticise Senator Fielding for this; he has these views—but it seems to me that the preponderance of scientific evidence is that unless we take action to deal with greenhouse gases there could be irreversible climate change. So all I ask the sceptics out there to do is to consider, from a risk management point of view, that if there is a risk of catastrophic climate change we ought to do everything possible to deal with it, because the consequences of not dealing with it will simply be too great and they will be irreversible. We are already seeing issues in relation to climate change—there is the debate about the Murray-Darling Basin. Whether you think it
is anthropogenic or not, there will have to be considerable adaptation to deal with that.

I cannot support this particular amendment for several reasons. It is not because I do not support Australian made goods—and I am very grateful to Senator Joyce for co-sponsoring a bill along with Senator Brown earlier today on food labelling and truth in labelling, so that when consumers go to their supermarket shelves they can have a genuine choice as to whether they are buying Australian goods and not have to deal with the misleading labels we have now. In relation to this issue in the context of the renewable energy target, the modelling indicates in the order of four per cent over 10 years. That is nothing to be sneezed at, but it is still a relatively minor, absorbable cost of business in the context of this particular bill. The real challenge will be in the context of the government’s CPRS legislation and that is why it is important we get that right, because it is predicted that there will be electricity price increases in the order of 40 to 50 per cent.

I know the Liberal Party is considering the Frontier Economics modelling; it is not their policy. Well, I can say that in my party room it is my policy in the sense that it is important that we go down a path where you can mute electricity price rises and you do not have revenue churn, because that is where the real challenge will be. So I indicate to Senator Boswell and Senator Joyce, who are passionate advocates for their communities, for food processing and for regional industry, that the real challenge will be to get the CPRS right to ensure that we do not have massive spikes in electricity prices. This is not the bill to deal with this. It is important that we get the modelling right in the CPRS legislation. I think hiving off food processing in relation to this particular bill is bad policy. It is important that we get the big policy issue right, and that is the design of the CPRS.

Senator ABETZ (Tasmania) (10.55 am)—I thank Senator Xenophon for that rare insight into his party room! I am sure we are all a lot better off for knowing how things operate in that party room. To respond to Senator Fielding, it seems that Family First have adopted the Labor Party approach of getting out to a focus group to see what little slogan works and then repeating it ad nauseam. It seems as though the latest slogan is ‘sold out’. But can I say to Senator Fielding: just because you repeat it 10 times does not make it a fact. It might sound good, it might be great rhetoric, but it does not make it the truth.

The simple fact is that overwhelmingly the Australian people want this upgrade of the renewable energy target to go through. We as a coalition had a decision to make as to whether we simply blocked the legislation at this stage or allowed it through. With the Carbon Pollution Reduction Scheme, there was no urgency for that legislation—the government itself had delayed the starting date by 12 months; there was no need for it to be carried. However, there is a lot of investment, there is a lot of concern and I think there is a community expectation that this legislation be passed as soon as possible, therefore we entered into good faith negotiations with the government.

Can I disabuse Senator Fielding if he honestly believes that the National Party sold out in relation to food processing: they did not. I think everybody knows that they are the absolute champions in this place of rural and regional communities and of rural and regional jobs—and, if I might say so, no other senator has as long, distinguished and proud a record of doing that as Senator Boswell has. So to try to pin something like that onto Senator Boswell defies the history of, what—30 years in this place?

Senator Boswell—27.
Senator ABETZ—Twenty-seven years in this place—over a quarter of a century of excellent advocacy. To suggest that somehow he has sold out just defies the evidence of over 25 years of active advocacy by Senator Boswell. What we as a coalition sought to do was get as good a deal as possible. It is a matter of regret that the government has not come to the party on this aspect, and that is why we are moving our amendment.

In relation to Senator Wong’s contribution, she told us that the approach being undertaken by the coalition and the National Party is not the fairest system to provide assistance to protect the food-manufacturing sector. For the sake of the argument, I am willing to concede that point. Just tell us what the fairest system would be and we would then look at that. It is not an argument to say, ‘Yours isn’t the fairest system, so we won’t have a system at all.’ That is where the National Party in this place in particular can hold their heads up high because they have at least, along with the coalition, come up with a system. It might not be the fairest, it might not be the best—but guess what? It is the only one being put on the table, and that is why we believe it is worthy of support.

As for Senator Milne’s provocative comments, I do not know why she repeated them. I could understand the nonsense yesterday because she was being broadcast. We are not being broadcast today, but still we had a repetition of the arguments, which are completely unsustainable. In relation to the new and emerging technologies, we did seek a deal with the government. To our regret, they did not accept our suggestions.

Senator Milne—Why aren’t you moving that as an amendment—

Senator ABETZ—If you had not increased your carbon footprint by flying to Sydney and back overnight for some film, you would be aware that we have indicated that we are going to move a private member’s bill, hopefully within a matter of weeks. We will be introducing it as a separate bill into this place and hoping to get the support of the Senate. If we had not got that deal, and Senator Milne knows this, we could have been like a dog in a manger—not get out of it and then block the whole legislation. Is that what the Australian Greens wanted—that, for the sake of that section, we block the legislation and not let it go forward? I do not think so. That is why we had a balancing act. We can see the benefits of supporting this legislation going through, albeit that it has major faults, such as in the emerging technologies and food manufacturing. In relation to the emerging sector, we will be moving our private member’s bill.

In relation to the so-called ‘big emitters’, I remind the Senate yet again that Australia’s ‘big emitters’ are in fact some of the cleanest manufacturers in the world. I have got a funny feeling that even today we might hear about the closure of an energy intensive plant somewhere in this country, partially because of the projected introduction of a carbon pollution reduction scheme. People’s jobs will be lost. Senator Fielding, by the way, is right here—renewable energy is more expensive than the way we do energy at the moment. But the way we do energy at the moment has certain environmental consequences, and we are trying to wean ourselves off that type of energy. That is why the Howard government introduced renewable energy targets. We have always said it should be staged, systematic and done in a way that does not mug the economy along the road of transition. That is why we started with a modest target today. Hopefully, we will be voting for an increased target but, if we increase the target too quickly, we will make the energy intensive industries less competitive on the world market. That will mean the closure of our manufacturers in this country. But guess
what? The world demand for cement, aluminium and zinc will still be there, and, if we are not making it in Australia, it will be made in China or Russia or India or Brazil or Indonesia or Vietnam.

Now tell me this: for a tonne of zinc produced in any of those countries, what are the CO2 emissions in comparison to a tonne of zinc produced in Australia today? In China, it is threefold—six tonnes of CO2 per tonne of zinc produced compared to only two tonnes of CO2 in Australia. So, by us pricing our manufacturing sector out of world markets through increased power prices, we will in fact see higher pollution levels throughout the world. That is the consequence of the dogmatic, ideological attitude of the Australian Greens when it comes to these matters.

I indicate on behalf of the coalition our support for Senator Boswell and commend him for his long advocacy in this area. I think Senator Fielding’s comments to the father of the Senate and his party were inappropriate, because Senator Boswell has been an excellent advocate in this area for many, many years.

**Senator Joyce** (Queensland—Leader of the Nationals in the Senate) (11.05 am)—I was just pointing rudely across the chamber at Senator Wong in an attempt to find out if she was going to answer the question about the Climate Change Action Fund.

**Senator Wong**—When I get the call, I will respond to the question.

**Senator Boswell** (Queensland) (11.05 am)—There have been certain accusations levelled by Senator Fielding and by Senator Milne. It was a difficult decision to support this legislation because it does increase the cost of electricity. As I have said before, if you increase the cost of energy—and it is not four per cent; it is about seven per cent on an increased ETS, when it comes in—it not only impacts on every working family but also gets passed through to every industry. So it was a difficult decision. It was probably one of the hardest decisions we have ever had to make, and the thing that pushed us over the line to vote for this was the fact, as Senator Wong included in her speech, that there were millions and millions and millions of dollars invested on the word of the coalition and the Labor Party. These people acted in good faith and took us on our word that we would go down the road of a renewable energy target. At that stage, I do not think anyone knew what it meant, but they went out and invested. Some of those people are National Party customers—the sugar industry, for one, has put millions into the gas.

So what were we to do? Should we have walked away from our word and left these people high and dry? They went out and invested on our say-so. That is not the way the National Party do business. Our word is our bond, and we stick to it. That is the area that we got pushed over the line. Were we going to walk away from people who invested money on our say-so? The answer was that we could not. That does not necessarily mean that I agree with this. I think it increases the price of electricity. I think it increases it on top of an ETS. I think wind power is not only unreliable but dangerous to our birds and all the other things that the Greens stand up for. It just clutters up and is very dangerous for our endangered species. I do not hear the Greens talking about that. I just want to say that we stuck to our word, and that word was, ‘You go out and invest and we’ll cover it.’ Maybe we were right and maybe we were wrong, but at least we stuck to our word.

**Senator Wong** (South Australia—Minister for Climate Change and Water) (11.08 am)—I will endeavour to respond to a number of the propositions that have been brought, including Senator Joyce’s question. I will start by suggesting that the debate to-
day and yesterday really demonstrates the lack of wisdom in the opposition, the Greens and the Independents in voting against the CPRS legislation even going in committee. Essentially, much of the debate has been about the CPRS. We could have had this debate, but you shut down debate because you did not want to debate it. As parliamentarians, many of the contributions in this debate have really dealt with the Carbon Pollution Reduction Scheme, something you did not want to debate in committee. Senator Boswell said, ‘People took us at our word.’ Whilst I disagree with a lot of Senator Boswell’s policies, I think that is something he cares about. I would suggest to him he should care about it in relation to an emissions trading scheme. That was your policy. That was your policy before the last election.

Senator Boswell—No-one invested money in it, though!

Senator WONG—So a policy is able to be given away if no-one acts upon it? Is that the proposition, Senator Boswell? I mean, really. You went to the Australian people supporting an emissions trading scheme and your party has demonstrated—

Senator Abetz—But not your scheme.

Senator WONG—I will take that interjection. Senator Abetz said, ‘Not your scheme.’ I do not think Senator Joyce has made that clear. He just says, ‘No, no, no, no, no, full stop’ to an emissions trading scheme. Did no-one in your party room or in your government actually talk to the National Party when you made that election promise? Is that what happened?

Can I suggest that some of the questions—and I do not want to labour this too much—from the chamber about things like the Climate Change Action Fund and the household compensation package demonstrate just how not seriously some senators in this debate have taken their responsibility as parliamentarians. You have come into this debate and asked the government questions about policy that has been on the books for over eight months. It was published and announced by the Prime Minister. Yet you still know so little about the Carbon Pollution Reduction Scheme that you are asking whether we have a household compensation package, which has been publicised, and whether we have a Climate Change Action Fund, which has been on the books and talked about and discussed not only in the white paper but in many speeches. It is known to many industry groups. That really demonstrates that you voted against the CPRS without considering the detail at all. That really demonstrates that the coalition’s position on the CPRS is driven by very blind ideology, not by analysis of the policy. I hope that changes. I hope that those in the coalition who care about action on climate change—

Senator Abetz—Why can’t you negotiate on the CPRS like you can on renewables?

Senator WONG—I will take that interjection, Senator Abetz. He asked why I could not negotiate on the CPRS like we did on renewables. It is because you came to us with your propositions. You came to us with a position. You came to us with amendments. You did not and you have not come to us—

Senator Abetz—You have said all along, ‘No negotiation.’

Senator WONG—You have not come to us with a position supported by your party room when it comes to the Carbon Pollution Reduction Scheme. The more you interject on this, Senator, and thrash around, the more you demonstrate the ridiculous position that the coalition has been in when it comes to action on climate change. You cannot even put forward amendments on a policy that is of such national importance. You cannot even do that.

CHAMBER
On the Climate Change Action Fund, Senator Joyce, you asked about the revenue source. The revenue source is the auction revenue from the permits under the CPRS. My recollection is that there is some budget funding in the 2010-11 year but it is balanced over the forward estimates. All of those details were laid out first in the white paper released in December and were indicated in the budget papers released in May. If you want a Climate Change Action Fund, the source of the revenue is CPRS revenue—the scheme you have voted against.

Senator Abetz said, ‘If this is not the fairest system, what is?’ Senator Abetz, it is the one you have supported. We are very pleased that you are supporting that. I will just remind you again of what you signed up for. The government will replicate the industry assistance provisions from the CPRS for the purpose of the RET. The government will use the same eligibility thresholds under the CPRS as for the RET. A separate eligibility assessment process for activities that will be provided partial exemption under the RET will not be necessary. As CPRS eligibility assessments are finalised, these will be used as the basis to determine eligibility under the RET and prepare appropriate regulations. It is a pity you were not briefed sufficiently, Senator Abetz. It is a fairer system—

Senator Abetz—We didn’t sign up to this for food manufacturing.

Senator WONG—I know you are thrashing about.

The TEMPORARY CHAIRMAN (Senator Hurley)—Order!

Senator WONG—Thank you.

Senator Abetz—You cannot rewrite history.

Senator WONG—The fairer system is the system the government has been proposing all along, which is the one the coalition has signed up for. I have explained—

Senator Abetz—We didn’t.

Senator WONG—Would you like me to read it back at you again, Senator?

Senator Abetz—We told you at all times we would move an amendment on food processing.

The TEMPORARY CHAIRMAN—Order! Senator Wong, I would ask you not to respond to interjections. Senator Abetz, I would ask you to maintain order and not interject.

Senator WONG—You can always tell when Senator Abetz is getting sensitive. He interjects on a machinegun basis. He does not stop talking and starts to thrash around like a fish on a hook. The fairer system is the one that the coalition has agreed to, which is the activity based assistance on the basis of emissions intensity that the government has put out under the CPRS, which the coalition is now agreeing to utilise in relation to the renewable energy target. I have gone through already why we do not support this amendment. I do not propose to traverse that again. If we are able to proceed with voting on this particular set of amendments, that would be good. We have three more amendments after this before we are able to vote on the legislation.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (11.15 am)—Obviously, a lot of the questions that we ask here are not so much for our information but for the information of the Australia people. To get it on the record, what is clear from what the minister said is that the Climate Change Action Fund is going to source its money through the sale of permits through the CPRS. The CPRS is another piece of legislation. This legislation was supposed to be decoupled—that is, there is supposed to be no connection between the two. Quite
obviously, there is. If we are going to be financing the food production industry with revenue from another piece of legislation, then it is to be queried as to whether there is true decoupling.

What we want, and this is why we have moved this amendment and why it gets to the source of the issue, is to make sure that the decoupling is truly authentic and therefore we want to make sure that food production is outside the scheme. Therefore, we have to pass this amendment. What the government has put up in regards to the ETS—the ‘employment termination scheme’ or ‘extra tax system’—or the CPRS, the cunning plan to get them to a double dissolution, with RS standing for what the economy will look like when they have finished, is putting immense duress on the food production industry. They gave the guarantee that they would decouple it, and they have not. To bring about a proper decoupling, we have to make sure that the food production industry is outside.

Minister, you clearly put on the record for the Australian people—and I thank you for that—the connection between the CPRS and the renewable energy target. In doing that, you have also confirmed that you have not actually decoupled the two pieces of legislation. Senator Wong is nodding. She acknowledges that they are not decoupled. There is no authenticity to the promise that you gave to the Australian people that you would decouple them. That means that you are now going to use the food production industry—the farmers, the working families who work in those plants—as pawns in your little game. That is completely unfair. You should not do that. One of the pawns in your little game is also going to be the capacity of Australian farmers to put Australian produce on the shelves of shops in Australia. And who are we going to replace those people with? We are going to replace them with the people who produce food that we import from overseas. They are going to have no renewable energy target or cunning plan reduction schemes or cunning plan RSs. We are going to take it backwards.

If you truly believe in catastrophic climate change—if that is what it is all about; if that is the be all and end all; if that is the thing that you have to put at the forefront of everything; if no matter what that is the goal and all other things should be put aside except that—then quite obviously you have to look at nuclear power. But you cannot do that, because that is a sacred cow. You cannot talk about nuclear power; you cannot mention that sacred cow; you have to leave that one alone.

What we are going to do if we do not pass this today is bang up the dairy farmers. It is dairy production that is going to cop it in the neck because of this.

Senator Boswell—What about abattoirs?

Senator JOYCE—And the abattoirs and the canneries. It is the food production people who are going to cop it, because the Labor Party want to use that section of the economy, that section of the community and that section of regional Australia as a little pawn in their game. There should have been proper decoupling—decoupling that the government gave a guarantee, a warrant, that they would do. But they have not done it. The minister admitted this. She nodded in the chamber and said, ‘That’s exactly what we’re doing.’ She said that over there. She said: ‘That’s exactly what we’re doing. We’re keeping the two tied together.’ Why are you doing that? You gave a guarantee that you would not do that, Minister. But you are doing that. So you are being a little bit mischievous in the way that you are conducting things here. Maybe you should go back to Murray Goulburn and have dinner with them again and say: ‘What we intend to do with you, dairy producers of Australia, is use
you as a little pawn in our game. You are now a political football.’

Let us be fair about this. You have heard it in the chamber. This is about connecting the two schemes. This is about putting duress on the whole process in full knowledge of what is going to happen to dairy. This is a clear connection. She has told us that the action fund is connected to the CPRS. Therefore, you have the duress. That is what we are up against. This ETS is a most insidious new tax that is going to come into play with words such as ‘catastrophe’ and ‘abomination’ connected to it. But the realities are economic realities for the people who government policy will affect. I ask you, Minister, to honour your commitment and decouple as you promised that you would.

Senator FIELDING (Victoria—Leader of the Family First Party) (11.21 am)—I could not resist on this one. Here we have a partner of the coalition now worried about whether it has been decoupled or not. The coalition yesterday trumpeted that it had been decoupled. And here we have them now, just before the vote on the RET, an admission that it has not been decoupled. How can you operate? Seriously. That is what you have just said. You have admitted that it is not decoupled. The minister has just admitted that it is not decoupled. This is an absolute farce.

Senator MILNE (Tasmania) (11.22 am)—I will not delay the chamber but I think it is interesting that the coalition now worried about whether it has been decoupled or not. The coalition yesterday trumpeted that it had been decoupled. And here we have them now, just before the vote on the RET, an admission that it has not been decoupled. How can you operate? Seriously. That is what you have just said. You have admitted that it is not decoupled. The minister has just admitted that it is not decoupled. This is an absolute farce.

Senator WONG (South Australia—Minister for Climate Change and Water) (11.22 am)—I suspect Senator Milne probably should address that question to Senator Abetz, but I am happy to have a go. Again we seem to be debating the CPRS rather than the RET, but I want to respond to Senator Joyce’s intervention.

He suggested that this is a game. This is not a game. This is about tackling climate change and increasing investment in renewable energy. This is about the government providing fair and consistent assistance to industries and providing certainty to business. It is about the government doing what we said we would do before the election and it is about the government doing what we believe is right for the nation. We do not do this because we think it is a game. We do this because we accept the consensus science about what climate change means to this nation now and what it will mean in the future.

I said in the CPRS debate that the ability of the nations of the world, including Australia, to prevent any climate change is already lost to us. But what this generation of political leaders have is the opportunity to lessen the risk for our children and for those who come after us. I for one think that is a responsibility we should discharge properly. It is not a responsibility we should walk away from because we are frightened or because we are too weak. So I reject in the strongest terms, Senator Joyce, the way in which you have characterised the approach. You can have an argument with us on the policy, but what you are implying is just incorrect. I do not think it is consistent with the way many Australians understand this issue.

In relation to coupling and decoupling I am reminded of Lenore Taylor’s article about the way in which this discussion has gone
on. The amendments that the government moved in the House, which we announced on the weekend, did not make the commencement of assistance under the RET conditional upon the passage of the CPRS. So that is true. But the effective consequence of the agreement with the coalition is precisely what the government have been arguing for—that is, that we should build the renewable energy target assistance onto the architecture of the CPRS assistance. Frankly, I am not sure that it assists in the political debate—clearly it assists inside the coalition and possibly in terms of the Greens trying to have a go at the coalition or the government for the agreement we have come to—whether you say that the date of commencement is the coupling or decoupling or that the architecture of the assistance is the coupling or decoupling. But I can tell you that, from the government’s perspective, we think this was a sensible compromise because it deals with the policy issue about which we were always concerned, which was to reflect industries’ view to us that we needed to consider the cumulative cost. We are pleased that the coalition were able to come to a view. I will quote from Mr Turnbull’s press release that referred to what has been agreed, which is using the Carbon Pollution Reduction Scheme of assistance, or design of assistance, where that is described as ‘appropriate protection for emissions-intensive trade-exposed industries such as aluminium’. So we are pleased with that.

Obviously senators can conduct this debate how we want, but my suggestion to the chamber is that we are not debating the CPRS. With respect to Senator Milne, we are actually not debating whether the coalition got it right. She has put a view about that and I accept that. We are actually debating an amendment on food processing. We will then have an amendment from the government and two amendments, I think, from Senator Milne, which the government is happy to debate and proceed. Obviously this matter has precedence, I think, through you Madam Temporary Chair, until 12.45 pm. I express again, as I expressed last night, the government’s keenness to get this legislation through for the reason that Senator Boswell correctly alluded to—that is, this is investment-sensitive legislation. This is legislation on which a lot of private sector investment hangs and we are keen to pass it and give that signal to Australian business.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (11.27 am) — All we can do is put before the chamber Senator Boswell’s amendment to protect food production industries, specifically the dairy industry, the abattoir industry and the canning industry. The numbers in the Senate will determine what happens to it. I clearly put before the chamber before we vote that, if we do not support this amendment, we will leave the dairy industry especially, because it has a huge carbon footprint, and behind that the abattoir industry out there. I do not believe that there are numbers present in this chamber for the support of the government’s ETS or CPRS, or whatever acronym they want to devise for it next time; therefore, there will not be capacity for a so-called climate change action fund to exist which would be able to sponsor or assist with the cost impost of the renewable energy target on these industries.

I do acknowledge that the Australian community in general has a view about renewable energy and that it wants to progress that issue. If you are trying to be conciliatory, it is in the nature of trying to be conciliatory that you move towards something even though you might not totally agree with it. In some instances you might not agree with it at all but you still try, for the benefit of what is desired, to move in that direction.
But you try to do that in a form that will alleviate the unnecessary consequences for other sections of the economy.

We cannot put any more pressure on the production of Australian food. We cannot put any more pressure on the food-processing sector. You cannot have a farm if you do not have somewhere to process what you produce. This chamber can pass this amendment, and if it passes the amendment we can excise food production from the renewable energy target and give some confidence to the food production sector that their future is important. We talk about what is terribly important. The minister talks about what is extremely important for kids, and I agree with that. But I will tell you what is really important to families: affordable food. It is very important for working families in Australia to be able to put food on the table that they can pay for and not to have the whole dietary component of their lives changed by government policy and regulation. That will happen if you keep putting these imposts on. This is a common-sense amendment that takes food production out of this legislation. As time progresses, other things can happen, but at the moment it is a huge slug to the food production industry—and I draw your attention specifically to the issues in the dairy industry.

Senator FIELDING (Victoria—Leader of the Family First Party) (11.31 am)—I do not want to labour the point, and I will not—

Senator Abetz—But you are.

Senator FIELDING—No. This is important. What will happen here is that the National Party will run out to the dairy industry and the food-processing industry and say, ‘We tried to look out for you and we tried to help you but we just couldn’t do it on the floor.’ Where were you when you agreed to this? Seriously—where were you when you agreed to this? Did you even know that it was agreed to? Did you really know what time it was agreed to yesterday? Were you really consulted about this being one of those things that would be dropped off the table?

Senator Joyce—The amendment was tabled, Senator Fielding.

Senator FIELDING—I understand that. What I am saying is that you had the power. It is a bit like when Joyce came into this chamber—

The TEMPORARY CHAIRMAN (Senator Marshall)—It is Senator Joyce.

Senator FIELDING—Through you, Chair, it is a bit like when he came into this chamber and said, ‘I’ve saved Christmas Day and Anzac Day under Work Choices.’ He never did. It was a crock then and he is doing the same thing again today. He is saying, ‘Well, I tried.’ You have not saved anything. This will go down on the votes today, but it is unfortunate that you had the power, with the coalition, to make sure that the food-processing and dairy industries were looked after, and you failed.

Senator BOSWELL (Queensland) (11.32 am)—I want to clarify something. If this goes down today, it will not be because the coalition have not voted for it. The coalition will vote for it. If we get defeated, then that is the will of the Senate. It is not the will of the coalition; it is the will of the Senate. Senator Fielding, I think Family First was built on honesty and integrity and you are not showing either of those capacities at all. You are being very disingenuous.

Senator Fielding—Mr Temporary Chairman, I rise on a point of order. That is way over the mark.

The TEMPORARY CHAIRMAN (Senator Marshall)—I ask you, Senator Boswell, to carefully consider the comments that you make.
Senator Joyce (Queensland—Leader of the Nationals in the Senate) (11.33 am)—

Just briefly, I think it is a bit rich that Senator Fielding comes out with these inflammatory comments and then gets a bit upset when people pull him up on them. Senator Fielding, the issue is a simple one. It is about mathematics. We have 37 votes; we need 39. The purpose of being in committee is to try and obtain those votes. Maybe you can assist—that remains to be seen—if you give your commitment that you will support it. Then we will need one more. That is what we call the process of the Senate. There is a little article that we have called democracy, Senator Fielding. You should have a crack at it one day.

Question put:

That the amendment (Senator Boswell’s) be agreed to.

The committee divided. [11.38 am]

(The Temporary Chairman—Senator GM Marshall)

Ayes………….. 33
Noes………….. 33
Majority……….. 0

AYES


NOES


PAIRS


* denotes teller

Question negatived.

Senator Wong (South Australia—Minister for Climate Change and Water) (11.42 am)—by leave—I move government amendments (1) to (4) on sheet BF213:

(1) Schedule 2, item 8, page 14 (line 2), omit “Authority”, substitute “Regulator”.

(2) Schedule 2, item 8, page 14 (lines 4, 7, 11 and 15), omit “Authority”, substitute “Regulator”.

(3) Schedule 2, item 14, page 15 (lines 17, 28 and 30), omit “Authority”, substitute “Regulator”.

(4) Schedule 2, item 14, page 16 (lines 3, 12, 17, 21, 26, 28 and 32), omit “Authority”, substitute “Regulator”.

These are minor amendments dealing with an administrative matter and clarifying that the Renewable Energy Regulator, who administers the current Mandatory Renewable Energy Target scheme and who will administer the expanded Renewable Energy Target scheme, will be responsible for administra-
tion of partial exemptions in relation to emissions-intensive trade-exposed activities under the RET scheme. When the Carbon Pollution Production Scheme comes into force, the Renewable Energy Regulator will be absorbed into the Australian Climate Change Regulatory Authority, which will administer these partial exemptions. The proposed amendments simply replace several references made in the Renewable Energy (Electricity) Amendment Bill 2009 to the Australian Climate Change Regulatory Authority, known as ‘the authority’, with references to the Renewable Energy Regulator, ‘the regulator’, as the authority will only come into existence once the CPRS legislation passes. Consequential amendments in the CPRS legislation will give effect to the requisite change of reference from ‘regulator’ to ‘authority’ in the RET legislation at the appropriate time. These provisions are to commence on the day in which the act receives royal assent.

Question agreed to.

Senator MILNE (Tasmania) (11.43 am)—The Australian Greens oppose clause 17 in the following terms:

(17) Schedule 2, page 12 (line 1) to page 18 (line 15), Schedule TO BE OPPOSED.

I would seek agreement of the chamber that the debate be a cognate debate on amendment (17) and amendment (18). In other words, let us have one debate and two votes. That would facilitate the time. It is the same issue and so I would hope that the chamber agrees this is an appropriate way to proceed.

The TEMPORARY CHAIRMAN (Senator Marshall)—There has been no opposition indicated to the chair, Senator Milne, so proceed.

Senator MILNE—Thank you. This amendment from the Australian Greens moves to see that there is no partial exemption for emissions-intensive trade-exposed activities. This is in complete opposition to what the government and the coalition have agreed, which is to provide exemptions to the renewable energy target. I seek some information from both the government and the coalition, if they have any, in relation to this matter. I would like to start with the principle of: why would you want to exempt anyone from having to pay their fair share of a transition to a low-carbon, zero-carbon economy and expand the renewable energy target? Why shouldn’t the price be paid by everybody? As you know, when you exempt sections of the economy from paying, other people have to pay more. In this case, by exempting the aluminium sector—and there are all the other sectors that you have provided exemptions to—the taxpayers, the consumers, actually have to pay more because somebody has to pay for the renewable energy target being achieved and, if those big emitters do not pay, the community will.

We just heard the National Party talking about food processing. It means that the community is going to pay a higher price and so will have less money to spend on the products that the National Party is talking about. In fact, the Treasury gave evidence about this at the inquiry. Treasury’s Ms Meghan Quinn said:

It is the case with all analysis with CGE models that if you restrict coverage of a particular component, whether it be what part of the economy is faced with an emission price or which elements of the economy are covered by a particular scheme, we find typically that narrowing the scope on which the policy acts increases the economic costs to the economy in aggregate. It obviously has different impacts at the sector level, but narrowing the focus on a particular component tends to raise the aggregate economic costs of any policy.

It is actually bad policy to say, ‘We want to have a renewable energy target but we are going to exempt these industries.’ In principle, that is a bad idea. We should be spread-
ing the cost so that everybody has an obligation to see the transition to a low-carbon, zero-carbon economy.

Having said that, I want to go to the question of aluminium. We all know, especially those of us who have lived in Tasmania for a long time, that the aluminium sector has never paid a fair price for energy. That is because the Tasmanian government fell over itself to provide cheap bulk power contracts in order to attract energy-intensive industries to Tasmania. That is the history of why we have Comalco in Tasmania. They came to Tasmania and received secret bulk power contracts, which were give-away power contracts to the aluminium sector. In fact, something like 60 per cent of the energy generated in Tasmania was given as bulk power contracts to energy-intensive industries at very cheap prices, and the rest of the community subsidised that. During the Labor-Greens accord, the Labor Party in Tasmania agreed to make public the bulk power contracts, but of course they reneged on that once we got into government. It is a written part of the Labor-Greens accord that the community be told what those contracts mean.

At the moment, Minister Wong, the mandatory renewable energy target does not, as I understand it, offer exemptions for the aluminium sector. So why aren’t they complaining about having to pay the mandatory renewable energy target? It is because they are not paying it. We know that in Victoria, for example, the Victorian taxpayer pays the share for the aluminium sector. I bet the people in Victoria do not know they are doing that. The Victorian government said that they would subsidise the Portland smelter so that the aluminium sector would not have to pay. The reason the aluminium sector is now wound up about this legislation is that, for most of them, their bulk power contracts will come up for negotiation some time in the next decade. They want to make sure that, when their price negotiation comes up, they are sheltered from having to pay a renewable energy target. If that is the case, they are already not paying. Why are you exempting them in the future when their profits over the last couple of decades have been mega profits? Why are you sandbagging them now? The first question is: which of the aluminium smelters around the country is actually paying the mandatory renewable energy target at the moment?

The second point concerns the actual price that the aluminium sector pay. They claim that this legislation is going to put a huge impost on them, that it is impossible and that they will have to go offshore. We know that that is a load of nonsense. We did not hear any evidence to that effect in the inquiry. None of them said that they would shut up shop and go offshore, because they all admit that what they need is a stable environment in which to work. They need a skilled workforce and a reliable supply of baseload power. That is why they are not going to leave the country. In fact, the best way to put them out of business is to keep on sandbagging them and then let them establish themselves in other countries where there is a large supply of reliable renewable energy. In other words, the only way to make them competitive is to have green aluminium.

We should be expanding renewable energy so that in the future energy-intensive industries generally will be able to insulate themselves against carbon prices by accessing a large and reliable supply of renewable energy. That is a standard case in point. Comalco’s long-term bulk power contract was supplied by hydro, but it may not be in the future. It will be buying from the wholesale market. It may well go away from having hydro power because it will be accessing whatever it gets through Basslink, and that could be baseload coal for all we know. The issue here is that, for energy-intensive indus-
tries to be competitive in the future and to insulate themselves from the high carbon price which is coming, they will need large, available and reliable sources of baseload power in the renewable sector.

Why should they not have to pay, as everybody else pays, to get those energy sectors up and running and expanded all over the country? Overseas, geothermal is already providing baseload power to smelters. Why should not the aluminium sector have to pay something towards the development of, for example, geothermal or solar thermal in Australia so that they have large, reliable sources of renewable energy power in the future? What you are saying is that taxpayers should pay for that development so that the aluminium sector can take advantage of it in the future. I think, in the scheme of things, that it is completely inappropriate not to make them pay.

The third point that I would make is in relation to the actual price. There were four reports done that are in the public arena. One has not been published—the one that was done for the big energy users. I suspect it was not made public because it did not provide the answers on price that they wanted. The argument has been very strongly put that, because you are bringing renewables such as solar into the energy generation sector, they are going to shave off the peaks. What these reports have all argued is that there is going to be downward pressure on the pool price because of the renewables bidding in. That was very clear evidence given, for example, by Mr Upson of Infigen Energy. There were also reports from Rome Consulting and the Clean Energy Council which pointed this out, but the one that the government focused on was the McLennan Magasanik Associates report. It said, ‘The RET is expected to have a modest impact on electricity prices.’ Retail prices are expected to increase on average around 3½ per cent above the business as usual scenario in the period 2010 to 2020.

However, the report said that the average pool price impact is going to be between minus four and plus eight. The position I put to you is that, if the aluminium industry do not have to pay the renewable energy price, the target price, but the rest of us do and, as a result of that, the pool price falls, they then get a windfall gain. They get a windfall gain because they do not have any of the risk—government absorbs the risk—and they get a windfall gain as the pool price is forced down. I would like the minister to tell me whether she believes, and whether her analysis is, that the pool price is going to come down. If it is, why are you exempting the aluminium industry from paying the RET, because it could be strongly argued that the pool price might actually fall far enough to cancel out the renewable energy target price?

There is no doubt that electricity prices are going to rise due to a range of factors. In part, that will occur as a result of a carbon price being established in the future. It will occur as coal, ultimately, has to pay its way—although in this country, the way things are going, coal will always be let off the hook. But, anyway, at some point electricity prices are going to rise. What we are saying here is that renewable energy is going to drive down the wholesale price. Why should the rest of us sandbag aluminium and let them achieve a windfall gain? If they are not paying the RET, why should they benefit from the lower future wholesale price? I am very keen for the minister to explain that and to tell me about the analysis from those other reports that I mentioned—the Rome Consulting report, for example.

There was also a study for the Business Council of Australia. That report estimated that, ‘The RET will make wholesale electricity prices lower than they otherwise would
I repeat: ‘lower than they otherwise would be’. So why would you want to exempt them when the price is going to be lower than it otherwise would be? It is a classic case of privatising the profits and the benefits and socialising the costs. If these companies do not have to pay then, as Treasury has said, everyone else will pay a higher price. They do not pay, but then they get the benefit from the lower wholesale prices. They get another windfall gain after decades of having been sandbagged by consumers and by the government. I think it is really incumbent upon the minister to explain.

The other point I would strongly make is this: the aluminium industry are being exempted because they are supposedly trade exposed. Is that really the case? It implies that smelters elsewhere are not covered by a mandatory renewable energy target. But let me tell you that there are many countries that now have renewable energy targets. Japan has set a target for an additional 16,000 gigawatt hours of renewable energy by 2014. Japan already sources 10 per cent of its electricity generation from renewables—this target is additional to that. So is aluminium from Australia trade exposed to Japan because of this RET? No, of course it is not.

The EU has a renewable energy target of 20 per cent. There is no specific target for the share of renewable energy in electricity generation—the target is across several sectors, including transport. My point here is that the EU has a renewable energy target. The UK has a renewable energy target and Japan has a renewable energy target.

Consider the United States. California has a mandated requirement for 33 per cent of electricity to come from renewables by 2020. The Waxman-Markey bill includes a combined efficiency and renewable electricity standard for the United States as a whole which incorporates a target of 20 per cent by 2020. It also includes energy efficiency measures, as our target is going to do—I was trying to put such measures on top of the target to increase it.

So are we trade exposed against California or the rest of the United States? Are we trade exposed against Japan? Are we trade exposed against any of these places? No, we are not. So if we are talking purely about the impact of a renewable energy target on the aluminium industry, they are not trade exposed. So why are we exempting them when they are not trade exposed? (Time expired)

Senator ABETZ (Tasmania) (12.00 pm)—There were a number of things in there, albeit nothing new. It is the same old mantra and, I might say, the same old telling of half the story. Yes, the renewable energy targets referred to by Senator Milne are right, although she did not tell us what the actual percentage would be with the increase in Japan. That would have been an interesting figure. But, even with their renewable energy targets, did Senator Milne take us through the exemptions that are available to various industries in Europe, in Japan, in the United States? No, she did not. There is only one reason she did not do that: she knew it would debunk her argument, because country after country has included them. Indeed, the Waxman-Markey bill to which she referred has special protection for any energy-intensive trade-exposed industry. We know that to be the case, but why didn’t she mention it? Because time and time again the Australian Greens go out to the Australian population telling a deceptive story because they only tell half of it. What they say is true but it is misleading. If the whole story were to be painted on the canvas, the picture would be so very different. We know that to be the case and we have got another example today.

Senator Milne’s contribution, rhetorical as it was, started off with the question: why
would you want to exempt anyone from paying their fair share? We do not want to exempt anyone from paying their fair share; of course we do not. But I suppose it depends on what your definition of ‘fair’ is, and according to the Greens ‘fair’ includes throwing hundreds and thousands of Australians out of employment. We know that with the renewable energy target—and Senator Milne herself said, and I wrote it down—electricity prices will rise. Of course they will, and that is why we as a coalition say: to transition your economy to be less carbon dependent, you do it in a stepped and staged manner so you protect your economy and jobs. We could get up here today and say, ‘Aren’t we great? We have a 50 per cent renewable energy target.’ It sounds good but for the fact that lots of people would lose their jobs and we would devastate our economy. What is more, we would also devastate the world environment. Why is that? Because, if our aluminium smelters become uncompetitive on the world market due to increased energy costs, they will close down. I think, as I speak, there is an announcement being made today about a facility in Queensland being closed down, partly because of their concerns about what the Carbon Pollution Reduction Scheme will mean for their future operations, with the loss of jobs.

Do you think the world demand for that particular product is going to decrease? Of course it will not. The demand will still be there for that product, but it will no longer be made in Australia and we will be importing it, undoubtedly, from China, Indonesia or Vietnam. I ask the Australian Greens and I ask the Australian public: do you honestly believe that the closure of a manufacturing facility in Australia and its transplanting to one of the countries I have just mentioned will leave a lesser carbon footprint on the world environment? Of course it will not.

I have used the example of zinc manufacturing before in this debate: in China, three times the amount of CO2 is produced per tonne of zinc in comparison with zinc production in Australia. If you make zinc manufacturing non-competitive on the world market, you will see Australian zinc manufacturing close down. The world demand for zinc will still be there; it will just be made in China, where they put three times as much CO2 into the atmosphere per tonne of zinc produced than we do in Australia. But somehow we are to put our hand on our heart and say, ‘Aren’t we good environmentalists? We have stopped polluting by two tonnes of CO2 per tonne of zinc produced; aren’t we good?’ knowing full well that, as a result of that action, zinc being produced in another country is putting three times the amount of CO2 into the atmosphere.

The Greens recipe is not only to mug Australian jobs, to mug Australian wealth and industry; it is also to mug the world environment. There will be a worse outcome. It is about time that the Australian Greens realised the consequences of their policies. I would also say that you know the debate is taking an interesting turn when the Australian Greens start providing gratuitous business advice to various industries, telling them how all the industry and other analysis is wrong but the Greens have somehow got the answers to all the problems and that their energy costs will really be cheaper! I do not know how Senator Milne got to that convoluted conclusion. After having said that electricity prices would rise, she then tells us that somehow electricity will in fact be cheaper.

Well, I am not aware of any business or any businessperson in this country that is so wedded to carbon-producing electricity generation that they would not want cheaper electricity if it could be obtained from a renewable source—I know of nobody. So it is just pure fantasy to believe the Greens’ ap-
proach on this issue—that somehow business is doing itself in the eye by not accepting the cheaper energy that would result from renewable energy. I think we are all agreed, and Senator Milne herself said this, that renewable energy will cost more. That is a price we need to pay if we want to shift our dependence on carbon-producing energy sources. But we need to do that in a transitional way that will protect the Australian job market, protect Australian industry and, what is more, ensure that we do not have carbon leakage into other parts of the world. So we as an opposition indicate that we will be opposing Green amendments (17) and (18) on sheet 5816 revised.

Senator MILNE (Tasmania) (12.08 pm)—It is obvious that Senator Abetz did not actually read the Senate committee report on this. What is interesting is that some of the large aluminium sectors in their annual reports do not even note the impact of the government’s legislation in terms of their operations. I did not hear Senator Abetz name the aluminium smelters that are going to close down around the country. I have not heard them say they will close down. Of course they are rushing around here wanting more, but they are not saying that.

The 2008 annual report from ALCOA this year makes only general comments relating to the risks posed by climate change regulations and does not foreshadow facility closures or job losses in Australia. That is a funny thing, Senator Abetz—if ALCOA were so worried about it, why didn’t they mention it in their annual report? Why didn’t they threaten to shut down around Australia? Rio Tinto Alcan’s annual report for 2008, published early in 2009, noted that production had fallen by 450,000 tonnes per annum, attributable largely to the impact of the economic downturn. Despite this, the report contained the following assessment by Mr Tom Albanese, chief executive:

The fundamentals of the aluminium industry nevertheless remain strong. Higher energy costs are raising the aluminium cost curve, particularly in China, to the advantage of lower cost producers like Rio Tinto Alcan.

Dr Liu did explain when that report was made that Mr Albanese was referring to Rio Tinto Alcan’s global operations, which include Canadian assets using hydropower, not specifically to their Australian operations.

The point I was making that Senator Abetz clearly did not understand—unlike, I am sure, the minister because she has followed this debate—was on the issue of the wholesale pool price. Senator Abetz clearly does not understand that issue. I note that ROAM Consulting said:

Increasing REC generation will depress pool prices below base case levels … the reduction in pool prices will be offset by the cost of RECs to the retailers (due to the necessity of meeting the expanded MRET—or mandatory renewable energy target. So here you have ROAM Consulting saying increasing renewable energy will depress pool prices. As I indicated, the Business Council of Australia said:

Although retail prices are higher under the RET scheme (due to the obligation on retailers to surrender RECs), wholesale prices are lower, as … renewable generators typically have low marginal costs, and also because they receive a REC revenue “subsidy” that lowers the revenue they require from the energy market to justify their investment.

I am really keen to know from the minister why these industries are trade exposed and with which countries. In view of the fact that all these places have renewable energy targets, I want to know why we are exempting them when in the future their competitive advantage depends on having a large baseload supply of renewables. I also want to know, Minister, why you would want to give them a windfall gain and, if you would not,
whether you will support the amendment to
say that they must not get a windfall gain as a result of these exemptions if the pool prices fall in the way that is expected. If you believe they will not get a windfall gain then there is no problem with you voting for it—it is not going to happen, apparently. I will be very interested to hear what the minister has to say, particularly on the pool price issue.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.12 pm)—I am very pleased that I actually have the opportunity to respond because there have been a lot of questions raised and people being more interested in having a further debate in the chamber than having the government respond—which is fine, if that is how they wish to proceed.

Let’s go through the various questions that the senator asked. I will go to the technical one. She has raised this with me previously, and I thought we had finished the discussion. Perhaps we are simply not of the same view about this. The senator refers to the wholesale price. It is the case that the modelling demonstrates—and of course this is modelling—quite a range of potential impacts on wholesale price. I think the senator herself referred to the MMA modelling, which suggested a range between minus five and eight per cent to 2020. It did of course indicate an average increase of 0.5 per cent. However, what people pay is not the wholesale price; what people pay is the retail price, which of course is the wholesale price plus the REC liability. So the reality is that the wholesale price may be relevant for your speech; in terms of public policy consideration, it is not what we look at to consider the potential price impact on a sector or particular sectors, because you need to consider the REC liability.

The second point is on the fair share argument. We agree people should pay their fair share. That is our argument against those in this place who argue for trade-exposed industries to get 100 per cent exemption. That is our argument when some industry sectors seek 100 per cent exemption. This is an argument about who funds the costs of transforming the Australian economy, whether it is via CPRS or the renewable energy target. The question is how best to spread those costs. I accept that Senator Milne has a different view. The government’s view is that we do have to recognise the potential cost impact on very high energy users. The reality is that, although the cost impact for the RET alone is small for most industries, the aluminium industry probably faces a cost impact, with our other policy mechanism, that is around 10 times that of other industries. I am sorry, Senator Milne, but we do think that is relevant. That is something the government has to consider. We are not proposing 100 per cent exemption for anyone. The thresholds in the CPRS which are agreed as the basis for assistance via partial exemption under this legislation are 60 per cent and 90 per cent, depending on their exposure to the cost increases.

The senator asked who was paying for the current mandatory renewable energy target. This government does not make policy on the basis of what state governments may or may not do. We have to make a policy decision for this legislation that is transparent, that is across the economy and that is certain. We did not accept the coalition’s original position that aluminium and other sectors—but particularly aluminium I think—should be exempted for the existing renewable energy target as well. We said that, from the Commonwealth’s perspective, we do not think that exempting and assisting somebody to reach a target that is already in place is good policy. We think there is an argument to provide assistance for the impact of the expanded policy, and that is what we have
done. In response to your asking who is paying for the current MRET, that is not information that is comprehensively in the public arena. It is information in relation to contracts to which the Commonwealth is not a party. From the Commonwealth’s perspective, we have not exempted people from the existing renewable energy target.

Senator Milne asked about the price impact and made what I think is a reasonable point. She said that when you make decisions about exempting you are shifting the costs from one sector to another. That is precisely the policy issue—I do not want to go back to the CPRS—that is challenging—

Senator Cormann—Yes, you do.

Senator WONG—Actually, you are the one that did not want to debate it.

Opposition senators interjecting—

Senator WONG—I will debate you, Senator Cormann, anywhere. You are the one who refused to debate CPRS in this chamber. There is a question of judgment about the best policy framework and how best to spread the costs across the community. Senator Milne may or may not have heard me say that a decision to exempt one sector or another further from the carbon price, which is analogous to the RET price, imposes costs on other parts of the economy. We have taken that into account. We have had to balance the need, in our view, to assist particular industries, given their very high potential exposure under this policy, with the need to ensure that people pay their fair share.

I may not have previously indicated our assessment of the extended or wider assistance. Again, I emphasise that nobody gets away with 100 per cent exemption. There would be a 0.8 per cent increase in electricity prices between 2010 and 2020 as a result of that policy decision. Without any assistance or exemptions, we approximate that the impact of RET alone will be about three per cent between 2010 and 2020. We estimate that the impact of these decisions around industry exemption, made for the reasons I have outlined, will be around an additional 0.8 per cent. Yes, we have made that judgment, one that the coalition has supported, because we believe that we have to recognise the greater exposure to cost for some sectors than for others.

On the issue of the windfall gain test, because we are having a cognate debate, the fact is that the calculation of windfall gain is not an easy proposition. I know that implementation issues may not be front of mind in this discussion, but to calculate a windfall gain the government would be required to estimate what prices would otherwise have been for any particular entity and therefore to calculate what its actual financial position is as compared to not offering this assistance. A lot of hypothetical and detailed calculations would be required. We do not think it is sensible to get involved in an ongoing windfall gain discussion or process as the way to deal with this issue. Our view is that the way this is best dealt with is to ensure that assistance is less than 100 per cent. That comes back to the issue that you do not want to provide more assistance than is required. The way we have done that is to say that we will not exempt for the existing MRET and we will only exempt 90 per cent or 60 per cent, depending on the level of emissions intensity, for the remaining renewable energy target—that is, the expanded target. We think that is a more sensible way to deal with the prospect of windfall gain. So the government will not be supporting the Greens amendments.

Senator MILNE (Tasmania) (12.21 pm)—I also asked the minister: how are we trade exposed when these other countries have a renewable energy target? But I will just put that to one side for a moment and go back to something else she said. As she rightly pointed out, the wholesale price plus
the RET gives you the retail price. If you are not paying the RET because you are exempted, and your wholesale price goes down, you are making a windfall gain. That is the reality and that is the point that I am making here: if the wholesale price goes down by the same or more than the RET cost, they are making a windfall gain. I am really horrified to learn that the Commonwealth just does not know which of these big energy users is already being protected from the MRET obligations by state governments. What we effectively now have is cost shifting from the states to the Commonwealth, because currently the states are picking up the obligation and not passing it on. So the aluminium sector is already protected in Victoria—they just press on, and the taxpayers in Victoria do that.

The issue then becomes: if the Commonwealth now steps up and says, ‘We will exempt them from the RET,’ then what is happening here is that the states will not have to keep on paying that obligation into the future when those contracts are renewed. In fact, what the Commonwealth has done is shifted the decision of the states to sandbag those industries across to the consumers of Australia. When people go to the supermarket they will have less money to spend because they are paying more for their electricity bills so that the aluminium sector does not have to pay it and state governments do not have to pay it. So it is a nice little cost shift from state governments to the consumers via the Commonwealth because of what is happening here.

Senator Abetz made quite a big statement about all those countries that I mentioned. I talked about California, the European Union, the UK, Japan, Canada and China all having renewable energy targets. I would like Senator Abetz or the minister if she can, since Senator Abetz seems to be the expert on this, to tell me which countries shield their energy-intensive industries from their renewable energy target and to what extent. It is a wild claim by Senator Abetz. He may have the Waxman-Markey bill, but let him stand up here and explain to the Senate exactly what he is talking about. I know the minister is going to respond to me in the moment.

On the issue of windfall gain, the minister’s explanation was just to say, ‘Oh, well, the RET is on top of the wholesale price, and therefore the retail price blah, blah.’ I want to know about that connection between the two. She talked about transparency, and I think the community deserves to know which of the energy-intensive industries around Australia is already paying the mandatory renewable energy target. It seems to me that none of them are, even though they are not exempted. They are being paid for by the taxpayers of Australia, no doubt through state taxes, to offset the costs that the state governments are shielding them from. What we have here is a scream from the aluminium sector, who are not paying for any obligation as it currently stands. I think that is most unfortunate.

None of them are talking about leaving the country. They all admit the benefits they have by working in Australia. They all talk about the fact that they like a stable political scenario. They want reliable baseload power. They want a skilled workforce. They have got all of those things in Australia and they are not packing up and going anywhere very soon. They do not even threaten to their shareholders that they are. You would think if this was a major problem for them they would actually put it in their annual reports, but they do not. The renewable energy target is not the problem that they contend it to be. I really cannot see the government’s problem with saying that they agree that there ought not to be windfall gains, and acting accordingly. Otherwise we are basically saying that the people who should help to transform the
economy to a low-carbon or zero-carbon future, the people who should be paying to create the jobs in the renewable energy sector and in rural and regional Australia, should be everybody except the industry sectors we are talking about here—that, for some reason, we all should pay so they can benefit. I have made the point that they are energy intensive and so in the future they need renewable energy. They need it because they will pay higher prices for coal fired power unless they can get it, and we are facilitating that outcome.

While I am on that subject, I was interested to hear earlier from the National Party about rural and regional Australia and jobs and so on. I note that the National Party did not support the Greens amendment last night to take the 1.5 kilowatt hour cap off off-grid solar in particular. That affects every community, particularly Indigenous communities, but the Northern Territory cattle men, for example, were very keen to have that supported because they recognise that this is going to kill off-grid renewable energy around Australia. This is going to seriously undermine any further rollout, and yet we had the National Party opposing it. The government opposed it as well, although I concede that the minister has said she will look at it. I am glad about that because I absolutely want to see the roll out of renewables and I hope that there can be some agreement. I regard COAG as the lowest denominator outcome for anything, but I also appreciate that the minister has said they will try to expedite consideration of that matter. That is another matter entirely, but I would be interested to hear from Senator Abetz about those countries that do shield their energy-intensive industries from their renewable energy target and to what extent; if the minister can provide it, well and good.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.28 pm)—Senator, in relation to what is going to COAG, I note you were paired last night and were not here to move your amendments. I provided that advice to the Leader of the Greens and to the chamber twice, I think, and I have also provided it to you privately. So I do not know that I would suggest that extending this debate on a bill that I understand everyone is going to vote for—perhaps not Senator Fielding—is a sensible use of the chamber’s time. I can reiterate it to you again if you wish.

In relation to trade exposure, we do have a test in the white paper, which is the test that companies conducting activities seeking exemption would have to meet, and I would refer you to that. It is the case for a range of these firms that they are competing in the markets where the international price is set not necessarily with regard to increased electricity costs as the result of renewable energy policies.

In relation to the cost-shifting argument, I would make two points. The first is that the senator comes in here making a whole range of assertions as fact about contracts to which she is not a party and the Commonwealth is not a party and which are by their very nature commercial-in-confidence. I make no comment about those contracts; they are not contracts that the Commonwealth is a party to. She can have an argument about the history in Tasmania; I am not party to that. We make policy on the basis of what we think is sensible policy across the economy.

We are not exempting for the current MRET—I want to say that again. We did not accept that amendment, for the very sound reason that it seemed to us that compensating and assisting industry for a liability that was already in place and for which there was no Commonwealth assistance was not sensible. What we are assisting with is a proportion, a partial exemption, of the expanded liability.
In relation to the assertion about wholesale price, we could have a modelling argument for a number of hours. I would say this to the senator: there are a range of modelling outcomes in relation to wholesale price. There is credible modelling in the MMA report commissioned by the Department of Climate Change which suggests the average increase in the wholesale price would be half of one per cent. We are only providing partial exemption for the extended liability under the extended renewable energy target; we are not providing exemption for the existing renewable energy target. In those circumstances, my advice is that a windfall gain is unlikely. If the modelling is not accurate in a range of ways, and if the design of the policy requires reconsideration, we have said that there will be a review in 2014 to consider these issues. That would be an issue amongst a number of other issues that could be dealt with in those circumstances.

I think I have addressed and responded to all the issues that were raised by the senator.

Senator MILNE (Tasmania) (12.31 pm)—I would like to know whether the government took into account the modelling other than the McLennan Magasanik modelling and whether those other reports, by Roam Consulting et cetera, were taken into account as well. It seems to me that only the government’s report gives that increase. All the others talk about the downward pressure on the pool price. So I am very interested to know if the government considered those other modelling reports. I note the government did not name any countries in the context of trade exposure or any countries that have the renewable energy target. She talked about meeting the test; I am interested to know which countries this is going to apply to and how.

In terms of the transparency issue, the minister says she does not know what the contracts are with these energy intensive industries, but she is giving them an exemption anyway. Surely, the due diligence of the Commonwealth should have been to establish which energy intensive industries are paying the mandatory renewable energy target to start with. No, they are not exempted—that is absolutely right—and they ought not be exempted. It has been a decision of state governments to pay it for them. It is a choice of state governments to subsidise them, which is fine if they want to do that. So why would you now exempt them into the future when their contracts are up for renewal? I just do not understand why the Commonwealth would make a decision to exempt them when they are not paying already and, essentially, will have no intention of paying.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.33 pm)—In relation to the other modelling, yes, the government took all relevant modelling into consideration before making its decisions. In relation, again, to the assertion about government policy, this discussion is a bit like groundhog day. We do not make government policy on the basis of state government policy which may or may not be in place and private contracts which are commercial-in-confidence to which the Commonwealth is not a party. We make judgments about what is the best policy position from the Commonwealth’s perspective, and that is what we have done.

Senator MILNE (Tasmania) (12.34 pm)—I hear the minister’s frustration about this debate, but the frustration is shared by the community, who want to actually have answers to these questions. It is the community who are going to pay a higher price because the government has made this decision. I note that she said that she took all relevant modelling into account. I would be interested to know specifically which model-
lancing was taken into account in addition to the McLennan Magasanik modelling.

While we are talking about modelling, last night I read into the Hansard what Hugh Saddler had to say about the percentage of the existing renewable energy target that is taken up by solar hot water and heat pumps. He estimates that, of the existing target, it has around 24 per cent. He went on to say that he thinks it will have 20 per cent of the expanded space in renewable energy by 2020. The minister says, no, their modelling shows much less than that. I ask the minister if she would provide the modelling that shows that the assessment of Dr Saddler, who is an expert in the field, is wrong. I would be very interested in seeing that modelling.

I conclude by saying that the Greens believe the community is desperate to get renewable energy out there and expanded. They want to have that opportunity to be able to reduce carbon emissions and they are prepared to pay extra for renewable energy. But to have included in these measures the coal gas and the burning of native forests, to be giving these massive exemptions to the polluters and to refuse to rule out a windfall gain is not going to make the community feel the kind of enthusiasm in the transition to a low-carbon future that I think they would have liked to have felt. It remains to be seen, of course, as this begins to operate, what does happen to the pool prices. I think it is tragic that the review is not going to occur before 2014. If the government had accepted the Greens’ proposition, there would be a review in two years. I believe that that would have been an appropriate thing to do because I believe there are going to be a lot of outcomes that are not what the government is anticipating.

Senator XENOPHON (South Australia) (12.36 pm)—Very briefly, and with some reluctance, I cannot support the Greens amendments because I am concerned about the issue of the contractual arrangements in relation to the state governments. I think there is a real concern there. Whilst I understand the reservations of the Greens in respect of compensation, I think you do need to have a degree of compensation on a transitional basis to move from a high-carbon to a low-carbon economy. On the basis of those concerns, I cannot support these amendments.

Senator WONG (South Australia—Minister for Climate Change and Water) (12.37 pm)—Senator Milne asked me a question on the issue of heat pumps which was canvassed last night, when she chose not to be here in the chamber, and I dealt with that question. I have responded on the modelling that the government took into account. Perhaps I could take on notice precisely which other modelling was considered in formulating the government’s position and see if we can provide any further information. I do not think there is anything further, except what Senator Milne asked me, that I have not already addressed.

The TEMPORARY CHAIRMAN (Senator Hurley)—The question is that schedule 2 stand as printed.

Question agreed to.

Senator MILNE (Tasmania) (12.39 pm)—I move amendment (18) on sheet 5816 revised:

(18) Schedule 2, item 14, page 16 (after line 11), after subsection 46B(1), insert:

(1A) Regulations prescribing a method for calculating a liable entity’s partial exemption for the year in relation to an emissions-intensive trade-exposed activity must take into account any electricity price reductions resulting from the implementation of the renewable energy target and must avoid giving a liable entity a windfall gain.
Thursday, 20 August 2009

RENEWABLE ENERGY (ELECTRICITY) (CHARGE) AMENDMENT BILL 2009

Bill—by leave—taken as a whole.
Bill agreed to.
Renewable Energy (Electricity) Amendment Bill 2009 reported with amendments; Renewable Energy (Electricity) (Charge) Amendment Bill 2009 reported without requests; report adopted.

Third Reading
Senator WONG (South Australia—Minister for Climate Change and Water) (12.40 pm)—I move:
That these bills be now read a third time.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.40 pm)—The Greens will not be opposing this bill, but how far short of the mark it falls, particularly after the government’s agreement with the coalition. There ought to have been a target of 30 per cent. Not only would that have stimulated the renewables industry but it would have created more than 10,000 extra jobs across the country. It ought to have included better opportunity for regional and rural Australia, not least those communities which are not connected with the grid, but that has been capped and they have been restricted, and it ought not have been a further big handout to the big polluters, but it will be, and it will include windfall gains. They will actually make profits out of this at some stages of the market while the rest of the community feels repressed. People still feel that this is not the energy-efficient country that our competitors around the world are. It is a big day for the big polluters, the big corporations, the big energy guzzlers. It gives some stimulus to the renewable energy industry but none of the world-leading stimulus that this nation should be putting out to that industry.

The darkest part of it is that native forests will be logged, put into furnaces, like at the pulp mill in Tasmania and at the woodchip mill at Eden, using the term ‘green power’. The people who do that are going to be rewarded, fostered, by the Rudd government in their destruction of the habitat of rare and endangered species, and people will probably end up paying a premium for this most destructive of pursuits, called ‘green energy’. That is a lie; that is a deception and an affront to the natural heritage of this country. But there you have it. It is such a lost opportunity.

I congratulate Senator Milne and her staff for the work they have put into this and the relationship they have with the renewable energy industry in this country. I can assure that industry and the Australian people that the Greens will continue in this place in the years ahead to lead the field in the debate on promoting a carbon-free future and rewarding those who really deserve the rewards rather than the big polluters.

Question agreed to.
Bills read a third time.

COMMITTEES
Procedure Committee
Report
Senator O’BRIEN (Tasmania) (12.44 pm)—by leave—On behalf of Senator Ferguson, I present the third report of 2009 of the Procedure Committee on committee proceedings and public interest immunity claims, and senators caring for an infant.

Ordered that the report be printed.
Senator O’BRIEN—by leave—I move:
That the Senate take note of the report.

Senator CORMANN (Western Australia) (12.45 pm)—One of the core responsibilities
of parliament is to scrutinise the activities and performance of executive government, in particular the way executive government spends public money. The Senate, of course, has a very particular responsibility in relation to that. We have significant responsibilities under our Constitution, and over the last 108 years the Senate practices and procedures have developed to ensure that the Senate is a very effective institution helping to hold executive government to account.

One of the core requirements for us to be able to do our job as senators in this chamber is that we can ask questions of government, and we are entitled to expect answers. We are able to ask for documents that are held by government, and we are entitled, indeed, to get access to those documents. The default position should be that, if in the context of Senate committee inquiries a question is asked of a public official or of a minister, the minister or official will answer that question or he will provide a particular document that is being asked for. That is the default position unless there is a justifiable and specified public interest ground as to why it would not be in the public interest for the minister or that public official to provide either access to that information or access to that document.

There has been a lot of confusion for the time that I have been in this place, whether it was confected confusion or real confusion, as to how some of the past procedures and principles of the Senate were to be applied in the context of Senate inquiries. Indeed, ministers have been confused, officials have been confused and chairs of Senate committees have been confused when the issue was raised that, if a minister declines to provide access to a particular piece of information then he has to, first, point to a recognised public interest ground and, second, make a statement of the reasons as to why it would not be in the public interest for that particular information to be provided.

The purpose of the motion passed by the Senate on 13 May was to set out very clearly the process to be followed by ministers and officials when they are in a position where they want to decline to provide access to information because they think that it might not be in the public interest for that information to be provided. Of course there have been over the last 108 years a number of recognised public interest grounds that have developed. I will just read them back into the record. They include that, essentially, if there is a prejudice to legal proceedings, if there is prejudice to law enforcement investigations, damage to commercial interest, unreasonable invasion of privacy, disclosure of executive council or cabinet deliberations, prejudice to national security or defence, prejudice to Australia’s international relations, and prejudice to relations between the Commonwealth and states. If there are any of these then the government may be able to claim proper public interest immunity as a reason not to provide access to a particular piece of information. The problem is that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity and, indeed, chairs of Senate committees have not always been as enthusiastic as they should have been in enforcing that particular requirement.

I am just going to reflect on some of the experiences that I have had, and point to one other experience. During Senate estimates I asked an official from the Department of the Prime Minister and Cabinet whether advice had been provided to the Prime Minister in relation to the alcopops tax measure. I was given a number and in a particular period of time seven pieces of advice have been provided. I asked whether that advice had been part of the cabinet deliberations or whether it was routine advice to government. It was not part of the cabinet deliberations. Okay, so
there was one public interest ground that was excluded. The question then was: can we have access to copies of that advice? The answer was, ‘No, it’s advice to the government,’ and the question was ultimately taken on notice. Still no answer has been provided to this day, and no reason has been given as to why it is not in the public interest for the Senate committee to be given access to that information. I asked Senator Faulkner, who supposedly is in favour of openness and transparency in government, what the recognised public interest ground was. Why is it not in the public interest for the Senate to be given access to that particular piece of advice? He was not able to point to any and he did not even try. The question arises: would it put our national security at risk? Is there an infringement, or would it prejudice legal proceedings or law enforcement investigations? Which one is it? There is not one.

Of course, I had an even worse experience with Senator Conroy. There is quite a serious issue at play, and I really urge every individual senator to reflect on this quite carefully. The Leader of the Opposition announced in his budget reply speech an alternative savings model to take the place of Labor’s broken promise on the private health insurance rebate. The Leader of the Opposition quite constructively and positively proposed instead that the excise on tobacco should be increased by 12½ per cent. Clearly the government sought advice from Treasury on that and, as part of a political exercise, that Treasury advice was released to the media on 17 May. The media spontaneously went out and reported it, and, essentially, the purpose of the government was to discredit the very constructive and positive alternative proposal made by the Leader of the Opposition. When we asked questions in Senate estimates whether we could have access, as a Senate committee, to a copy of that same advice we were told no and it was taken on notice. To this day it has not been provided. I think that is a complete disregard of the Senate. If a copy of a piece of advice can be handed to the media, what possible public interest can there be for a copy of that same piece of advice not to be provided to a Senate committee, which is there to scrutinise the activities and performance of the government, and which is there to scrutinise whether the public expenditure is appropriately effected.

I will point to one more example before concluding my remarks. Senator Cooman asked a question of Dr Ken Henry, ‘When did you first become aware of the government’s infamous $43 billion National Broadband Network plan?’ He refused to answer the question following which Senator Bushby asked, very sensibly and in complete compliance with the order passed on 13 May, whether he was claiming public interest immunity and, if so, on which ground was he basing his public interest immunity claim. Senator Bushby asked him to give us a statement of reasons. He said, ‘No, I’m not claiming public interest immunity; I’m just not answering your question,’ without giving any sort of reason whatsoever. These examples demonstrate complete arrogance. This is not the open and transparent government that we were promised by the Rudd government before the last election. This is secretive government at its worst. It is fair to say that officials are obviously being protected by senior ministers in this government. Ministers are treating this Senate and the Senate committee system with complete disregard—dare I say, with contempt. I really urge all senators to have a very close look at the report of the Procedure Committee. Clearly, it was never the expectation that a very bad culture that has become entrenched in this current government, of not wanting to reveal information, would be changed overnight. I believe that the order that we passed on 13 May will continue to do its work. Hopefully, it will
over time continue to encourage officials and ministers to reflect very carefully on their obligations to be accountable to the Senate and, through the Senate, to the Australian people.

I would suggest that the Clerk of the Senate be asked, and be required, to make regular reports to the Senate on how this order operates after each Senate estimates period so we can reflect on, observe and monitor how the implementation of this particular order is progressing as we move forward. Indeed, I think these regular reports should perhaps be provided after each estimates for a period of up to five years. Hopefully, by then everyone will understand what the requirements are and everybody will understand that government should provide access to information and documents unless there is a recognised public interest ground as to why that should not be the case. I am sure that we would have significantly better government for it. Open government makes for better government; secretive government makes for bad government. This government are a very secretive government irrespective of what they tried to make people believe before the last election.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12.55 pm)—I agree with much of what Senator Cormann has had to say on the Procedure Committee report. If he would like to present the Senate with a request for the clerk to review, after each committee sitting, those cases in which there has been a claim of public interest by ministers or others when not answering questions before Senate committees, we would look at that very favourably. The report indicates that there are de facto or real claims of public interest made quite frequently. That situation is not confined to this government. It was a hallmark of the proceedings of the last government. I think the Senate ought to take a much stronger stand to ensure that it is informed about issues and is not simply fobbed off by claims of public interest. Indeed, I do not know of any contingency whatever in a representative democracy whereby a matter should not be revealed to a Senate committee which, if necessary, goes in camera. If there is such a case which does not flout the principle of democracy representing the people in which the parliament is supreme, I would like a senator to state what it is. We are a long way short of that mark. As Senator Cormann said, we ought to be reviewing this.

When you look at the American committee system, for example, you see there is much more incisive questioning of and answering by witnesses without resort to claims of information needing to be in confidence, which we see in our parliament, and I do not think the American Congress is a paragon when it comes to that. I reiterate that in a representative democracy it is not the government or the executive but the parliament which runs the affairs of the country and the parliament cannot do that if it is denied information. Let me say that once again: it is not the executive or the cabinet but the parliament which, in our representative democracy, has the burden of running the country. Where it is denied information in its deliberations, that ideal is being eroded. Once again, if there is information that is sensitive then let the committee system resort to going in camera so that the representatives can be informed and make up their mind not without the information but while taking into consideration that they have information that should not be divulged in the public arena because it might not be in the public interest. The dividing line as to having information is not across the committee. The dividing line is between the parliament and the public, and the parliament has a very big responsibility in adjudicating where that line should be. It
should not be up to a witness or a minister to arbitrate on that matter.

The second matter dealt with by this report is under the heading, ‘Senators caring for an infant’. This matter came out of Senator Hanson-Young bringing her child into a recent sitting of the Senate and being asked by the President to have the child removed. I moved that the committee look at changing paragraph (3) of standing order 175, which says that nobody else other than senators should be in the chamber. Paragraph (3) says:

(3) Paragraph (2) does not apply in respect of a senator breastfeeding an infant.

I moved that it include at the discretion of the President a senator caring for an infant briefly, providing the business of the Senate is not disrupted. We are all human beings and there is not anybody that I know of here that believes children should intrude into the business of the Senate, certainly not in any way that is going to disrupt it. But there are exceptions to every rule. We looked at the record. There are at least a dozen occasions when, with no interruption of and with no hazard to the proceedings of the House of Representatives or the Senate, children have been briefly present.

One of those times was a memorable occasion when a very esteemed and long-serving conservative senator had a grandchild with him as eulogies to his service in this place were read out. It was a very happy occasion. Well, this Procedure Committee report puts an end to that. You cannot deprive the President of an opportunity, brought forward here, which would explicitly codify the President’s right to use his or her common sense in the circumstances that occur in the chamber, to permit such an event happening again. Effectively, the committee’s decision, if it is upheld, will prohibit children being present, under any circumstances, in the chamber.

I again say that we are human beings. I think it is a bad ruling. I have had my opposition to it recorded. I am an absolute defender of the right of the Senate to not have its procedures interrupted by anybody else but that is not the case at point here. The case at point is treating each other as human beings and making sure the Presiding Officer has the facility occasionally to levy common sense, when it is not to the detriment of the Senate at all. That has been ruled down by the majority of this committee. It is a mistake, and I think we will live to regret it. I seek leave to continue my remarks at a later time.

Leave granted; debate adjourned.

B U S I N E S S

Rearrangement

Senator PARRY (Tasmania) (1.01 pm)—by leave—At the request of the Chair of the Rural and Regional Affairs and Transport References Committee, Senator Nash, I move:

That business of the Senate order of the day no.2 relating to the presentation of the report of the Rural and Regional Affairs and Transport References Committee on public passenger transport in Australia, be postponed till a later hour.

Question agreed to.

C O M M I T T E E S

Agricultural and Related Industries Committee Report

Senator HEFFERNAN (New South Wales) (1.02 pm)—I present the final report of the Select Committee on Agricultural and Related Industries on the pricing and supply arrangements in the Australian and global fertiliser market, together with the Hansard record of proceedings and documents presented to the committee.
Ordered that the report be printed.

Senator HEFFERNAN—by leave—I move:

That the Senate take note of the report.

Australian farmers were put under great pressure in the last couple of years. Some of it was due to the global bull market in fertilizer chemicals and fuel oil but some of it, as this report will show, was due to market power in Australia, a global cartel in world rock phosphate and the incapacity of on-time information to help farmers to know what the global market was doing.

There was a dramatic rise in prices in 2007-08 with an over 100 per cent increase in prices. Obviously, the farming community expressed great concern. International and demand factors were used as the reason that fertilizer prices went up so much. I was pretty amazed to go to a fertilizer industry conference and hear them bragging about how they got away with several $100-a-tonne rises that were not really justified.

In Australia the industry is dominated by two major companies, including IPL—Incitec Pivot. The ACCC ticked off the merger of Incitec and Pivot; it was probably a mistake. They have a dominant market in eastern Australia, with over 70 per cent of the market at the wholesale level and 60 per cent at the distribution level. In Western Australia the other great player is CSBP, which has a market share of two-thirds of the market. IPL has 100 per cent of the manufacture, and yet they are not considered to be a monopoly. I would have thought that that obviously demonstrates a need for more competition in the market, and that is what this report says.

Obviously, the report makes several recommendations. I will not go through the recommendations here because before I sit down I will seek leave to continue my remarks at a later time. The committee recommended that the states adopt uniform description and labelling of fertilizers. For instance, we received evidence that, over the years, when the farmer picked up his MAP or DAP or whatever it is, he took for granted that what he had in his truck is what the label says. Some evidence we received was that that is not necessarily always the case. So we recommended that there be some independent sampling taken by the states. And we think the Commonwealth should do regular sampling. The states should adopt uniform labelling.

The Commonwealth should review the provisions of the Trade Practices Act relating to restrictive practice so as to more effectively regulate anti-competitive practices and prevent abuse of market power. The ACCC gave evidence to us that market power did not count unless someone was being done over in the process. We think that plenty of people have been done over.

ABARE should publish, we recommend, international price information on fertilizer products to provide farmers with access to accurate, timely and accessible international prices. If you read the rural press in July last year you would have seen that commentators were saying, ‘Get in and buy your fertilizers now, boys and girls,’ because the price might go from what it was then for MAP/DAP—$1,400 a tonne—to $2,000 a tonne. And yet on the Bloomberg sight in July there were indications—due to a number of factors, including a dramatic price drop in the FOB price of fertilizer on the Black Sea and freight rates—that prices would fall dramatically.

Some farmers were caught badly by forward ordering. They have lost trust in the suppliers. Obviously the new management of IPL have made a commitment, which is reflected in the report, to build a better relationship with their farmers, and it is badly
needed. At the time that farmers were being told to lock in at $2,000 a tonne the Bloomberg site was showing a dramatic fall at the same time. So we need to get on-time information to farmers so that they can be given a reasonable chance of understanding what a fair price is. There was obviously the withholding of evidence on the rising price the year before, where fertiliser was withheld from the market as the market rose. Even though they could see fertiliser in the shed, farmers could not access it because the industry knew the price was going up. As the price was falling they tried the opposite trick of trying to get rid of the fertiliser in their inventory; it obviously hurt some of the big companies like Elders or HiFert that they had what they called ‘expensive’ fertiliser in their pipeline and they wanted to get rid of it. In the report it is also reflected that if Australian farmers pay the global price it should be reflected by the FOB prices in the various ports around the world, and that simply is not the case.

The report reflects on the operations in Nauru of a series of companies. We received evidence— I have to say it was from the new CEO, who gave very good evidence and displayed a different culture to the committee—that 15 to 20 per cent of IPL’s rock phosphate fertiliser comes from Nauru. We received evidence that was clearly misleading in that there was a $5 million facility extended by IPL to Nauru in return for getting the works up and going, and they cut that out by buying fertiliser back at $40 a tonne, which at the time was a pretty cheap price. The shipping records, which are now tabled with the report, show that well beyond the time at which they paid the $5 million back they were still selling fertiliser to Samsung, Getax and IPL at $40 a tonne when in fact at the time IPL took the last lot at $40 a tonne the global price was $367 a tonne. According to the tables presented to the committee, over the period of the time of the report the government of Nauru missed out on $155 million from not getting the global price. That is probably something to do with the internal workings of Nauru and their incapacity to have enough resources to compete against the global cartel of places like Morocco, which seem to be able to impose their power on the market. We received evidence that 85 per cent of the rock phosphate market of the world is controlled by five entities, so there is very much a global monopoly, much the same as the oil setup.

So, there it is. We have made some serious recommendations to assist not only farmers but also the industry by trying to reflect global prices and recommending more competition in the market. We received evidence of a mine starting up east of Tennant Creek. If we can get it up it will be just as big a resource as Mt Isa. It needs 200 kilometres of railway line to hook it up to the north-south railway line. We are hoping that that infrastructure can be built. We received evidence from a company in Western Australia that is going to start up a urea plant from gasification of coal. It will produce two million tonnes of urea. Sadly, because of the financing arrangements, Australia will not get a lot of that, and I think the issue that has to be answered by everyone in this place is: if sovereign nations come in and buy Australia’s sovereign resources and then lock Australia out of access to those resources, we have a serious problem. There are indications of that happening.

Finally, before I ask for time to continue my remarks I would like to thank the hard-working committee that put this report together, especially Peter Short. I should not name any more as he is the main participant in this. The hard-working secretary and all the other girls in the secretariat have to be very patient to put up with people like me. I cause them heart attacks every second day. I
am grateful for their understanding and patience. I suppose they will all have a sigh of relief now that we have got this one done. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MIGRATION AMENDMENT (IMMIGRATION DETENTION REFORM) BILL 2009

Report of Legal and Constitutional Affairs Legislation Committee

Senator O’BRIEN (Tasmania) (1.12 pm)—On behalf of the Chair of the Senate Legal and Constitutional Affairs Legislation Committee, Senator Crossin, I present the report of the committee on the Migration Amendment (Immigration Detention Reform) Bill 2009, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

COMMITTEES

Legal and Constitutional Affairs Legislation Committee

Report

Senator O’BRIEN (Tasmania) (1.13 pm)—On behalf of the Chair of the Senate Legal and Constitutional Affairs Legislation Committee, Senator Crossin, I present the report of the committee on the provisions of the Personal Property Securities Bill 2009, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

LAW AND JUSTICE (CROSS BORDER AND OTHER AMENDMENTS) BILL 2009

Second Reading

Debate resumed from 15 June, on motion by Senator Faulkner:

That this bill be now read a second time.

Senator BRANDIS (Queensland) (1.13 pm)—The Law and Justice (Cross Border and Other Amendments) Bill 2009 contains a range of measures relating to legal proceedings with a domestic cross-border element. Its reach also extends to New Zealand. Disputes having a connection with different states are governed by the Service and Execution of Process Act 1992. Australia also has a cooperative scheme with New Zealand for the service of subpoenas under the Evidence and Procedure (New Zealand) Act 1994. The amendments proposed by this bill are intended to provide some additional flexibility and to broaden the coverage of the existing regime.

Firstly, the bill seeks to amend the Service and Execution of Process Act to support the Cross Border Justice Scheme. This scheme is a joint initiative of the Western Australian, South Australian and Northern Territory governments and will apply initially to the border region Ngaanyatjarra Pitjantjatjara Yankunytjatjara—or NPY—Lands in the central desert. This will allow criminal justice officials to deal with offenders from any of the participating jurisdictions, provided the offender has some connection with the region. This scheme operates under both state and Territory law, but the amendments to the Service and Execution of Process Act are necessary to ensure that the act does not override those arrangements.

Secondly, the bill seeks to amend the Service and Execution of Process Act to clarify that prisoners subpoenaed to give evidence in interstate proceedings may give evidence by audio or audiovisual link with the approval of the court. Finally, the bill seeks to amend the Evidence and Procedure (New Zealand) Act to include family law proceedings in the scheme relating to the services of subpoena between Australia and New Zealand. Family law proceedings were previously excluded at New Zealand’s request, but
The New Zealand government has now passed amendments providing for their inclusion.

The latter two proposals seem to the coalition to be eminently sensible and have our support. The first proposal, that relating to the policing of the central desert region, also has the coalition’s support, but it needs to be noted that the scheme to which it applies, which is principally the responsibility of the state and Territory governments concerned, has attracted some criticism. Liberal senators on the Senate Standing Committee on Legal and Constitutional Affairs, which reported on this bill on 12 May, expressed some discomfort with elements of the scheme. They noted the submission of the Aboriginal Legal Rights Movement that, amongst other things, the scheme is complex, has resource implications for legal aid commissions and for Aboriginal and Torres Strait Islanders Legal Services, has the potential to encourage forum shopping on the part of the police and has a retrospective effect. They also noted, however, these are not matters which are within the remit of this particular bill.

The need for this bill is simply to ensure that the provisions of the Service and Execution of Process Act do not override the operation of the scheme. The challenges of maintaining law and order in the central desert region are very real. The fact that the region straddles three jurisdictions can only complicate matters. Any problems with the scheme are for those jurisdictions to iron out. To the extent that the Commonwealth can lessen that burden, it ought to do so. The coalition supports the bill.

Senator LUDLAM (Western Australia) (1.17 pm)—I rise to speak on the same bill, and will express some of the same concerns just raised by Senator Brandis because the Australian Greens have taken a broadly similar position. We will not be moving any amendments to this bill; we are also happy to leave it non-controversial, but I do want to make a couple of comments.

As Senator Brandis has outlined, the bill establishes a cross-border scheme between three different states which applies to the region known as the NPY Lands, covering a very large portion of Central Australia. It does not only relate to that area, and that is something that is worth pointing out. Evidence provided in the committee hearings by the Attorney-General’s Department identified for us that it generally enables state and Territory laws to operate across borders, extending the geographical area in which each jurisdiction applies, across the board to any part of Australia. So while the drafting and the timing of the bill is clearly intended to harmonise these legal processes through Central Australia, in fact there is nothing in the bill that would prevent it from applying right across the country.

State and Territory laws to allow and enable this cross-border cooperation have already been passed in WA, South Australia and the Territory. The Commonwealth bill is intended to disapply the Service and Execution of Process Act, or SEPA, if there is overlap with the states and Territory legislation. Our understanding is that this is intended to remove any complications when allowing judicial officers from any of the state jurisdictions to deal with offenders from other participating jurisdictions, provided that the offence is suspected to have taken place in the region or if the offender was arrested in the region or the offender ordinarily resides in the region. Prisoners will also be able to give evidence by audiovisual link-ups before an interstate court, authority or tribunal. There are some pluses and minuses to this. In some cases it is extremely desirable to avoid transport of prisoners across long distances. This has recently resulted in a tragedy in Western Australia when a prisoner died in...
transit between regional Western Australia and the city. So in some cases it is appropriate for more and easier audiovisual link-ups to be held in these matters. But also, it is potentially disadvantaging some of the people who are being prosecuted for these crimes if they are removed from the people who will be trying them.

Several submissions to the committee inquiry raised relevant and pertinent issues about how the cross-border jurisdictional laws between WA, South Australia and the Territory are actually occurring in practice over the Aboriginal people of the area. The reason I wanted to make this contribution is that in some sense their evidence and their points of view were set aside during the process of hearings, for the reason that Senator Brandis outlined—that is, they are not directly relevant to the drafting of this bill. But this bill is enabling and encouraging, from the Commonwealth’s point of view, a system that in some cases is working exceptionally poorly. I do not think it is good enough for us to say, ‘Well, that’s for the states and Territory to sort out,’ when we are playing this role and legislating in this place to make that system mesh more harmoniously. So I just wanted to put a couple of points on the record that were made to the committee on the way through in some extremely valuable submissions.

People working directly in the field of Aboriginal legal rights pointed out to us that Indigenous Australians are 13 times more likely to end up in jail than the rest of the population. That is according to an Australian National Council on Drugs report issued in June. Almost one-quarter of the male prisoners in this country are Aboriginal people. Almost one-third of female prisoners are Aboriginal women. Half of the juvenile detainees are Aboriginal. The likelihood of arrest is about 20 times greater for Aboriginal Australians than it is for non-Aboriginal Australians. This is a group of people who make up between two and three per cent of the population; these numbers are skewed vastly out of proportion! The rate of Indigenous imprisonment has almost doubled since the Royal Commission into Aboriginal Deaths in Custody. That is absolutely damning: the government took evidence from people right around the country, who took an enormous amount of time and trouble to tell their stories and to put the evidence on the table, but since that royal commission report was handed down the rate of Indigenous imprisonment has doubled. That is an indictment on our whole country. Eighty-three per cent inmates in the Northern Territory are Aboriginal people; in Western Australia it is 41 per cent.

As was evident, and I hope fairly clear, in my additional comments to the committee’s inquiry report on this bill, some of the issues raised by organisations dealing with the implications of the cross-border arrangements for Aboriginal legal rights were dismissed. The reason, we were told, is that this Commonwealth bill was not the cause of the problems; rather, the state legislation was to blame. Of course, I understand the jurisdictional issues, and Senator Brandis has just outlined that the coalition does as well. But when the Commonwealth is facilitating legal processes between states, which is what this bill does, and we have such a crisis in Aboriginal communities when it comes to law and justice, it is appropriate to take the time to recognise the reality created by the laws and police practices as they are actually occurring.

The access to justice inquiry currently being conducted by the Senate Legal and Constitutional Affairs References Committee is revealing enormous barriers to justice for Aboriginal people. A lot of the evidence we are taking relates directly to this bill. So I hope some of the concerns raised in the
course of the inquiry into this bill can be heard at the access to justice inquiry and make their way at last into government policy.

The system is effectively broken when it comes to Aboriginal people and law and justice. So much more needs fixing, beyond throwing in more police and enabling more court cases and video link-ups. That simply puts more Aboriginal people in jail. It is time that we started to look at some of the root causes of the catastrophic oversentencing and jailing of Aboriginal people in this country.

Senator SHERRY (Tasmania—Assistant Treasurer) (1.23 pm)—Firstly, I want to thank Senator Brandis and Senator Ludlam for their contributions. The Law and Justice (Cross Border and Other Amendments) Bill 2009 comprises a range of amendments to simplify cross-border litigation. Most significantly, the bill includes amendments to support the operation of the cross-border justice system. Once operational, the scheme will make the delivery of justice services in the NPY Lands simpler and quicker. It will enable police, magistrates and other officials to deal with offenders from any of the participating jurisdictions in cases where the offender has a connection to the cross-border region.

The amendments in this bill will confirm that state and territory laws establish this scheme and have primacy over any inconsistent arrangements in the Commonwealth’s Service and Execution of Process Act 1992. The bill also includes amendments to conform the capacity of a prisoner in one Australian state or territory to give evidence by audio or audiovisual link in proceedings in another and it extends the range of subpoe- nas that can be served in civil proceedings between Australia and New Zealand.

The amendments in this bill will make the process for resolving legal disputes with an interstate or trans-Tasman connection simpler, quicker, cheaper and more flexible. This is consistent with the government’s broader efforts to improve access to justice for all Australians. Once again, I thank Senator Ludlam and Senator Brandis for their support and I thank all those involved in the work in support of this important reform.

Question agreed to.
Bill read a second time.

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

HEALTH INSURANCE AMENDMENT (EXTENDED MEDICARE SAFETY NET) BILL 2009

Second Reading
Debate resumed from 16 June, on motion by Senator Wong:

That this bill be now read a second time.

Senator SIEWERT (Western Australia) (1.26 pm)—I would like to start my comments on the Health Insurance Amendment (Extended Medicare Safety Net) Bill 2009 by articulating that the Australian Greens believe in a universal healthcare system. I think we have made that plain on a number of occasions. We are particularly concerned about the way the extended Medicare safety net has operated. It has in fact encouraged excessive out-of-pocket expenses, which have necessitated this supposed fix.

While the extended Medicare safety net payments have provided some consumers with financial relief from significant out-of-
pocket costs, there is compelling evidence that shows this policy measure is not working effectively. A recent study of the extended Medicare safety net by the Centre for Health Economics Research and Evaluation, CHERE, demonstrates that the extended Medicare safety net is an inflationary measure that does nothing to restore equity of health care for those most in need. It advantages those who can afford their payments upfront and encourages specialists to raise their fees.

Whilst the Greens understand the intent of the proposed changes in this bill, and we understand that it is to reduce the cost to the public purse, we are not convinced that the government’s approach will be effective. We believe this legislation is a halfway house that will address only part of the problem; in fact, it will introduce another set of inequalities.

When the extended Medicare safety net was introduced in 2004, it provided individuals and families with an additional rebate for out-of-hospital Medicare costs once an annual threshold of out-of-pocket expenses was reached. The intention was to ensure that all Australians could access specialty medical services no matter what their level of income. The government’s additional spending on the extended Medicare safety net benefits has not been matched by a drop in the out-of-pocket costs of patients.

Since its introduction, there have been concerns that the extended Medicare safety net has led providers to increase fees, thereby diluting the potential benefits to patients. Since the introduction of the extended Medicare safety net, average fees have increased by around 4.2 per cent per year, and that excludes general practice and pathology. This increase is over and above the rate of inflation, and the CHERE report estimates that the extended Medicare safety net is in fact responsible for 70 per cent of this increase. According to figures taken from the Centre for Health Economics Research and Evaluation report, between 2003 and 2008 the fees charged by obstetricians for in-hospital services reduced by six per cent while the fees charged for out-of-hospital services increased by 267 per cent. Similarly, the fees charged for ART services fell by nine per cent for in-hospital services while the fees for out-of-hospital services increased by 62 per cent. In 2007, over 30 per cent of all extended Medicare safety net benefits helped to fund obstetric services, and 22 per cent went to assisted reproductive services. The extended Medicare safety net has more than doubled the amount of Commonwealth funding for these two professional groups. Only eight per cent of the extended Medicare safety net benefits went towards funding general practice consultations.

We believe, overall, that reform is needed and is, in fact, essential. The health system is in dire need of this overhaul. We do not believe there is a doubt about that and we do not believe that there is much argument about the fact that we need some changes. Decades of fragmented policy and political expediency have resulted in little discipline with respect to financial accountability and, at best, limited attempts to contain and control some of the excessive fees charged by some medical specialists.

The Greens are committed to reducing patients’ out-of-pocket costs, but we do not believe that this particular bill is the way to go about it. This debate over the government’s proposed changes to the EMSN diverts us from the much more important discussion about how we intend to fix health care and fund healthcare costs in this country. We should do this while we have a system that we are still proud of rather than letting it go towards the situation we see in the
Out-of-pocket payments constitute the third largest source of health funding in Australia after federal government and state and territory government payments. They contribute over $15 billion a year to the health system, which is more than double the $6.3 billion paid, on 2005-06 figures, via private health insurance. Out-of-pocket payments constitute 17 per cent of health spending in Australia—a much higher proportion than in 13 out of 20 OECD countries, including the USA. In her recent paper on out-of-pocket expenses, Jennifer Doggett from the Centre for Policy Development wrote:

Although consumer out-of-pocket payments influence both how consumers access health care and which goods and services they access, they receive little political or policy attention. Ms Doggett argues that the result of this policy neglect is a system of out-of-pocket payments which:

- is inequitable, discriminating against consumers with certain types of health care needs or who live in particular geographic areas;
- is complex, expensive to administer and confusing to both consumers and providers;
- creates barriers to accessing cost-effective health care, typically imposing the highest costs on consumers when they have the least ability to pay; and
- results in perverse incentives in the use of health care.

This is the real issue that we believe we should be debating today. We need to review our out-of-pocket payments, particularly for medical services and pharmaceuticals. Our out-of-pocket arrangements, including the safety net, seem to us, quite frankly, to be a mess. They are hard to understand and achieve few of the disciplines that are necessary. Some services are free. The safety net for medical expenses operates for an individual and on a calendar year basis; the safety net for pharmaceuticals is for a family and operates on a financial year basis. We believe we need to be addressing these very significant issues.

The Greens acknowledge there has been some strong support for this bill. Robert Wells, director of the Menzies Centre for Health Policy at the Australian National University, argues that this bill would address ‘some of the outrageous rorts’ under the extended Medicare safety net ‘without destroying the scheme’. The Australian Healthcare and Hospitals Association has supported the efforts to ‘reduce the opportunities for private providers to manipulate the system’. But the government have not been brave enough to do the work themselves to address the issue of out-of-pocket expenses. What they have come up with is a policy that puts the patients at the front line. The government are basically saying to patients, ‘You go and you bring down these fees.’ The government are telling people whose only hope of having children is through IVF: ‘You go and sort out the doctors who charge thousands more than they really need to. You go and tell them.’ The government are saying, ‘You go and doctor shop to find the cheapest doctor to help you get pregnant, because the market is the best way to drive prices down.’

We do not believe that is the appropriate way to deal with this issue and to deal with patients, particularly patients who are at their most vulnerable. We believe it is inappropriate for the government to say: ‘Here’s the cap, doctors; you’re not going to get more than that. Patients, go and negotiate with doctors to see how much you can drive down their fees.’ We do not believe that is appropriate. As I said, this is for patients who in many cases are at their most vulnerable.

This measure claws back $451 million over the next four years, but what about the $15 billion we are contributing as individuals
or families each year to cover out-of-pocket health expenses? What about all those people struggling to make ends meet? We believe the government needs to be addressing this differently. My advice to the government comes from a member of the ophthalmologist’s lobby: ‘In dealing with the problem, this government shouldn’t be thinking about the doctors; it should be focusing on the patients.’

That is what health care is about: the patients. We know that high out-of-pocket costs are a barrier to health care, especially among lower income members of our community, and the CHERE report made the point that this leads to greater health inequities. The Greens believe that out-of-pocket payments undermine the whole basis for sharing the cost of health care because they mean that the less well-off cannot afford health care. What about those people living in rural and remote communities? We know they incur higher out-of-pocket payments than those in the cities because their costs are higher while the rebate remains the same—that is, in the fortunate communities that have access to facilities. Ross Gittins recently made the point in the Sydney Morning Herald that:

People with conditions that can be treated by GPs or in public hospitals usually incur lower out-of-pocket co-payments than those with conditions that require treatment by therapists and over-the-counter medicines.

I quote from a case study from Jennifer Doggett’s paper on out-of-pocket payments:

Michelle and Petra have the same level of income and the same capacity to pay for their health and medical care. Both women have used health and medical services over the past three years that have a value of $20,000. However, of the $20,000 of health care used by each woman, Michelle has contributed $8,000 in out-of-pocket payments and Petra has contributed only $200. This is because Michelle has rheumatoid arthritis and requires regular treatment from a physiotherapist and uses high levels of non-prescription pharmaceuticals (along with GP and specialist care). Petra’s health care needs however have primarily centred on public hospital care for the birth of her two babies, one of which required an operation shortly after birth and an extended hospital stay.

The report continues:

The current system of co-payments impacts unfairly on different consumers, depending on their health care needs. People with ongoing chronic conditions often end up receiving lower levels of subsidy for their health care than those with one-off or self-limiting conditions.

We know matters are made worse by the fact that people who are short of cash have to pay their bills upfront and then see about getting the rebate later. Ms Doggett presents us with another case study and a suggestion that might solve this problem. She suggests we look at creating a healthcare credit card that would allow low-income earners to repay the cost of their care over time without getting into financial difficulties. We do not believe this is the answer, but it may be a transitional process or a way of getting us to a better system of dealing with out-of-pocket expenses. We believe this and other ideas need intense examination so we can start dealing with this issue and bringing equity to health care. Ms Doggett’s second case study also highlights the inequities in the system:

Josh has a cycling accident and injures his back. In the first month after his accident he requires treatment from a number of health care providers, including a GP, specialist physician, exercise physiologist and osteopath. In addition to this, he requires prescription pain relief medication and undergoes a number of tests, including two MRIs. He pays for these goods and services with his health credit card with no upfront payment and therefore is able to access the care he needs immediately, despite not having sufficient savings available to meet the costs up-front. The out-of-pocket costs for this treatment total $900 and he receives a bill for this amount at the end of the month, with each individual service and its cost itemised. Josh’s monthly after-tax income is $3800 and therefore the minimum payment he is
required to make for that month is $380. Josh continues to pay the remainder of his $900 bill in monthly instalments with no penalty as long as he meets the minimum payment.

By paying for health services with a health credit card, Josh is able to receive the care he requires immediately, his health care providers are paid promptly, and he is able to repay the cost of his care over time without causing him financial difficulties.

This is what I am talking about when I say we should look at practical ways to move forward in this debate. At the present we do not believe there is enough effort going to addressing situations like this. Instead of asking the patients through market forces to force down the price of the highest-setting fees, we believe we should take a different approach. We believe we should not put the onus on the patients to drive down the costs when, as I said, they are at their most vulnerable. We are talking about people who are ill and in need of medical care. No wonder there is a significant number of people—that is, 17 per cent in one study—who are skipping medical treatment, tests or follow-up because of the high costs. We have been left with an Extended Medicare Safety Net which ignores the overall problem, advantages those who can afford the upfront fees and encourages people in the medical profession—in some instances, and I am not pointing at everybody in the medical profession; I want to make that very clear—to raise their fees. It is quite clear there have been situations where elements of the medical profession and medical specialties have been encouraged to raise their fees.

The Greens cannot support this bill in its current form because we believe it is poor legislation, with poor process and debatable benefits. It is a blunt instrument used to redress what are inarguably excessive fees charged in particular areas of health care, when what is needed is a complete overhaul of the out-of-pocket contributions. There are many areas in this bill that are targeted for a cap, which will leave people worse off. This does not address the overall issue and will cause hardship to a number of people, particularly those requiring ART services. We believe the government need to outline a much more comprehensive approach to how they intend to deal with inequity and how they intend to deal with spiralling out-of-pocket expenses. We acknowledge there is a problem. The Extended Medicare Safety Net exacerbated that. Just introducing a cap on certain services does not go far enough to addressing this issue, and we do not want the government to think that it does.

The changes to the EMSN measures set out the government’s ability to introduce caps on the safety net but not the actual caps themselves. We acknowledge that. That is being done by regulation, which has been circulated. This is becoming increasingly common practice with government—that is, they leave the details of the legislation to regulation, which is then a disallowable but also blunt instrument where you can say yes or no. We are concerned that these measures will have a negative impact on access to health services for many people. We have noted in particular the impact on access to cataract surgery for people on low incomes in outer metropolitan, rural and regional areas as well as the impact on those seeking to access ART services. The cataract issue also intersects with a reduction in the service payment. We acknowledge there is a double problem there. We have called for a debate on the critical issue of out-of-pocket payments and the marginalisation of vital elements of Medicare reform. We need to look at the long term to see how we can fix our medical services and our healthcare system into the future.

We believe the process underpinning this legislation is flawed. We believe the safety
net has issues and has helped drive this problem. This bill, as I said, establishes a framework to set the caps, which will be set by regulation. We believe there needs to be further consultation about how we actually address issues—for example, around ART. There is absolutely no doubt that prices have gone up, in some cases exponentially. We do not believe the blunt instrument of this bill deals with that. It does not deal with other areas of spiralling medical costs. We are concerned that if you push down here you will get an increase elsewhere.

We believe that the government needs to be very clearly outlining and articulating how they intend to deal with out-of-pocket expenses into the future. As I said, this bill does not do it and at this stage the Greens find themselves in a position where we cannot support the bill. We need a bit of framework for how we are going to be addressing spiralling out-of-pocket expenses. Until the government comes up with another way of ensuring that putting a cap on the expenses of the medical profession that does not require a patient to doctor shop, we cannot support the bill. We do not believe that that is appropriate. We do not believe it is appropriate for government to put the onus on the patient. We believe that the government should have enough guts to say to the medical profession, ‘This is not good enough,’ and to look at another way of controlling out-of-control medical expenses. Do not put the onus on the patient. When I am sick, I do not want to be negotiating with the doctor about how much I am going to pay. That is ridiculous. They need to come up with a better way of doing this. I acknowledge their attempt at doing something—we need to be doing something—but this does not get it right.

Senator CORMANN (Western Australia) (1.45 pm)—I move:

At the end of the motion, add “and further consideration of the bill be an order of the day for 3 sitting days after a draft of the final regulations and determinations relating to this bill are laid on the table”.

I have moved this second reading amendment on behalf of the opposition, as well as Senators Fielding and Xenophon. The Health Insurance Amendment (Extended Medicare Safety Net) Bill 2009 is yet another Rudd government attack on the health care of Australians. Before the last election, we were promised the world by the Rudd government when it came to health. Labor had a plan to fix our hospitals and, unless enough progress was made by the middle of 2009, they would put a proposal to the Australian people that Canberra should run our hospitals. They promised that they would support the existing policy framework for private health and that they would retain the private health insurance rebates, the Medicare levy surcharge and lifetime health cover. They promised that the buck would stop with them, that there would be a new era of cooperative federalism in health and that things would improve in health.

What have we had instead? We have had broken promises and the start again of the bad old-fashioned Labor crusade against private health and against people who take additional responsibility for their own health-care needs. We have had a review into our health and hospital system over the last 20 months, which was followed by a review into the review. We have had a tax grab. We have had a $100 million budget cut to chemotherapy treatment. And we have this measure here, which is seeking to make Australians who need to access quality health care pay the price for their reckless spending. Here we have a Rudd government which is going on cash splashes and spending spree after spending spree. And Australians need-
ing timely and affordable access to quality health care are being asked to pay the price.

This is another ill-thought-out budget measure by the Rudd government. The Minister for Health and Ageing, instead of doing her homework, instead of standing up for what is in the best interests of Australians who need timely and affordable access to quality health care, does the bidding of Treasury. The minister is doing the bidding of a government that is out there recklessly spending cash splash after cash splash, sending money overseas, sending money into jails and giving money to dead people. But when there are people in desperate need of timely access to affordable and quality health care, they are being asked to pay the price.

We are absolutely amazed at what an absolute failure the Rudd government has been in the health portfolio. They promised the world and they have delivered nothing other than broken promises, reviews, reviews into reviews, taxes and budget cuts. This is something that fits into the category of ‘budget cuts’—ill-though-out and ill-considered budget cuts.

I will give you one example. Here we have a measure that introduces caps on payments under the Medicare safety net for a variety of medical services by putting those treatments out of the reach of a great many. One of those caps applies to IVF treatment services. In fact, out of the $451 million that the government seeks to save through this measure, $220 million relates to IVF treatment. Initially, when making the announcement and when promoting this budget cut in health, the minister said, ‘Nobody is going to be worse off.’ When asked about this a little while ago to reconfirm that guarantee—when asked whether she can confirm that nobody is going to be worse off and no family seeking access to IVF treatment is going to be worse off as a result of this measure—she was not able to. The minister was caught out. Again and again, she has been the propaganda minister for the Rudd government, talking about the need for fiscal discipline. They are spending recklessly on one side but when it comes to health, when it comes to people who need timely and affordable access to quality health care, the minister for health is out there in the media talking about fiscal responsibility and how fiscally irresponsible it would be not to do this, not to that and not to support all of these ill-thought-out budget cuts.

The government, through this measure, seeks to make savings of $450 million over four years. Not content with the attack on privately insured Australians, the Rudd government also seek to attack people in need of cataract treatment, people in need of IVF treatment and people accessing obstetric services. There is absolutely no doubt that the government did not get their figures right and that there are some serious question marks around the costings and the modelling conducted by the government.

That is why the opposition, together with Senators Xenophon and Fielding, have moved a second reading amendment that will defer further consideration of this bill such that it will be an order of the day for three sitting days after a draft of the final regulations and determinations relating to this bill are laid on the table in the Senate. We want to see the meat on the bone; we want to see the fine print. This is yet another piece of legislation which gives us generalities while we are supposed to take the government on trust: ‘Trust us. We are from the government; we are here to help. Don’t worry. The regulations are going to be fine.’ On the MBS website, this was said in relation to the extended Medicare safety net changes:

It is important to note that these items will be restructured and the caps will change, however,
the overall impact on patients should remain the same.

We are supposed to take the government on trust. The caps will change, but the impact ‘should’ be the same. Well, we will not take this government on trust. We want to see the meat on the bone. We want to see what the costings are, we want to see the modelling and we want to see the final draft of the regulations before we give further consideration to this legislation.

It is really quite extraordinary. In the lead-up to the last election anybody who listened to Mr Rudd, who is now the Prime Minister but was then the Leader of the Opposition, would have thought that Labor had a plan. Labor said they had a plan to fix public hospitals and that everything was going to improve. Do you know what? Things are worse in health today than they were when the Rudd Labor government came into government. Average waiting times for elective surgery have gone up over the last 12 months—from 34 to 36 days. The reality is that there has been absolutely no improvement.

The Prime Minister and the Minister for Health and Ageing are running 100 miles an hour away from the threat, the commitment or whatever it was—it was not a commitment, because they are running away from it now—to put to the Australian people that Canberra should take over the running of public hospitals. We have a government that is prepared to go $315 billion into debt but wants to impose a $100 million budget cut on cancer sufferers, without doing its homework, without covering its bases and without making sure that it can be practically implemented in a way that will not hurt cancer patients. It is extraordinary. The government is out there spending—sending money overseas and having cash splash after cash splash: ‘Do you want $900?’—but cancer sufferers have to pay for it. Privately insured Australians—Australians who are putting additional resources into the health system—are being asked to pay for it.

We were promised by this government that health would be a priority and now we have the Minister for Health and Ageing talking about the need for fiscal responsibility. Us questioning, scrutinising and suggesting that some of these measures are bad policy and bad legislation means that we are being fiscally irresponsible. Is that the minister for health speaking or the Assistant Treasurer, the propaganda minister for the Treasurer? I have never heard a minister for health being so concerned about fiscal responsibility while the Prime Minister and the Treasurer are sending money overseas. Cancer patients in Australia, privately insured Australians, have to pay the price. It is completely inappropriate.

There is a serious need for more scrutiny of this legislation. There is a serious need for the Senate to be able to review the final draft of the regulations before we make a final judgment. There is a serious need for us to get access to the costing, modelling and all of the information that the government has in front of it. We need an assurance that the caps that are being placed on the variety of medical services that have been mentioned are going to be those that will remain in place after this legislation has been passed.

We want to make a judgment on this legislation knowing the full story. We want to know what the government’s intentions are. We want to be able to assess what the impact on families, pensioners and Australians who need access to timely, affordable and quality health care will be before we in this chamber make an informed judgment about this legislation. That is why I, on behalf of Senator Xenophon, Senator Fielding and the opposition, have moved a second reading amendment, which I commend to all senators.
Senator XENOPHON (South Australia) (1.56 pm)—A lot of the decisions that we make in this place are difficult, but this is not one of them. While I understand the basis on which the government is bringing the Health Insurance Amendment (Extended Medicare Safety Net) Bill 2009 forward, I believe parts of it have been ill-considered in relation to the extended Medicare safety net and the impact it will have, in particular on couples seeking in-vitro fertilisation services.

One in six people in this country will encounter problems conceiving and need medical assistance to conceive. I think most of us know someone who has struggled to start or add to a family. In the past there was little that could be done for these families but, thankfully, science has provided options that many only dreamed of previously. While IVF can provide a solution, I am told by reproductive advocacy groups, such as ACCESS Australia, that the process is still heart wrenching and difficult. My very real concern is that this legislation will make that process all the more difficult.

According to ACCESS Australia and experts in this field, such as Dr John McBain, who is Head of Reproductive Services at Melbourne’s Royal Women’s Hospital, the government’s proposed changes to the Medicare safety net could see couples seeking IVF facing their out-of-pocket expenses increasing from around $1,000 a cycle to $3,000 a cycle. We should keep in mind that the average couple usually endures three cycles before they are able to conceive with IVF. In June I held a press conference with Dr McBain and Queensland mum Peta Clacherty, along with her two-year-old daughter, Emily, who was conceived through IVF. At the time Dr McBain said:

Infertility is not a choice. The one in six people who will need medical assistance to conceive have no control over this condition and these significant increases in the cost of treatment will make an already stressful situation for couples even more stressful.

He is right, and I do not think anybody here should be adding to the stress faced by couples at a time like that.

The government said it was changing the way funding for IVF was applied because some doctors were reportedly rorting the system. My response to that is simple: target the doctors, not the patients. If there is evidence of genuine wrongdoing, address the problem with the doctors involved, but do not punish the 40,000 Australians who access IVF services annually, some of whom are lucky enough to conceive one or more of the 11,000 babies which are born as a result.

For years we have had the baby bonus for anybody who has had a baby in this country, regardless of circumstance, and yet we have a group of Australians with specific medical needs who just want to have the chance to have a child, to add to their lives and to society and the government says to them, ‘Sorry, we can’t afford to help you.’ I do not agree. We can afford to help these couples and we must help these couples. That is why I put forward the second reading amendment that Senator Cormann moved on behalf of the coalition, Senator Fielding and myself. I do not want Australia to become the kind of country where there is IVF for the rich and infertility for the rest.

Also there are some concerns in relation to cataract surgery. Groups, such as the Council on the Ageing, have also expressed some legitimate concerns about the possible unintended consequences of this legislation. That is why I will be pressing for the second reading amendment to be passed. In the absence of that, I cannot support the second reading of this bill.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Emissions Trading Scheme

CHAMBER
Senator IAN MACDONALD—(2.00 pm)—My question is to the Minister for Climate Change and Water. Is the minister aware of the quite devastating news that Cement Australia has today been forced to advise its employees at the Rockhampton cement plant that the plant will be closed down? Is the minister further aware that one of the reasons given to workers for the closure is Labor’s proposed emissions trading scheme, which has, to quote Cement Australia’s media statement ‘meant the long-term prospects for the plant have been undermined’?

Senator WONG—I thank the senator for the question. Can I say this: rather than rushing to try and use this business decision for political gain, I think it is important that we get the facts clear. The first fact, about which the government is very pleased, is that the company has indicated that the 31 employees will be offered employment elsewhere. It is also important to recall that, as a result of the global recession, published data—I think it is the Cement Industry Federation’s own data—has indicated a drop in demand for cement of some 25 per cent. I think any business operating in that kind of environment obviously has had to manage that fact imposed by the global recession.

The other fact that it is useful to put before those who want to rush to use this is that the CPRS is actually not law, because those opposite voted against it. Under the Carbon Pollution Reduction Scheme, clinker production, which is obviously the most emissions-intensive activity in the cement-processing sector, would be eligible for some 94½ per cent of free permits issued. As a result of other decisions the government has made, the scheme does not commence until 2011. So the context is that the government has put forward a proposition for 94½ per cent of free permits for clinker production and we know that the global recession has imposed a 25 per cent reduction in demand in the cement sector.

Senator IAN MACDONALD—Mr President, I ask a supplementary question. I ask the minister if she has read the publicly available media release about the issue, where it is clearly indicated that the Labor government’s CPRS was one of the causes of the closure—along with, I might add, a substantial increase in taxes by the Queensland Labor government. Is the minister aware of that? Has she read the media release? Will the minister also assure cement and other energy-intensive industries in Australia that any future emissions trading scheme will be designed in such a way as to avoid the additional costs and taxes on Australian industry that are not borne by competitors in other countries, such as those in South-East Asia? Does the minister understand the severity of what is happening to Australian workers’ jobs?

Senator WONG—I have read the press release. I have also read Mr Truss’s press release. As I said, the industry is eligible for 94½ per cent of free permits issued. I will give some indication, for Senator Macdonald’s edification, of the sort of cost impact that is therefore reduced. In 2011-12, under the fixed carbon price, the government’s package would reduce the carbon cost from under $8 per tonne of cement to around $1 per tonne. This is in relation to a product which I think has been identified by the industry as selling for about $120 a tonne. So the government’s policy, through the CPRS in the first year, reduces the impost from about $8 a tonne to $1 a tonne, in the context of the 2007 cement price of $120 a tonne. It is the case that in the second year there is a floating price. (Time expired)

Senator IAN MACDONALD—Mr President, I ask a further supplementary question. I ask the minister if she has both—
eral to read the evidence given to any num-
ber of Senate committees where this type of action was predicted. It has been predicted very, very accurately. Is she aware that busi-
ness after business has indicated that invest-
ment in these industries would fall off with the Rudd government’s ETS? Is the minister aware, from evidence given at a Senate committee, that the three-quarters of a billion dollar Cement Australia plant in Gladstone that was to begin construction this year has also been shelved? Do you have any feeling for those working Australians in Rockham-
pton and Gladstone who are now without a job, to a large degree because of Labor’s in-
competence in Queensland, with the increase in taxes, and your own emissions trading scheme, Minister? Will you now admit that it has been disastrous for Australian workers? (Time expired)

Senator WONG—We have dealt very closely with Australian industry in the design of the scheme, which is why the Business Council and the Australian Industry Group have called for the passage of a scheme this year. I am also aware that there are those in this debate who believe that fearmongering, rather than sound policy discussion and con-
structive negotiation, is the way to go. I would remind the senator that as a result of his leader agreeing, in the context of the re-
newable energy target, to the CPRS assistance models, essentially the Leader of the Opposi-
tion and the opposition have today voted for exactly the same assistance models as exist under the CPRS, which are described by Mr Turnbull as being ‘appropriate protec-
tion’.

Afghanistan

Senator McLUCAS (2.07 pm)—My question is to the Minister for Defence and the Minister representing the Minister for Foreign Affairs, Senator Faulkner. Can the minister update the Senate on the conduct of the elections in Afghanistan? Can the minis-
ter inform the Senate of the role played by troops to ensure the safe conduct of the election?

Senator FAULKNER—All senators would be aware that today Afghanistan is going to the polls for its presidential and provincial elections. Polling booths opened some two hours ago. This is the first Afghan run election for 30 years. It is a tribute to the determination of the Afghan people who are holding these elections and providing the security for people wanting to vote, with the assistance of ISAF.

The United Nations says that election campaigning has been robust and vibrant, that 31 candidates are running for president and approximately 3,300 people, including 342 women, have registered as candidates in the provincial council elections. In Oruzgan province ADF personnel have been involved in a number of operations to create secure conditions for the poll. In fact Australia has deployed an extra 120 combat troops to pro-
vide that security. Prior to polling day, Aus-
tralian troops conducted patrols and security operations in the Chora Valley, Dihrawud and Tarin Kowt regions, operations which have severely disrupted Taliban networks, which threaten the safe conduct of the polls. Taliban insurgents have issued multiple threats to disrupt election proceedings. This is a difficult and challenging day for our troops and of course for the Afghan people. I am sure that the wishes of all senators are with them as these elections proceed. (Time expired)

Senator McLUCAS—Mr President, I ask a supplementary and I thank the minister for his answer. Can the minister indicate what steps have been taken to maximize the par-
ticipation of women in the elections? Is there a risk that the results of the Afghanistan election will be considered less legitimate be-
cause of difficulties with the participation of women?

Senator Faulkner—Yes, I am aware of reports that there may be shortages in the number of women officials to assist with the elections. Australia has provided extensive support for the elections, including the training of some 200 female Afghan election observers to allow women to participate in elections. Access to voting stations should be available to at least 85 per cent of Afghanistan’s 16 million registered voters and this includes dedicated polling stations for women. I am encouraged that among the new registered voters some 39 per cent are women. UN Secretary General Special Representative for Afghanistan Kai Eide has said that there have been problems in recruiting electoral officials. (Time expired)

Senator McLucas—Mr President, I ask a further supplementary question. Given the threats of intimidation by Taliban extremists and the series of recent attacks in the heart of Kabul and elsewhere, can there be any assurance regarding election security and turnout?

Senator Faulkner—ISAF’s chief of the election taskforce, Australian Brigadier Damian Cantwell, who has been overseeing election security, expects about 6,500 polling stations to open and 85 to 90 per cent of Afghan voters to be able to vote, with only those in Taliban dominated areas unable to vote. There is no doubt that Taliban intimidation will reduce this turnout. However, the security arrangements in place and the domestic and international support which has been provided will minimise the disruption and protect the Afghan people as they exercise their democratic right. With ISAF troops in support of the Afghan National Security Forces, there are almost 300,000 personnel involved in security support for the—(Time expired)

Economy

Senator Joyce (2.12 pm)—My question is to the Minister representing the Treasurer, Senator Sherry. What proportion of Australia’s debt, as listed by the Australian Office of Financial Management as Commonwealth government securities outstanding, is finance from overseas sources?

Senator Sherry—I am not sure whether Senator Joyce would be aware but the government, on coming to office, inherited some $58 billion in debt, of which—

Opposition senators—Oh, come on!

Senator Sherry—It is true. I do not know why the opposition are so surprised. Perhaps I should explain to them—

Opposition senators interjecting—

The President—Order!

Senator Sherry—At the time of the Labor government taking office, the former Liberal government left us some $58 billion in debt.

Senator Brandis—That is a lie!

Senator Sherry—That is a matter of fact.

The President—Order! Senator Brandis, you will need to withdraw that comment.

Senator Brandis—I withdraw.

The President—Senator Sherry, I draw your attention to the question. You have one minute 17 seconds remaining to answer the question.

Senator Sherry—The Liberal opposition obviously do not want to hear the truth, because they believe their own propaganda—

Opposition senators interjecting—

Senator Sherry—I notice the term ‘untruth’ is being bandied around. It is true. It is a matter of fact that there was $58 bil-
lion in debt when this government took office. If we go to—

*Honourable senators interjecting*

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

**Senator McGauran**—You are sending a shiver up the bond market.

**Senator SHERRY**—Senator McGauran makes the observation about the bond market. As a matter of fact—

**The PRESIDENT**—Senator Sherry, I draw your attention to the question—

**Senator SHERRY**—I am trying to answer it.

**The PRESIDENT**—Forget about the interjections. The issue is to answer the question. Senator Joyce, is that your point of order?

**Senator Joyce**—Yes, that is my point of order.

**The PRESIDENT**—Senator Sherry, you have 35 seconds to address the question. Ignore the interjections. They are disorderly.

**Senator SHERRY**—Thank you, Mr President. I think it is important when answering this question on debt and bond issuance to point out the starting point. The Liberal-National party opposition may not like to know this but there was—

**Senator Joyce**—Mr President, I rise on a point of order, which goes to relevance.

**Senator Conroy** interjecting

**The PRESIDENT**—Order! Order on both sides. Senator Joyce, you have a supplementary question.

**Senator JOYCE**—Mr President, I ask a supplementary question because the time has expired. I will ask the minister the question again and see if he has a chance of answering it: how much of Australia’s debt is financed from overseas sources? If you cannot answer it, please just be honest with the chamber.

**Senator SHERRY**—I think when Senator Joyce asks questions relating to foreign debt, he should make it clear what form of debt he is referring to. But I can indicate to the chamber—

**Senator Chris Evans**—Mr President, I rise on a point of order. I am not sure whether that was a point of order or a complete rave and rant. If it attempted to be a point of order, I suggest you suggest to Senator Joyce that it is totally inappropriate to rant and rave at the minister when allegedly making a point of order.

**The PRESIDENT**—There is no point of order. Senator Sherry, I draw your attention to the question that was asked by Senator Joyce. You have 18 seconds to address that.

**Senator SHERRY**—Thank you, Mr President. As I was saying—I have been so often interrupted, and you have pointed that out—the starting point for government debt was the $58 billion left to us by the former government, of which approximately—

**Senator Joyce**—Mr President, I rise on a point of order, which goes to relevance.

**Senator Conroy** interjecting

**The PRESIDENT**—Order! Order! Senator Conroy, that is disorderly.

**Senator Joyce**—The minister did not answer the question. He did not even get close to answering the question. So, in my supplementary, I ask the minister again—

*Honourable senators interjecting*

**The PRESIDENT**—Order! Order on both sides. Senator Joyce, you have a supplementary question.

**Senator JOYCE**—Mr President, I ask a supplementary question because the time has expired. I will ask the minister the question again and see if he has a chance of answering it: how much of Australia’s debt is financed from overseas sources? If you cannot answer it, please just be honest with the chamber.

**Senator SHERRY**—I think when Senator Joyce asks questions relating to foreign debt, he should make it clear what form of debt he is referring to. But I can indicate to the chamber—
Senator Joyce—Mr President, I rise on a point of order, which goes to relevance. I have clearly stated that. I have stated that it is the proportion of Australia’s debt as listed by the Australian Office of Financial Management as Commonwealth government securities.

The President—There is no point of order. I will continue to listen to the answer but I believe that Senator Sherry is seeking to address the question. Senator Sherry, I remind you of the question, and you are invited to continue your answer.

Senator Sherry—On the question that Senator Joyce has now sought to clarify via his point of order, I can give him some quite detailed information about debt and foreign debt. Without all the interruptions and noise from the opposition, it would be much easier and smoother to get to that answer. With respect to debt, foreign debt, which is placed overseas, currently stands at some $678.3 billion, Senator Joyce. I might point out that when you were in government and when you were in opposition up until 1995-96—(Time expired)

Senator Joyce—It seems amazing that, considering the debt as at today is $108.135 billion, he has now told us that $678 billion is foreign debt. He has got more foreign debt than we have actually got debt!

The President—Order! Senator Joyce, it is not a time for debating or statements prior to questions. If you have a question, you are entitled to ask the question.

Government senators interjecting—

The President—Order! Order! Order, those on my right! Senator Ludwig, I will give you the call, but there are those on your side who are interjecting when you are seeking a point of order. That makes it very difficult for me.

Senator Ludwig—Mr President, on a point of order: what we have now witnessed is a supplementary question that is not a question. It is a statement. Therefore, I ask you to rule that the question is out of order and that it should be disallowed on the basis that there is simply a statement being made.

The President—There is no point of order. Senator Joyce, if you have a question rather than a statement to put before the question, you may ask the question.

Senator Joyce—Mr President, I do have a further supplementary question. It is very hard getting answers, though—right ones. Minister, seeing you have no idea exactly what our foreign debt is, can you please tell us, if you have got any idea, who the top three nations providing it are? I do not give myself much chance of getting an answer on that one either.

Senator Wong—Mr President, on a point of order: I invite you to consider, through this set of questions, the flagrant flouting of standing orders that Senator Joyce has been engaged in. He has now put three questions which he has refused to address through the chair and in which he has consistently engaged in statements. It is simply inappropriate given what is prescribed in the standing orders. He has persistently undertaken this flouting of the standing orders throughout the entirety of this question to Senator Sherry.

The President—There is no point of order.

Senator Sherry—There are various forms of debt. There is foreign debt, credit card debt, household debt, sector debt, corporate debt and government gross and net debt. Unfortunately, when Senator Joyce asked about debt and foreign issuance, he did not clarify—

Senator Joyce—Mr President, on a point of order: we have clearly spelled out exactly
what we are asking: Australia’s debt as listed by the Australian Office of Financial Management as Commonwealth government securities outstanding. You can’t be more explicit than that. Answer the question!

The PRESIDENT—There is no point of order. Senator Sherry, I draw your attention to the question. You have 38 seconds remaining to answer the question.

Senator SHERRY—I think any analysis of the Hansard would show that, when Senator Joyce asked both his original question and his supplementary, he did not make it clear what sort of foreign debt he was referring to.

The PRESIDENT—Order! Senator Sherry, this is not a time for debating the issue; it is a time for answering the question. I invite you to answer the question.

Senator SHERRY—He then did clarify the position after initially having failed to clarify what particular foreign debt he was asking about—he went on and clarified that he was in fact seeking data on—

The PRESIDENT—Order! Senator Sherry, I have invited you to answer the question, not to debate the question that was asked.

Senator SHERRY—He has referred to the Australian Office of Financial Management volume of CGS on issue and I am pleased to— (Time expired)

Tasmania: Foxes

Senator MILNE (2.26 pm)—My question is to the Minister representing the Minister for the Environment, Minister Wong. Does the government agree that there is a window of opportunity to prevent foxes from becoming established in Tasmania, a window which is rapidly closing given that scats were found as far south as Cygnet just this week? Does the government acknowledge that, if foxes are not eradicated swiftly, as many as 78 native species will be put at risk and, additionally, the primary industry sector will face a potential cost of around $20 million a year through impacts such as loss of lands, the cost of protecting lands and so on?

Senator WONG—I thank the senator for her question. I am not sure I have much detailed information on what our views are about—

Senator Sherry—I have finished the hunt and I have got some data on foxes for you.

Senator Wong—He has everything!

The PRESIDENT—Order! Senator Wong, have you finished your answer or are you continuing?

Senator WONG—Senator Milne, I assume that you may be referring to some Caring for our Country funding decisions in relation to this issue. I do have some information about funding through Caring for our Country, including expressions of interest under the Australian Pest Animal Management Program, which are due to close Friday, 28 August 2009. It is also the case that the Minister for the Environment, Heritage and the Arts has, from memory, issued a report in relation to vertebrate pests. The senator may be referring to that. I have some information about the costs in relation to that. If there is further information that I can obtain from the minister for the environment, Senator, I will provide it to you.

Senator MILNE—Mr President, I ask a supplementary question. I am assuming, from what the minister is saying, that the government does accept that there is a window of opportunity to prevent foxes from becoming established. Given that the Tasmanian government sought $11.3 million over four years from the federal government to support fox eradication operations in Tasmania, how can the government justify the risk to Tasmania’s native species and primary industries arising from providing only $1
million for one year, the 2009-10 year, with no commitment to ongoing funding other than the promise of a review?

Senator WONG—As I said, Senator Milne, I do not have the detailed information in relation to the subject matter of your question. I will see if I can obtain some advice on that issue. As I said, I am unclear as to whether or not this is a Caring for Our Country program to which you are referring; if it is, obviously I can provide that information, because that is administered by the ministers for the environment and agriculture. As I said, I think everybody in Australia understands we have a range of invasive species and pests which have had an impact on our environment and our economy over the last couple of hundred years, so this is an ongoing issue that governments have sought to manage through different parties being in government.

Senator MILNE—Mr President, I ask a further supplementary question. Why does the minister not have an up-to-date brief on this matter, since it has been an issue raging in Tasmania for the last week? I particularly want to hear from the federal government an undertaking to guarantee funding beyond one year—a promise of guaranteed funding beyond one year—and to immediately top up this program so that it does not threaten the viability of the fox eradication program. I ask the minister to at least give that undertaking: a guarantee of ongoing federal funding.

Senator WONG—With respect—through you, Mr President—the government does not make expenditure decisions in the context of an answer in question time. I do not have detailed information on that. I do carry a lot of folders into question time, but unfortunately I do not appear to have a detailed brief on this.

Senator Bob Brown—You read the paper.

The PRESIDENT—Order! Senator Wong, ignore interjections. Just address the chair.

Senator WONG—I do read quite a lot, actually, Senator Brown. I will obtain what information I can on this issue. I understand that the senator is referring to existing Australian government funding for the current financial year, 2009-10, so I will seek to ascertain details of that program.

Workplace Relations

Senator FISHER (2.32 pm)—My question is to Senator Arbib, the Minister representing the Minister for Employment and Workplace Relations. Does the minister’s decision to intervene in award overhaul in the horticultural sector show that the government knows that its fatally flawed policy will cost jobs?

Senator ARBIB—I thank Senator Fisher. I am always happy to get up and talk about reforms that are taking place in workplace relations, and also to remind Australians about the previous, Howard government’s Work Choices legislation. So any time—

Senator Abetz—Mr President, I rise on a point of order. The minister has just indicated that he will not be answering the question but will be using it as an opportunity to talk about matters that are not directly relevant. I remind you of the sessional order requiring the minister to be directly relevant to the question, and that of course relates to horticulture.

Senator Chris Evans—On the point of order, Mr President, I know Senator Abetz is trying to rebuild his confidence, but Senator Abetz is perfectly entitled to put the question in the context of the general IR debate, and he had only been going for a matter of 19 seconds when Senator Abetz sought to take a
point of order. Senator Arbib, as always, will
directly answer the question and deal with it
in the context of the IR debate.

The PRESIDENT—Order! At this stage
there is no point of order, but I do draw the
minister’s attention to the question and I will
be listening carefully to the answer that is
given to ensure that it is relevant to the ques-
tion.

Senator ARBIB—I was mentioning Work
Choices and reminding Australians about
that, but I do want to move on to horticulture
and award modernisation. This a major piece
of reform that was too tough for the Howard
government to take on, but the Rudd gov-
ernment is doing it: reforming 2,400 out-
moded state and federal instruments into 230
simple, modern awards. There have been
discussions with the horticultural industry. In
fact, the Minister for Employment and
Workplace Relations and her department met
on 26 May with Horticulture Australia
Council, Growcom, the National Farmers
Federation, Fruit Growers Tasmania and the
Australian Industry Group, and there have
been further pieces of correspondence and
also further phone calls. As Senator Fisher
would know, though, these are quite difficult
and complex issues that need to be worked
through. They affect a very crucial sector of
the economy and a very crucial workforce,
so it will take time. Overwhelmingly, the
task of award modernisation has been going
extremely smoothly and has been very suc-
cessful.

Opposition senators interjecting—

Senator ARBIB—There are a small
number of issues—

Opposition senators interjecting—

The PRESIDENT—Order! The minister
will resume his seat. I will call the minister
when there is silence. When there is silence,
we will proceed. Senator Arbib.

Senator ARBIB—As I was saying, there
are a small number of issues, and we are
working with industry and with unions to
ensure that those issues worked through. The
Deputy Prime Minister and Minister for Em-
ployment and Workplace Relations has put it
on the record that she is prepared to inter-
vene in award modernisation, in the most
unusual cases where she considers that the
commission has departed from the principles
laid down by the government and where the
public interest and circumstances warrant it.
(Time expired)

Senator FISHER—Mr President, I ask a
further supplementary question. Given that
other industries, such as pharmacy, fast food
and cleaning services, face the same job de-
struction from Labor’s bungled award over-
haul—

Government senators interjecting—

The PRESIDENT—The question?

Senator FISHER—when will the minis-
ter intervene in those sectors and others, as
she apparently has for restaurants, cafes and
now horticulture?

Honourable senators interjecting—

The PRESIDENT—Order! I realise it is
Thursday, but the minister is entitled to be
heard in silence. Minister.

Senator ARBIB—I do wish to remind
Senator Fisher that she and all the Liberal
Party and National Party senators actually
voted for this piece of legislation. They
voted for award modernisation. They can
now whinge and whine about it, but they
voted for it.

Senator Fisher asked a question in regard
to other sectors. I can confirm that there have
been discussions with other sectors. The
Deputy Prime Minister met with: on 25 May,
the aged-care industry; on 26 May, the horti-
culture industry, as I said; on 18 June, the pharmacy industry; on 18 June, the retail
industry; on 4 August, independent schools; on 11 August, the AHA; and on 18 August, the Citrus Australia group. We are putting in place detailed reform. We are working with the industry. We are doing it in a balanced and responsible way. This is the difference between the Rudd government, who believes in fairness and balance, and the previous government, who believed in Work Choices.

Honourable senators interjecting—

The PRESIDENT—Order! I will call you when there is silence, Senator Fisher.

Senator FISHER—Mr President, I ask a further supplementary question. Given that the minister refuses to immediately intervene to help sectors such as pharmacy, fast food and cleaning services, will the government suspend its bungled award overhaul to stop the execution of jobs economy-wide, or has the government guillotined its promise to not cost jobs, not cost business and not cost workers with its bungled award overhaul?

Senator ARBIB—As I said, the discussions and the negotiations with trade unions and with industry will continue. Coming back to the premise of Senator Fisher’s argument, what would the Liberal Party do? What would they do if they were back in government? We know for a fact it would only take them five minutes to bring back Work Choices. Let’s talk about Work Choices.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Arbib, resume your seat. On both sides I need order. When there is silence Senator Arbib may continue.

Senator ARBIB—Senator Fisher, as a former staffer to Peter Reith, obviously does not like hearing this. But look at the six women who worked in the agricultural sector, at Merbein Mushrooms, who refused to sign AWAs because it would cut their take-home pay by $150 a week. That was possible under the previous Howard government.

Senator Abetz—Mr President, I raise a point of order. There is a sessional order in place, and I would invite you to rule on whether or not the minister is being directly relevant to the question that was asked. Mr President, if you allow him to continue and rule that the answer is directly relevant, I do not think many people listening to and viewing this broadcast would agree.

Senator Ludwig—On the point of order, what the minister has been doing is responding to the question and being directly relevant to it. The minister may have been provoked by interjections from the other side, to which he fairly responded. The question was asked and the minister is responding directly to those matters. The question was about industrial relations and the minister is responding and also, inevitably, referring to the award modernisation program. That was clear in the answer. However, I do not invite you, Mr President, like the senator on the opposite side did, because I think that was one step too far, quite frankly. I simply request politely that you rule that there is no point of order.

The PRESIDENT—On the point of order, I consider that the minister is answering the question. He may not be giving the answer that the questioner would like, necessarily, but I have no control over the answer that is given by a minister. I have no control over the answer that is given by a minister—I repeat that. I draw the minister’s attention to the question and I invite the minister to continue his answer.

Senator ARBIB—As I was saying, the government will continue to work cooperatively, fairly and in a balanced way with the horticultural sector and with all other sectors, because we believe in fairness and we be-
lieve in balance, unlike those in the Liberal Party and the National Party. (Time expired)

Liquefied Natural Gas Exports

Senator MARK BISHOP (2.41 pm)—My question is to the Minister for Innovation, Industry, Science and Research, representing the Minister for Resources and Energy, Senator Carr. Can the minister update the Senate on developments relating to the Gorgon liquefied natural gas project off the coast of Western Australia: what is the export potential of this project and, in particular, what is the potential for sales to our trading partners in the Asia-Pacific area; what other benefits can Australia expect from this project; what are the implications for local workers and firms; what does the project mean for the domestic supply of gas in Western Australia; how much government revenue is the project expected to generate; and how might this revenue be applied?

Honourable senators interjecting—

The PRESIDENT—Order on both sides! I am seeking to call the minister.

Honourable senators interjecting—

The PRESIDENT—Shouting across the chamber is disorderly. I need to call the minister to continue question time.

Senator CARR—This week Australia signed its biggest trade deal ever, Senator Bishop. Under this agreement the Gorgon joint venture will export $50 billion worth of liquid natural gas to—

Honourable senators interjecting—

The PRESIDENT—Order on both sides! If you want to debate the issue, the time to debate it is at the end of question time.

Senator CARR—Under the agreement, the Gorgon joint venture—

Honourable senators interjecting—

The PRESIDENT—Order on both sides! Under the agreement, the Gorgon joint venture will export some $50 billion worth of liquid natural gas to China. A week earlier, Exxon Mobil and Petronet signed a multibillion dollar deal to supply Gorgon LPG to India. This confirms the strength of Australia’s trade and investment relationship with these two economic giants of our region. It also confirms Australia’s continued status as a global energy superpower supplying clean energy to the world.

On Monday the Commonwealth and the government of Western Australia announced that they will jointly accept any long-term liability arising from the storage of carbon dioxide associated with the Gorgon project. This clears the way for the joint venturers—Chevron, Exxon Mobil and Shell—to make a final investment decision before the end of the year. Economic modelling undertaken by the joint venturers suggests that overall the Gorgon project will create some 6,000 jobs in the construction phase and 3,500 ongoing jobs over the life of the project.

Honourable senators interjecting—

The PRESIDENT—Order on both sides! There needs to be silence. Interjecting, as I have pointed out already, is quite disorderly.
The minister is entitled to be heard in silence.

Senator CARR—It will use some $33 billion worth of locally purchased goods and services. It will generate some $40 billion in revenue, which can be used to fund schools, hospitals, roads and other infrastructure in Western Australia and across Australia for decades to come. (Time expired)

Senator MARK BISHOP—Mr President, I ask a supplementary question. Can the minister inform the Senate what the Gorgon joint venture is doing to ensure that Australian firms have full, fair and reasonable opportunity to participate in the project? Does the project have an Australian industry participation plan and if so, how is this plan being implemented? Has the Commonwealth provided funding or other support to facilitate the involvement of local suppliers? What role is the Industry Capability Network playing in assisting the joint venture to implement the plan? Does the plan meet the government’s objective of giving local suppliers timely and transparent involvement in major procurement and construction projects such as this one?

Senator CARR—I thank Senator Bishop. The Gorgon joint venture was to be developed as an Australian industry participation policy in the early stages of this project and it is actively ensuring that local firms have every opportunity to get involved. It is working with the Industry Capability Network to identify Australian suppliers for the project. The Commonwealth has granted the network $159,000 to support this work. Gorgon is also advertising upcoming procurement and contract opportunities on its website, engaging with potential suppliers through regular supplier briefings and introducing Australian firms to global companies and supply chains.

Honourable senators interjecting—

The PRESIDENT—Order!

Senator Chris Evans—You wanted us to answer the question. He has answered the first seven and this is the eighth.

The PRESIDENT—Order! Senator Carr, resume your seat. I will call you to continue your answer again when there is silence.

Senator CARR—Mr President, they are very disorderly here. The joint venture has engaged Australia industry early to give firms enough time to establish their competitive position. This is a great example of what the government is trying to achieve through the new Australian industry participation package. (Time expired)

Senator MARK BISHOP—I have even more questions, Mr President. Can the minister give the Senate more information on the government’s Australian industry participation package? What is the value of the package, what is its purpose and what benefits is it expected to bring? What are the main elements of the package and how will they be
implemented to give local firms the opportunity to compete for and win work both domestically and internationally? Will the package apply to both public sector and private sector—

Senator Bob Brown—On a point of order, Mr President: that is the 20th question that has been put by the questioner. The point of order is this: the questions are being written in the House of Representatives for the Senate. I ask you, Mr President, if you would send to the Speaker of the House the sessional order for the Senate for distribution to the ministers so that they can write questions appropriate for the time given in the Senate.

The PRESIDENT—There is no point of order. That is not a matter for me.

Senator MARK BISHOP—Will the package apply to both public sector and private sector contracts? To what extent does it focus on building the capacity of Australian industry to make it more competitive?

Senator CARR—That is a very good series of questions there, Mr President. The government has announced $19.1 million for an Australian industry participation package which is designed to get more local firms involved in major projects and procurements both at home and abroad. The money will be used to identify existing capabilities, build new ones, and match those capabilities to new opportunities. The package includes an extra $8.5 million for the Industry Capability Network, which links firms with opportunities; $8.2 million to supply advocates to champion Australian industry and to improve competitiveness; and $2.5 million to extend the use of Australia’s industry participation plans to major Commonwealth contracts and projects. This is about giving Australian firms a fair go. It is about ensuring that people are encouraged to buy Australian, both at home and abroad. (Time expired)

Indigenous Housing

Senator PAYNE (2.53 pm)—My question is to the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Senator Evans. Can the minister confirm to the Senate that administrative and indirect costs associated with the Strategic Indigenous Housing and Infrastructure Program total between 50 and 55 per cent of the total program budget, as stated by now sacked SIHIP project manager Mr Jim Davidson on ABC radio yesterday, and that when the alliance partners’ profit of up to 20 per cent is added to that, the total left for actual house construction is 30 per cent of the budget?

Senator CHRIS EVANS—I thank Senator Payne for the question. I gave some information in answer to Senator Scullion’s question the other day on the administrative costs of the program. Let me be very clear: the SIHIP program will deliver 750 new houses, 230 rebuilds and 2,500 refurbishments of houses in remote Northern Territory communities by the end of 2013. It is an ambitious and large-scale housing program—in fact, the largest ever undertaken in this country. The Australian and Territory governments have each appointed a senior official to make sure the program is operating effectively. They have been going through the program line by line and are assessing a range of issues, including the sorts of matters that have been raised publicly and which you raise again in the chamber today. The minister advises me that she is expecting a report from them shortly.

We are very conscious that we are accountable for taxpayers’ money and the Indigenous people of the Northern Territory and we are absolutely committed to delivering the program and delivering it efficiently. The departmental officials are examining the structure of the SIHIP program to ensure that
it delivers on the targets that have been set. We will of course respond to the report that has been requested appropriately. I think it is important for us to acknowledge, though, that old housing models have not served Indigenous interests. Over the decades, many millions of dollars have been poured into housing, and the outcomes have been simply abysmal. I think that was a lesson the previous government learnt under its genuine initiative to try to better use the COAG process to deliver housing. Those initiatives failed. It is important that we do not repeat those failures, and there were more before that. We know that run-down overcrowded houses, where no-one has clear responsibility—

**Time expired**

*Senator PAYNE*—I thank the minister for his response and I ask a supplementary question. Based upon the scope of the work, the value of the SIHIP contracts that have been let to date, the administrative costs that are reported, the reported wastage and the reported inefficiency, how can the minister and the government still claim that 750 houses, 230 rebuilds and 2,500 refurbishments can be made? Is it not the case that in fact only about 300 houses can be constructed, not the 750 as promised and repromised by the minister and the government?

*Senator CHRIS EVANS*—No, is the answer. I made it clear to the Senate in answering the first question that the government remains committed to the program and to delivering the targets set for it. That is our very firm intention and we will look to deliver the program as indicated. There obviously have been some concerns raised. The minister is seeking a report from the senior official, along with the Northern Territory government senior official, to ensure we are getting effective action. She will be receiving that report soon and that will address these sorts of concerns that have been raised. It is important that they are addressed. The minister has undertaken to do that and no doubt she will report publicly on that. But the government’s commitment to Indigenous housing, to improving the lot of Indigenous persons, both in the Northern Territory and elsewhere is undiminished.

*Senator PAYNE*—Mr President, I have a second supplementary question to the minister. When will the first house built under SIHIP be completed?

*Senator CHRIS EVANS*—There have been a number of refurbishments and other housing initiatives that have seen houses being repaired and planning for development. As I understand it, since November 2007 over 90 houses have been constructed using funds from Australian government to Northern Territory government Indigenous housing programs. But as to the exact details about SIHIP, I will take that on notice and get back to you because, as I said, I have got the figures on the number of houses but not the numbers specifically under that program that have been completed. Again, I assure the senator that the government remains committed to the target of 750 new houses. We will try and ensure that those are delivered in the time frame set and any matters of concern that have been raised will be addressed very seriously.

**Health**

*Senator FIELDING (2.58 pm)*—My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. Is it a fact that it has now been more than seven weeks since the government received the report from the National Preventative Health Taskforce and that the government has still not released this report to the public or announced one single recommendation from the report that the Rudd government will be implementing? Can the government tell the Senate when it will be making this Preventative Health Taskforce report
available to the public and making itself accountable for the recommendations contained within it?

Senator LUDWIG—I thank Senator Fielding for his interest in this area. The Preventative Health Taskforce submitted its final report to Minister Roxon, the Minister for Health and Ageing. I will not be able to speculate on what may or may not be within the report or what it recommends. I can say that it will provide recommendations about how best to prevent illness and stay well, focusing on three priority areas. Those are tobacco, obesity and alcohol. That is why, as I understand it, Senator Fielding has an interest in this area. Senator Fielding has raised the issues around tobacco and obesity and, of course, he has a long interest in alcohol—or I should say the issues surrounding the health effects of alcohol consumption.

I can also say that preventative health is vital in keeping people well, productive and out of hospital. The taskforce’s recommendations will be built on the historic $872 million we have invested in preventative health via the COAG process. The minister is currently working through its implementation details. In dealing with those, the minister will have to work through the implementation details with the states and territories to be in a position to provide the details in due course. I am not in a position to advise the Senate when that announcement will be. It is a matter that the minister will announce in due course. Those matters are within the government prerogative, and I am sure that Senator Fielding understands that the minister will be able to provide further information, given his question. I will seek additional information for him if I can.

Senator FIELDING—I have a supplementary question. I think that you have acknowledged that it is true that the Preventative Health Taskforce looked into the issues relating to the consumption of tobacco. You could confirm that. Also, given that plain tobacco packaging is an issue which has been called for by numerous organisations—including the Cancer Council of Australia, the National Heart Foundation of Australia and the Public Health Association of Australia, each of which made a submission to the National Preventative Health Taskforce—can the government confirm that the taskforce has recommended that Australia should adopt plain packaging laws for tobacco products?

Senator LUDWIG—I thank Senator Fielding for his question. As I indicated in my response to his primary question, one of the broad areas that the taskforce will provide recommendations about is how best to prevent illness and stay well, but it also focuses on those three priority areas. One of those, I can confirm, is tobacco because the number of Australians smoking daily is down—and this is good news—from 23.8 per thousand in 1995 to 16.6 per thousand, a fall of more than half a million. That does not mean that we can stop there. We do need to continue to focus our efforts in this area. The election commitment of $15 million to reinvigorate the National Tobacco Strategy, including the National Tobacco Campaign, is one of those areas. I can also say that the COAG $1.6 billion—(Time expired)

Senator FIELDING—Mr President, I ask a further supplementary question. Is it true that smoking related diseases kill 15,000 Australians each year and cost the community over $30 billion? Will the government support moves for stricter consumer product standards for cigarette packets?

Senator LUDWIG—Australia has led the way on tobacco reform and the results have been significant, with smoking rates down by 17 per cent. It is a demonstration of our commitment to reduce tobacco related harm
and that is why we established the National Preventative Health Taskforce. As I indicated, one of the three priorities of the taskforce deals with reducing tobacco related harm. The taskforce has presented its final report. I am not currently in a position to comment on its what recommendations might be. The report is currently being examined by the government and will be released soon. I cannot speculate on each and every recommendation within it, nor is Minister Roxon in a position to do so. I can take the question on notice to see if Minister Roxon can provide any additional information in respect to the questions asked. (Time expired)

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Afghanistan: Women’s Rights

Senator CHRIS EVANS (Western Australia—Minister for Immigration and Citizenship) (3.04 pm)—I seek leave to incorporate further information in relation to an answer to a question by Senator Bob Brown about the treatment of women in Afghanistan.

Leave granted.

The answer read as follows—

Senator Brown asked a question with respect to the Shia Personal Status Law and its impact on the rights of Shia women. Australia and other members of the international community made our concerns known to the Government of Afghanistan when the law was first considered in March 2009.

At that time, the draft law contained a number of articles which were unacceptable as they severely undermined the rights of Shia women in violation of the Afghan Constitution, which guarantees gender equality, and also Afghanistan’s obligations as signatory of a number of international human rights agreements.

The Government therefore welcomed President Karzai’s decision to ask the Afghan Ministry of Justice to amend those articles which contravened both the Afghan Constitution and international human rights agreements.

I am advised that the revised law was gazetted on 27 July 2009. The Afghan Independent Human Rights Commission said the law was a step forward, but despite improvements, the Australian Government is concerned that the law still does not meet Afghanistan’s international human rights obligations. This concern is shared by the UK, USA and the European Union.

The Department of Foreign Affairs and Trade is monitoring developments in relation to this law. The Government will continue to press the Afghan Government to meet its international obligations, including respect for the equality of women before the law.

Senator Brown also asked a question with respect to the practice of men voting on behalf of women in Afghanistan. I am advised that, according to the Afghan Independent Electoral Commission, no Afghan person can vote on behalf of another.

Tasmania: Foxes

Senator WONG (South Australia—Minister for Climate Change and Water) (3.05 pm)—I have some further information in relation to a question asked today by Senator Milne. I know she has left the chamber but I hope this information will be of assistance to her. I have received the following from the Minister for the Environment, Heritage and the Arts.

The government accepts the importance of controlling foxes in Tasmania. I am advised that it is not correct that the Australian government has reduced its funding to Fox Free Tasmania. I am advised that in 2008-09 we provided $980,000, and in 2009-10 a slight increase to $1 million has been offered. The government has provided one year of funding as the effectiveness of Fox Free Tasmania is under review. An independent review
of Tasmania’s Fox Eradication Program was commissioned by the management committee of the Fox Eradication Program. The Commonwealth Department of the Environment, Water, Heritage and the Arts is represented on this management committee. The review was carried out by Landcare Research, New Zealand. It is now complete and is shortly to be considered for endorsement by the management committee. I am advised the government will consider the funding level in light of that review.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Emissions Trading Scheme

Senator IAN MACDONALD (Queensland) (3:06 pm)—In sadness and anger 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 Macdonald today relating to Cement Australia in Rockhampton, Queensland. The sadness is because tonight 32 Rockhampton families will be facing the bleak prospect of unemployment, of the main breadwinner of the family being without a job. I congratulate Cement Australia for, in their announcement of the shutting of the Rockhampton plant, indicating that alternative jobs within the company will be offered and that any employee choosing not to accept an alternative job will receive their full entitlements as well as retraining assistance, if required. The jobs in other parts of Cement Australia would not be in Rockhampton, and that means 32 families will face the prospect of being unemployed or packing up all of their belongings, selling their houses and moving to a distant town.

I speak in anger because it was all so avoidable. The disaster that has befallen the cement industry in Australia was predicted in any one of the four Senate inquiries into the Rudd government’s CPRS proposal. This statement from the Cement Industry Federation Australia, which was tabled in the Senate Select Committee on Climate Policy, predicted exactly what happened. I asked Senator Wong in question time whether she bothered to read the evidence, whether she bothered to have serious negotiations with the cement industry and whether she understood what her proposal was doing to those factories and to the people employed in them. Senator Wong, of course, did not answer the question but started prattling on about clinker getting the 90 per cent assistance. The cement industry, in all of the submissions they made to the government and to Senate inquiries, said that they could get by with 90 per cent if it were for the whole industry—not just the clinker part. I am not sure if Senator Wong ever understood that. Clinker is not the cement industry; it is a part of the process. But Senator Wong and the government are so arrogant that they were not prepared to listen to the pleas of the industry.

In their submission, the Cement Industry Federation said this about the decay in the assistance—that is, the rundown in assistance after the first years. They said:

The Australian cement industry can only remain competitive if the assistance rate for EITE industries remains constant until a global scheme is implemented. The decay of the assistance rate will diminish the competitiveness of the Australian cement industry leading to the premature closure of production facilities and deter new investment which contradicts the commitment made by the—Labor—Government in the 2007 election campaign to not disadvantage EITE industries. It was all predicted there. We were all told what was going to happen, regrettably, in Rockhampton today. One can only surmise that there will be other closures around Aus-
tralia in the future. The industry cannot compete with this sort of taxing. It is the fear of what Labor will do that is causing the lack of investment and has caused this plant in Rockhampton to shut down today. Already, in evidence to committees, Cement Australia have told us that their $750 million new plant proposed for Gladstone would not go ahead because of investment uncertainty. This is a double blow for Rockhampton. I am not sure what the Labor member, Kirsten Livermore, is doing about it. The meat factory in Rockhampton will face the same outcome if this proposal from the Labor government goes ahead. (Time expired)

Senator LUNDY (Australian Capital Territory) (3.11 pm)—It is very disappointing to hear the opposition seeking to make political points off the back of a plant closure that we all know is largely attributable to the global recession. It is not believable to try to link Cement Australia’s decision with the Carbon Pollution Reduction Scheme when global recession has caused a 25 per cent drop in global demand for cement.

Senator Ian Macdonald—Why did they say it was the CPRS?

Senator LUNDY—The fact is that, under the CPRS, as I am sure Senator Macdonald knows, clinker production—which is the emissions-intensive part of the cement production chain—would be eligible not for 90 per cent free permits, as Senator Macdonald explained, but in fact, as Senator Wong explained in her answer to the question during question time, 94.5 per cent free permits with the scheme not commencing until 2011. I think it is important to remind those in the opposition of Mr Turnbull’s comments yesterday. He described the industry package as: Appropriate protection for key energy-intensive trade-exposed industries …

Far from Senator Macdonald’s articulation of the issue—which I think was very close to misleading—if clinker production is determined to be eligible for the highest rate of EITE assistance, the government’s proposed assistance package is estimated to reduce the carbon cost associated with the production of a tonne of cement from under $8 per tonne of cement to around $1 per tonne of cement in the first year of the CPRS, in the context of a cement price of around $120 per tonne in 2007. In the second year of the CPRS a carbon cost of $20 per tonne of cement will be reduced to less than $3 per tonne of cement.

As Senator Wong said in her answer to the question, it is not believable to try and link Cement Australia’s decision with the CPRS when cement producers who sell cement for $120 per tonne will only have to pay $1 to $3 per tonne for carbon as a result of the CPRS. It is a very irresponsible and fear-mongering approach to come in here and berate the government in the way that Senator Macdonald has sought to do in taking note of this answer today. More than anything else, the CPRS would provide certainty to industry. To come in here and mount an argument that it is the uncertainty that is causing these problems is the height of hypocrisy, given we saw the opposition vote against the CPRS legislation just last week.

The opposition cannot have it both ways on this issue. They cannot bleat about uncertainty when they are the creators of that uncertainty and when they, in voting against the CPRS in this place last week, denied the Australian people and Australian businesses the opportunity for certainty.

I would like to make another critical point on this matter. As Senator Macdonald and the whole of the opposition, I presume, know, the government’s modelling shows that Australian cement production will continue to grow strongly under the CPRS, with the industry roughly doubling its size by the year 2050. This is important modelling, as
the opposition knows. The opposition chooses selectively, using modelling when it suits their flimsy arguments and rejecting it when it does not.

The opposition’s shallow political stunt today of trying to gain political points from and play politics with very unfortunate circumstances brings their whole outfit into great disrepute. A global economic recession is a time when we all have to be a little mature about things. We need to support the jobs of Australian workers and support the future of Australian businesses in critical infrastructure industries like the cement sector. I find it very disappointing that today we have seen Senator Macdonald—and remember that he represents part of the Queensland electorate—come in here and fly off the handle, picking and choosing the facts as he sees fit while putting forward a highly hypocritical argument in relation to the position the opposition took on the CPRS. (Time expired)

Senator TROOD (Queensland) (3.16 pm)—I hope when the government senators leave this place at the end of the day when we adjourn for a short break that they will reflect upon the way in which the government has mismanaged the agenda in this place over the last two weeks. Before the end of the day, we are likely to pass the renewable energy target bill. We are likely to do that because the opposition has been— as it has always been on these issues—prepared to engage in negotiations and constructive dialogue with the government about this particular matter. What a contrast that has been to how the CPRS has been dealt with, where, notwithstanding all the efforts that were made on behalf of the opposition to engage the government sincerely and truly with regard to its deeply flawed scheme, it has rejected our overtures. We now have a situation where we will leave this place this afternoon and we will have not passed the CPRS but in all likelihood we will have passed the RET scheme.

The people who have to accept responsibility for that failure are those in the government. They have to accept the fact that we were prepared to assist with this particular legislation. We rejected the CPRS legislation because it was a deeply flawed piece of legislation. It was a piece of legislation which would have wreaked havoc on the Australian economy. It was a piece of legislation that would have destroyed Australian jobs. It would have undermined our trade competitiveness and Australian families and Australian business would have incurred crushing burdens. We on this side of the chamber believe that we did the right thing in protecting the Australian economy. And it would have provided almost no particular assistance to the environment and would have done even less for the problem of climate change.

The cost burden is significant. Compared to other emission schemes that are in place or in prospect around the world, the costs which would have been imposed upon the Australian economy were significant. In the US, calculations have been made that the scheme might impose a per capita figure of something in the vicinity of $57. In Europe, it is only 80c. In Australia, the burden which would have been placed upon Australians if the CPRS as drafted by the government had passed would have been in the vicinity of $440 per Australian. That is a burden that no Australian should be forced to bear, particularly in the context that we are a country that emits something in the vicinity of 1.5 per cent of global emissions.

No part of the country would have borne the impact of this imposition more than my state of Queensland. It is a state which is highly decentralised. It has a decentralised population and it has a very diverse and decentralised economy. The consequence of
that diversity and decentralisation is that, of all the states and territories of the Commonwealth, my state of Queensland would have felt the greatest impact. Particular industries would have suffered more so than others. I am thinking of the mining industry, where the costs are frightening. An assessment by Concept Economics suggests that if this particular CPRS had been introduced it would have cost in the vicinity of 11,400 jobs directly in Queensland by 2020. By 2030, the figure would have been in the vicinity of 34,000 jobs. That is 34,000 Queenslanders out of work as a result of a scheme which is deeply flawed and which would make no significant contribution to solving the global emissions problem. The annual loss to Queensland taxpayers would have been in the vicinity of $1.6 billion. All it would have done would have added to the significant deficit of the Queensland government. (Time expired)

Senator Furner (Queensland) (3.21 pm)—I rise today to also take note of the answer given during question time today about job losses at Cement Australia. To some degree I have had experience dealing with workers, as a proponent for working families. Unfortunately, in the past I have had to deal with redundancies. As an official I had to go into workplaces and resolve matters of redundancy and ensure that those workers’ conditions were protected. Those opposite two years ago introduced Work Choices, which led to the demise of workers’ conditions, particularly the redundancy provisions in their awards and agreements.

We had someone come into the chamber today using their political advantage to claim that the closure of a plant in Rockhampton has something to do with this government’s CPRS legislation that deals with the most significant issue in history—climate change. It is extremely disappointing that somebody raised that in this chamber to capitalise on the cheap political stunts. It is interesting that Senator Ian Macdonald raised this subject.

I was part of the Senate Select Committee on Fuel and Energy that visited Gladstone on 7 April this year. Mr Ritchie, National Sustainability Manager of Cement Australia, gave evidence before the inquiry and fundamentally outlined the reasons why Cement Australia is having difficulty. I would not go so far as to say that Senator Ian Macdonald is misleading the chamber, but certainly we need to recognise some points that are relevant to this debate. The chair of that inquiry asked:

How have difficult global conditions resulting from the global economic downturn impacted on your business in Australia …

To which Mr Ritchie responded:

We have certainly seen a significant decrease in demand across our business as a whole. That is what the problem is here. It has nothing to do with the proposed CPRS that the opposition voted down. It has to do with the global financial crisis. Cement Australia recognised that in evidence it gave to the Senate Select Committee on Fuel and Energy. That is what this closure is about. It has nothing to do with the CPRS legislation. As a participating member, I asked at that inquiry:

Have you raised these matters with the government during your numerous discussions with them over the CPRS?

Mr Ritchie’s response was:

Not so much in relation to the CPRS …

You would have thought that, if Cement Australia had a problem with the CPRS legislation, they would have raised it as a fundamental issue at that inquiry well in advance of any issues around plant closure. It is quite clear from what was raised in that inquiry and in this chamber today why workers are, unfortunately, losing their jobs—because of the global financial crisis. It has nothing to do with the CPRS, nothing whatsoever.
What is the opposition’s solution? Let us have a look at the record for some of their initiatives. The member for Tangney, Dennis Jensen, not long ago claimed that he wanted to put some sort of shadecloth in orbit. He indicated that the shadecloths could be tailor-made and adjusted according to the energy balance. This is the type of ideological position that the opposition takes in tackling the huge climate problems that this country and the world face. He was described in the *Courier-Mail*, a Queensland paper, as being ‘completely wacky’. These are the types of initiatives that the opposition want to introduce to deal with climate change. (Time expired)

**Senator WILLIAMS** (New South Wales) (3.26 pm)—I rise to contribute to the debate on the closure of Cement Australia’s works at Rockhampton. In their media release they clearly say:

The Federal Government’s determination to pass the Carbon Pollution Reduction Scheme has meant the long term prospects for the plant have been undermined so the business has taken a decision to resolve the matter in fairness to our employees.

They say it clearly:

… the Carbon Pollution Reduction Scheme has meant the long term prospects for the plant have been undermined …

The cement industry is a vital industry in Australia. We have some 15 plants, employing some 1,870 people. The cement industry produces around 10 million tonnes of cement a year. We also import two million tonnes. We know that the cement industry is a large emitter of greenhouse gases—not from being a large user of electricity but simply from firing their kilns in the production of cement. In fact, in Australia we produce 0.8 of a tonne of greenhouse gases for every tonne of cement that we manufacture, so in total Australia produces eight million tonnes of greenhouse gases when manufacturing our 10 million tonnes of cement. But, as I said, two million tonnes of cement are also imported.

Let us have a look at China. China produces a massive one billion tonnes of cement a year. But here is the catch: when China produces one tonne of cement it produces 1.1 tonnes of greenhouse gases, compared to our 0.8 of a tonne of greenhouse gases. So what is the end result? It is as clear as the nose on your face. When our industry shuts down in Australia, we will import cement from China. So instead of producing eight million tonnes of greenhouse gas in Australia in manufacturing our 10 million tonnes of cement, we will import 10 million tonnes of cement from China, which will produce 11 million tonnes of greenhouse gases. That is the problem with the emissions trading scheme that is coupled with the Carbon Pollution Reduction Scheme that Minister Wong is proposing. We will shut down our cement industry here, lose our jobs and produce an extra three million tonnes of greenhouse gases. How farcical is that? This is what the nation faces under the proposed emissions trading scheme.

Sure there is a big discount for the cement industry—some 90-odd per cent—but as time goes on and we approach the deadline in 2020 and the targets have been met for that year, those discounts will be wound down. The permits the government will be selling will be reduced—that is how a cap-and-trade scheme works—and the industry will come under further threat. This is the huge concern we have for our cement industry.

Communities like Kandos in New South Wales rely on those jobs for their survival, their livelihoods. What happens when the plants are shut down? What do these people do? Where do they get a job? How do they pay their mortgage? How do they pay for...
their car? How do they clothe their children to send them off to school? This is a serious issue. Today, unfortunately, is the first piece of bad news in the cement industry, but we are going to see more of it as time goes by. The government must realise that their proposed Carbon Pollution Reduction Scheme—and I hate using that term ‘carbon pollution’, because carbon is not a pollutant; if you look at the list of the 93 pollutants that exist, carbon is not mentioned—will threaten industries if they proceed with it. As I said, Cement Australia are saying that the threat of this is enough to undermine their confidence in the industry and hence has caused the closing of their plant.

What are we going to do when we shut up so many of these industries and lose these jobs? Are we simply going to import everything? What will our balance of payments figures be like then? They are just going to tag them onto the foreign debt to balance the monthly current account figures. I wish the government would reconsider the damage they are causing to industries here in Australia. We have already seen too many of our industries move overseas for reasons of cheap labour, to get the products here more cheaply. Australians cannot compete against that cheap labour, especially in Asian countries. But, no, the government are going to continue on their road. This is the start of it. Let us hope that some common sense is brought to this debate before job after job is lost in not only the cement industry but many other industries around the nation.

Question agreed to.

COMMITTEES

Reports: Government Responses

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.32 pm)—I present four government responses to committee reports, as listed at item 13 on today’s Order of Busi-

ness. In accordance with the usual practice, I seek leave to have the documents incorporated in Hansard.

Leave granted.

The documents read as follows—

Government Response
Inquiry into the Sexualisation of Children in the Contemporary Media Environment
Senate Committee on Environment, Communications and the Arts
Inquiry into the sexualisation of children in the contemporary media environment
Australian Government Response to the Committee’s Report
July 2009
Introduction
The Senate Standing Committee on Environment, Communications and the Arts conducted an inquiry in early 2008 into the sexualisation of children in the contemporary media environment, including radio and television, children’s magazines, other print and advertising material and the Internet.

The Senate referred the matter of the sexualisation of children in the contemporary media environment to the Senate Committee on the 12 March 2008. The terms of reference for the inquiry covered:

• the sources and beneficiaries of premature sexualisation of children in the media;
• the evidence on the short- and long-term effects of viewing or buying sexualising and objectifying images and products and their influence on cognitive functioning, physical and mental health, sexuality, attitudes and beliefs; and
• strategies to prevent and/or reduce the sexualisation of children in the media and the effectiveness of different approaches in ameliorating its effects, including the role of school-based sexuality and reproductive health education and change in media and advertising regulation such as the Commercial Television Industry Code of Practice and the Commercial Radio Codes of Practice.
The Committee received over 160 submissions from a wide range of interested individuals and organisations. On 26 June 2008 the Committee tabled its report to the President of the Senate. The report makes 13 recommendations, including that the Senate review the issue again in 18 months time.

The report calls on broadcasters and publishers to review their own content that is of concern (music videos that show sexualising imagery), and for publishers to consider providing reader advice on the cover of magazines indicating the presence of material that may be inappropriate for children.

In regard to children’s television, the report recommends that the Australian Communications and Media Authority (ACMA) consider revising the Children’s Television Standards to enable ‘block scheduling of children’s content, and also for broadcasters to consider establishing dedicated children’s television channels’.

The report also calls on the Advertising Standards Board (ASB) and Free TV Australia to consider establishing a media and advertising complaints clearing house.

In regard to the ASB, the report makes a number of recommendations in relation to classification of billboards and outdoor advertising, advertising to children, pre-vetting advertisements which are likely to cause offence, and the development of processes for community consultation.

The report also recommends that state and territory governments consider the introduction of comprehensive sexual health and relationships education programs into all Australian schools.

**Regulation of broadcasting and images of children**

Commercial television and radio services are currently provided under a co-regulatory framework that recognises the importance of ensuring that programs reflect community standards and provides a means by which the community can formally express its views to commercial broadcasters.

The Broadcasting Services Act 1992 requires sections of the commercial broadcasting industry to develop self-regulatory codes of practice to deal with the content of television and radio programs and methods for handling complaints. The Australian Communications and Media Authority (ACMA) is responsible for overseeing the development of these codes, which include rules for prohibited content and classification guidelines for content that may be considered offensive, such as sexualised images of children.

- The Commercial Television Industry Code of Practice includes classification guidelines for the broadcast of programs and advertising within particular time periods. The guidelines relate to a range of matters including adult themes, offensive language, violence, sex and nudity and are intended to be in accordance with prevailing community attitudes.
- The Subscription Broadcast Television Codes of Practice also includes guidelines for the classification of programs.
- The Commercial Radio Codes of Practice requires radio content to meet contemporary standards of decency having regard to the likely characteristics of the audience.
- The ACMA Children’s Television Standards (CTS) also sets out rules for the quantity, classification and scheduling of children’s programming on commercial free-to-air television, including restrictions on advertising directed to children, to ensure that children have access to programming that is suited to their needs while also ensuring that children are protected from television content that is unsuitable for them.

The national broadcasters’ codes of practice reflect their legislative Charters. The ABC Code of Practice comprises a range of general program codes covering ABC policy on the portrayal of violence, language, sex and sexuality, discrimination and privacy, as well as specific codes covering children’s programs, religious and indigenous programs, the portrayal of women and the avoidance of stereotypes. The Code also covers mandatory program content warnings and program classifications, and complaints handling.

The SBS Code of Practice details SBS’s obligations concerning program classification, consumer advice and complaints handling, advertising and sponsorship. Program policies cover levels of violence, sex and nudity and the use of
language, as well as particular reference to issues of prejudice, racism and discrimination.

Complaint handling

ACMA handles certain complaints about television and radio content. In the first instance, complaints about content should be submitted in writing to the relevant broadcaster within 30 days of the broadcast at issue. However, under the Broadcasting Services Act 1992, if a complaint is not answered within 60 working days of being received or satisfactorily dealt with, then the matter may be referred to the ACMA. Subscription television broadcasters have 60 days to respond. Complaints about issues covered by the Australian Content Standard and the CTS can be made in writing directly to ACMA.

A number of other issues relating to broadcasting content are not handled by ACMA. Other relevant agencies that have complaint procedures for handling broadcasting content issues include:

- Australian Competition and Consumer Commission - for complaints about false, misleading and deceptive conduct in advertising;
- Advertising Standards Bureau - for complaints about the decency of advertisements, whether on television, radio, Internet, print or elsewhere; and
- Australian Press Council – for complaints about the print media, including articles in newspapers and magazines.

Since April 2008, decisions made by the Advertising Standards Bureau’s Advertising Standards Board in relation to complaints about advertisements may be reviewed by an Independent Reviewer.

Advertising and images of children

Under the television codes, television commercials must comply with the self-regulatory Advertiser Code of Ethics and the Code for Advertising and Marketing Communications to Children developed by the Australian Association of National Advertisers (AANA). These codes deal with the decency and social responsibility of advertisements, particularly in relation to children.

In April 2008, the AANA released a revised Code for Advertising and Marketing Communications to Children after extensive public consultation which now specifically prohibits the use of sexual imagery of children in advertising or marketing, whether in print, on television or online.

The inquiry’s report does not address the sexualisation of children in art photography. However, the Government recognises there must be a sensible approach to the allocation of public funds for arts projects which takes into account community standards.

The Australia Council, the Government’s principal arts funding body, has developed protocols in consultation with the community regarding the depiction of children in artworks, exhibitions and publications that receive Australian government funding. Adherence to these protocols will be a condition of funding for projects supported by the Australia Council and other government arts agencies. These protocols took effect from 1 January 2009.

With respect to material on the internet, at their meeting on 6 November 2008 Censorship Ministers requested the Secretary of the Standing Committee of Attorneys-General (Censorship) convey to relevant peak bodies the Ministers’ view that organisations which use images of children in advertising for commercial gain should consider developing protocols regarding the content and format of such advertisements online.

National framework for protecting Australia’s children

The Government is pursuing a broad children’s policy agenda, including the development and implementation of a National Child Protection Framework. The Government allocated $2.6 million in the 2008-09 Budget to developing the Framework, recognising that the safety and well-being of Australia’s children is critical. Action will focus on preventing abuse through early intervention and better integration of family services, and will drive best practice across jurisdictions and government and non-government sectors through clearer national reporting and accountability mechanisms.

The Government is leading a consultation process towards a practical, action-focused framework that makes a difference in the lives of children. Consultation is occurring with appropriate stake-
holders including state and territory governments, peak organisations and non-government organisations working with children, families, out-of-home care systems and foster carers.

Recommendations and Australian Government Response

Recommendation 1
The Committee considers that the inappropriate sexualisation of children in Australia is of increasing concern. While noting the complexity of defining clear boundaries around this issue, the Committee believes that preventing the premature sexualisation of children is a significant cultural challenge. This is a community responsibility which demands action by society. In particular, the onus is on broadcasters, publishers, advertisers, retailers and manufacturers to take account of these community concerns.

Noting this heightened concern, the Committee believes that this issue should be followed up and therefore recommends that the steps taken to address it by industry bodies and others should be further considered by the Senate in 18 months time.

Australian Government Response
The Government notes this recommendation.

Recommendation 2
The Committee recommends that the Commonwealth, through the National Health and Medical Research Council or other appropriate body, commission a major longitudinal study into the effects of premature and inappropriate sexualisation of children.

Australian Government Response
The Government agrees in principle with this recommendation.

Recommendation 3
The Committee recommends that, as part of its review of the Children’s Television Standards (CTS), the Australian Communications and Media Authority consider revising the requirement that CTS content be broadcast for at least half an hour per day to enable broadcasters to schedule it in extended blocks at times which are more likely to attract children to watch it.

Australian Government Response
The Government supports this recommendation. ACMA’s draft Children Television Standards 2008 (CTS) were released on 27 August 2008 for public comment. The draft CTS provide licensees with an additional flexible scheduling option for the broadcast of children’s (C) programs. While the mandatory annual quota of 260 hours per year has not changed, licensees can choose to broadcast C programs in blocks of a minimum of one hour duration and on a minimum of two days per week.

ACMA considers that giving licensees the alternative option of broadcasting C programs in minimum 60 minute blocks and on a minimum of two days per week has the potential to benefit the child audience by providing increased flexibility for broadcasters to determine how better placement of C programs could occur.

ACMA proposes to review this change after 12 months to ensure that it is not having adverse effects on the scheduling of C programs.

Consultation on the draft CTS closed on 17 October 2008 and ACMA anticipates that the CTS will be finalised in the second half 2009.

Recommendation 4
The committee recommends that broadcasters review their classification of music videos specifically with regard to sexualising imagery.

Australian Government Response
The Government notes this recommendation.

The Government believes that the classification system is intended to reflect community standards. At present, complaints statistics indicate a
Statistics provided to the Government by Free TV Australia show that, of all complaints received by broadcasters over the past 5 years, only 0.8% have been about a music video program. Free TV Australia has also advised that there was no level of concern raised in the 1300 submissions to the last Code review.

Recommendation 5
The Committee recommends that broadcasters consider establishing dedicated children’s television channels.

Australian Government Response
The Government notes the recommendation and has provided funding for the establishment and ongoing costs of a digital children’s channel on the ABC.

Recommendation 6
The Committee recommends that publishers consider providing reader advice, based on the Office of Film and Literature Classification systems of classifications and consumer advice, on magazine covers indicating the presence of material that may be inappropriate for children.

Australian Government Response
The Government notes this recommendation, while recognising that there would be considerable practical difficulty for publishers in implementing such a system.

The Government notes that since 1 July 2007, the Office of Film and Literature Classification has been integrated into the Attorney-General’s Department. The National Classification Scheme remains unchanged. Classification decisions are made by the independent Classification Board and Classification Review Board which are supported by a co-located secretariat comprising public servants from the Attorney-General’s Department.

Recommendation 7
The Committee recommends that, in 18 months, the Senate review the effectiveness of the operation of the Australian Association of National Advertisers’ Code for Advertising and Marketing Communications to Children, introduced in April 2008.

Australian Government Response
The Government notes this recommendation.

Recommendation 8
The Committee recommends that the Advertising Standards Board and Free TV Australia consider establishing a media and advertising complaints clearing house whose functions would be restricted to:

- receiving complaints and forwarding them to the appropriate body for consideration;
- advising complainants that their complaint had been forwarded to a particular organisation; and
- giving complainants direct contact details and an outline of the processes of the organisation the complaint had been forwarded to.

Australian Government Response
The Government notes this recommendation, while recognising that Free TV Australia directs complaints to the appropriate broadcaster. Free TV Australia has also advised that it maintains a close working relationship with the Advertising Standards Board to enable each organisation to direct complaints to one another as necessary.

Recommendation 9
The Committee recommends that the Advertising Standards Board produce a consolidated half-yearly list of all complaints, including those received by ‘phone, where the impact of an advertisement on children, however described, is a factor in the complaint.

Australian Government Response
The Government notes this recommendation, but recognises that the Advertising Standards Board is an independent organisation.

Recommendation 10
- The Committee recommends that the Advertising Standards Bureau consider adopting a process of pre-vetting advertisements either (a) at the request of the advertiser where they are concerned that the content of the material may be pushing the boundaries of the codes or (b) where an advertiser or agency has regularly produced advertising material that has been the subject of complaints.
Australian Government Response
The Government notes this recommendation. Commercial television broadcasters review all advertisements prior to them being publicly released. However, subscription broadcasters and commercial radio broadcasters do not review all advertisements prior to them being publicly released. The Government will ask ACMA to raise this with the subscription television and commercial radio broadcasters in the context of the reviews of their Codes of Practice.

Recommendation 11
The Committee recommends that, to ensure that the Advertising Standards Board is able to make determinations that are in keeping with prevailing community standards, the Advertising Standards Bureau should develop a formal schedule or process for community consultation, including the use of focus groups, and research to act as a benchmark for board determinations.

Australian Government Response
The Government notes this recommendation, but recognises that the Advertising Standards Board is an independent organisation.

Recommendation 12
The Committee recommends that the Advertising Standards Board rigorously apply standards for billboards and outdoor advertising to more closely reflect community concern about the appropriateness of sexually explicit material and the inability of parents to restrict exposure of children to such material.

Australian Government Response
The Government notes this recommendation, but recognises that the Advertising Standards Board is an independent organisation.

Recommendation 13
The Committee recommends that state and territory governments, which have the responsibility for education, consider the introduction into all Australian schools of comprehensive sexual health and relationships education programs which are inclusive of both young people and parents, adopting a consistent national approach to the question.

Australian Government Response
This is a matter for the State and Territory Governments to consider.

Sex education is an important element in the development of young people’s life skills and supports them in making informed choices about personal relationships. Given diverse community views on this subject, the Government considers that sex education should be implemented in consultation with the school community; be respectful of religious and philosophical views; and be age appropriate.

State and Territory education authorities are responsible for the development of school curriculum, programs and resources in their respective jurisdictions. In most, if not all jurisdictions, sex education programs are currently being delivered in schools. The Government encourages jurisdictional involvement in developing a consistent approach to sex education across Australia.

Government Response
Inquiry into the Effectiveness of the Broadcasting Codes of Practice
Senate Committee on Environment, Communications and the Arts Inquiry into the effectiveness of the broadcasting codes of practice
Australian Government Response to the Committee’s Report
July 2009

Introduction
On 20 March 2008, the Senate referred the matter of the effectiveness of broadcasting codes of practice to the Standing Committee on Environment, Communications and the Arts, for inquiry and report.

The terms of reference for the inquiry covered the frequency and use of coarse and foul language (swearing) in programs; the effectiveness of the current classification standards as an accurate reflection of the content contained in the program; and the operation and effectiveness of the complaints process currently available to members of the public.
The Committee received over 80 submissions including from representatives of the television and radio industries, as well as from family and community groups and the public. On 19 June 2008 the Committee tabled its report to the President of the Senate. The report makes 20 recommendations. The recommendations cover issues relating to the: complaints process; regulatory environment; compliance process; and enforcement process.

Co-regulation of television and radio broadcasting services

Commercial television and radio services are provided under a co-regulatory legal framework that recognises the importance of ensuring that content reflects community standards and provides a means by which the community can formally express its views to commercial broadcasters.

The Broadcasting Services Act 1992 requires sections of the commercial broadcasting industry to develop self-regulatory codes of practice to deal with the content of television and radio programs and methods for handling complaints. The Australian Communications and Media Authority (ACMA) is responsible for registering these codes.

- The Commercial Television Industry Code of Practice includes classification guidelines for the broadcast of programs and advertising within particular time periods. The guidelines relate to a range of matters including adult themes, offensive language, violence, sex and nudity and are intended to be in accordance with prevailing community attitudes.
- The Subscription Broadcast Television Codes of Practice also includes guidelines for the classification of programs.
- The Commercial Radio Codes of Practice requires radio content to meet contemporary standards of decency having regard to the likely characteristics of the audience.

Additionally the Australian Content Standard requires minimum levels of Australian programming to be shown on commercial free-to-air television to ensure that commercial television services develop and reflect a sense of Australian identity, character and culture.

The Children’s Television Standards (CTS) also sets out rules for the quantity, classification and scheduling of children’s programming on commercial free-to-air television, including restrictions on advertising directed to children, to ensure that children have access to programming that is suited to their needs while also ensuring that children are protected from television content that is unsuitable for them.

Complaint handling

ACMA handles certain complaints about television and radio content. In the first instance, complaints about content should be submitted in writing to the relevant broadcaster within 30 days of the broadcast at issue. However, under the Broadcasting Services Act 1992, if a complaint is not answered within 60 working days of being received or satisfactorily dealt with, then the matter may be referred to the ACMA. Subscription television broadcasters have 60 days to respond. Complaints about issues covered by the Australian Content Standard and the CTS can be made in writing directly to ACMA.

A number of other issues related to broadcasting content are not handled by ACMA. Some other relevant agencies include:

- Australian Competition and Consumer Commission - for complaints about false, misleading and deceptive conduct in advertising;
- Advertising Standards Bureau - for complaints about the decency of advertisements, whether on television, radio, Internet, print or elsewhere; and
- Australian Press Council – for complaints about the print media, including articles in newspapers and magazines.

On 27 June 2008 the Australian National Audit Office (ANAO) released a performance audit titled Regulation of Commercial Broadcasting. The audit examined whether ACMA is effectively discharging its regulatory responsibilities under the Broadcasting Services Act 1992 relating to commercial broadcasting services.
An effective complaints process is a central requirement for an effective co-regulatory environment and the ANAO audit found that the majority of broadcasting complaints have been actioned. However, both the ANAO audit report and the Senate Committee’s report highlight areas where improvements can be made.

The two reports recommend that current complaints processes should improve tracking of complaints and accept complaints via a wider range of media, including email. The timeliness of complaint resolutions was also identified as a common issue.

ACMA are currently implementing ANAO recommendations and in 2008-09 their activities included:

- identification of ACMA ‘best practice’ investigations processes;
- production of an investigations manual that documents best practice processes, ensuring greater consistency across the breadth and diversity of ACMA’s investigations; and
- creation of an ACMA forum to promote more efficient use of resources through information-sharing across teams.

Recommendations and Australian Government Response

The Australian Government has considered the Committee’s report and is pleased to provide the following response. The Senate Committee’s recommendations are addressed in turn below.

Recommendation 1

The Committee recommends that, no later than the end of 2010, the government considers a review of ACMA, with a focus on ACMA’s role in the broadcasting co-regulatory system, to determine if ACMA is effectively working with relevant industry bodies to maintain a fair balance in Australia’s broadcast media.

Australian Government Response

The Australian Government does not support this recommendation. The effectiveness of ACMA in discharging its regulatory responsibilities under the Broadcasting Services Act 1992 relating to commercial broadcasting services has only recently been examined by the Australian National Audit Office (ANAO). The ANAO performance audit titled Regulation of Commercial Broadcasting was released on 27 June 2008 and made a number of recommendations that ACMA has accepted and which are currently being implemented.

Recommendation 2

The Committee recommends that the provision of parental lock-out become an industry standard for digital televisions sold in Australia. The Committee also recommends that the feasibility of using datacasting to provide a more detailed description of program content and the reasons for a program’s rating which could be accessed by the viewer.

Australian Government Response

The Australian Government supports this recommendation in principle, noting that the industry standard is currently under review by Standards Australia.

The current version of the television receiver standard is the voluntary industry standard AS4933.1 – Digital television – Requirements for Receivers (Part 1: VHF/UHF DVB-T television broadcasts). The standard contains requirements in relation to the ability of a digital television receiver to act on parental guidance information and enable parental guidance program lock-out. Consumer electronics suppliers certify that high definition televisions using the industry-licensed HD Tick logo mark are compliant with AS4933. The majority of integrated digital televisions sold in Australia are reported to be compliant with the industry standard.

The use of datacasting to provide additional information on television programs is a matter for broadcasters to consider. Implementation would require the cooperation of all broadcasters to supply the relevant information, and of receiver manufacturers to ensure that receivers can use and display the data.

Recommendation 3

The Committee recommends that ACMA investigate whether the inclusion of additional age-specific symbols in the G and PG categories offer any advantages over the current system.
Australian Government Response
The Government notes this recommendation and that a consistent approach is desirable between broadcasting industry codes of practice and the National Classification Scheme. This is because of the close linkages between the codes and the Scheme. Section 123(3A) of the Broadcasting Services Act 1992 requires that, for the purpose of classifying films, television codes of practice are to apply the film classification system provided for by the Classification (Publications, Films and Computer Games) Act 1995. More generally, it is helpful for consumers that there is a degree of consistency between the classification markings used for broadcast material and those used by the National Classification Scheme.

The General (G) and Parental guidance recommended (PG) classification symbols used by the television codes of practice are consistent with the Guidelines for the Classification of Films and Computer Games. This enables viewers to make informed choices across entertainment media on the basis of consistent symbols.

The Minister for Home Affairs will ask the Standing Committee of Attorneys-General (Censorship) to consider whether changes to the G and PG symbols would offer advantages over the current classification markings used by the National Classification Scheme. ACMA will be consulted in consideration of this issue by Censorship Ministers.

Recommendation 4
Each industry code of practice should clarify terms used for classification and consumer advice as much as is practicable (e.g. ‘occasional’, ‘some’ and ‘frequent’). Codes should also contain a clear discussion on the principles for classification, such as ‘impact’, that may be used to determine a program’s classification.

Australian Government Response
The terms used in the industry codes of practice to classify television content should continue to be modelled on the Guidelines for the Classification of Films and Computer Games. Any clarification of the matters that determine the classification level of content, such as ‘impact’, should therefore be considered by the Standing Committee of Attorneys-General (Censorship). The Minister for Home Affairs will ask Censorship Ministers to consider the issues raised by the Committee.

The Government will ask ACMA to consider whether clarification of the terms used for consumer advice would offer advantages for the industry codes of practice.

Recommendation 5
The Committee recommends that ACMA and Free TV Australia investigate, as part of the current review of the Commercial Television Code of Practice, the issue of the appropriateness of the current evening time zones having regard to claims of changed patterns of television usage by children.

Australian Government Response
The Government notes this recommendation, but recognises that ACMA and Free TV Australia have undertaken research in this area which supports the continuation of the current evening time zones.

Free TV Australia has advised that recent ratings data indicates that the current classification time zones reflect child and adult viewing patterns, specifically that:

- from 8.30pm – 9pm, 15.0 per cent of children aged 0-17 years are viewing Free TV; and
- children aged 0-17 years make up 14.0 per cent of the total viewing audience at this time.

Free TV Australia notes that while it is true that some children and teenagers may be watching television after 8.30pm, ratings data shows that the majority of the audience is made up of adult viewers who wish to see more mature programming. It also indicates that those children who are watching are largely watching with an adult (60% of 5-12 year olds between 6pm to 9pm).
ACMA’s research has shown that it is generally well-understood in the community that programming after 8.30pm is likely to be for mature audiences and that parental supervision is required at this time.

**Recommendation 6**
The Committee does not wish to tell television stations what they should or should not include in news and current affairs programming. However it recommends that ACMA, in consultation with broadcasters, review the sections of the Classification Code applying to news and current affairs programming, with regard to the use of graphic and disturbing imagery and excerpts from M or higher rated programs in news and current affairs broadcasting in early evening time zones.

**Australian Government Response**
The Government shares the Committee’s concern not to interfere with the editorial independence of broadcasters’ news and current affairs programming.

The Government notes that there are provisions in place to ensure viewers are appropriately warned about graphic and disturbing imagery. These include the following measures:

- the Commercial Television Industry Code of Practice requires prior warning to viewers when a news, current affairs, or other program which does not carry consumer advice includes material which is likely to seriously distress or seriously offend a substantial number of viewers;
- the warning must precede the relevant item in a news and current affairs program and precede the program in other cases; and
- such warnings must be spoken, and may also be written. They must provide an adequate indication of the nature of the material, while avoiding detail which may itself seriously distress or seriously offend viewers.

**Recommendation 7**
Free-to-air television stations should show the classification watermark throughout program promotion to increase viewer awareness of the classification of the program being promoted.

**Australian Government Response**
The Government recognises that, for some viewers, permanently visible displays on screen can obstruct, or distract from, programming.

The Government is not convinced that existing classification provisions in this area are not effective.

**Recommendation 8**
The Committee recommends that television broadcasters should give consideration to permanently displaying the classification symbol of a program on screen along with the letters indicating which classifiable elements are present in the program. The Committee believes that there is scope for broadcasters to place this information next to watermarks, which are now displayed by all free-to-air stations.

**Australian Government Response**
As noted in the response to Recommendation 7, the Government recognises that, for some viewers, permanently visible displays on screen can obstruct, or distract from, programming.

Furthermore, there is an extensive range of consumer advice provided to viewers, regarding the classification of television programming, specifically:

- the classification symbol must be displayed for at least 3 seconds as close as practicable to a program’s start, as soon as practicable after each break and in any program promotion; and
- clearly visible classification symbols must accompany all press advertising of programs and all program listings in program guides produced by broadcasters.

For these reasons, the Government does not support the recommendation that television broadcasters should give consideration to permanently displaying the classification symbol of a program on screen next to existing watermarks.

**Recommendation 9**
The electronic programming guide on digital free-to-air television stations should contain the classification of the program being viewed and the consumer advice relevant to the program.
Australian Government Response
The Government notes this recommendation, and will request that ACMA bring it to the attention of free-to-air television broadcasters. Electronic program guides (EPG) are not mandatory or subject to particular regulation about their format which is a matter for the free to air television industry to consider.

ACMA has developed a number of principles and key performance characteristics that it will look for in relation to EPGs provided by free-to-air broadcasters as part of their digital television services. One of these principles is that EPGs must include parental guidance ratings to inform families.

ACMA will monitor the performance of industry EPGs against these principles, taking them into account when considering whether to use its powers to mandate industry codes or determine industry standards for digital commercial and national television services.

Recommendation 10
The Committee recommends that ACMA, in consultation with industry bodies for radio, considers implementing the use of verbal warnings in their next codes of practice.

Australian Government Response
The Government notes this recommendation. ACMA will raise this issue with Commercial Radio Australia within the context of the current review of the Commercial Radio Code of Practice. ACMA will give particular consideration to how verbal warnings might be employed by broadcasters as one of a number of mechanisms to ensure that listeners are not surprised by the nature of content they may be exposed to.

Recommendation 11
The Committee recommends that all free-to-air commercial television stations should maintain a log of all telephone complaints received, including a short summary of the complaint, and provide that log to Free TV Australia and ACMA.

Australian Government Response
The Government notes this recommendation and that existing arrangements provide for summary information to be provided to Free TV Australia and ACMA.

Licensees are currently required to maintain a log of telephone complaints and record their substance and bring them to the attention of key staff. Licensees are then required to report quarterly to Free TV Australia on valid written complaints. Free TV Australia is required to provide a summary of this information to ACMA within 10 workings days of receiving it.

ACMA has the discretion to seek more detailed information on complaints where it considers that this is appropriate.

Recommendation 12
All broadcasters should amend their codes of practice and website capabilities to allow viewers to make complaints about the code by email or electronically. Email and electronic complaints about code-related issues should receive the same response as a written complaint.

Australian Government Response
The Government supports this recommendation. ACMA will raise this issue with Free TV Australia and Commercial Radio Australia within the context of the current review of the Commercial Television and Radio Codes of Practice, and with industry representative bodies relating to other broadcasters when appropriate.

Recommendation 13
Similarly worded complaints received by email, electronically or in writing may receive a standard written response from the broadcaster following notification to, and approval by, ACMA.

Australian Government Response
The Government supports this recommendation in part.

ACMA notes that it is open to permitting licensees to deal with similarly worded complaints about the same broadcast with a standard written response. However, ACMA considers that prior notification to the regulator would be sufficient. Prior approval would be a departure from the approach taken under the co-regulatory frame-
work as it could compromise the ability of broadcasters to resolve complaints promptly in the first instance without intervention by the regulator. One of the agreed objectives of the Commercial Television and Radio Codes of Practice in relation to handling complaints to licensees ‘is to ensure that licensees respond promptly to written complaints ... and make every reasonable effort to resolve them.’ If the complainant is not satisfied with the response, the matter may then be referred to the ACMA.

Recommendation 14
Codes of practice should contain a formal undertaking by broadcasters that they will direct complainants as appropriate. Industry bodies and ACMA should ensure that their staff are aware of how to re-direct complaints received in error and inform complainants where this occurs.

Australian Government Response
The Government notes this recommendation, and that the industry codes of practice contain requirements for complaint handling, including directing complainants to ACMA as appropriate. ACMA advises that it will reiterate existing staff processes for the redirection of complaints received in error and will monitor compliance by industry with the current requirements to redirect complaints as appropriate.

Recommendation 15
The Committee recommends that, by the time of the next triennial review of free-to-air television codes of practice, broadcasters should seek to respond to all complaints received within 15 working days.

Australian Government Response
The Government notes this recommendation. The Commercial Television Code of Practice requires that complaints be responded to within 30 days. However, a broadcaster is able to respond in a shorter period if it wishes.

The Government will request that ACMA consult with the broadcasting industry on the incorporation of a shorter response period.

Recommendation 16
Each broadcaster should have a nominated complaints officer within the organisation whose sole role it is to respond to complaints. The officer should be separate from the program production and scheduling sections and from the area responsible for classifying or rating programs. Officers should receive relevant training in the appropriate code of conduct and complaint management. The contact details of the complaints officer should be published on the website of the broadcaster, industry body and ACMA.

Australian Government Response
The Government does not support this recommendation, and notes that broadcasters employ dedicated regulatory affairs staff who are responsible for coordinating responses to complaints.

Recommendation 17
Broadcasters should ensure that responses to complaints are comprehensive, deal with the substantive issue and are courteous in tone.

Australian Government Response
The Government notes this recommendation and will ask that ACMA bring it to the attention of the broadcasting industry.

Recommendation 18
ACMA should develop a practice of testing compliance with standards and codes of practice by conducting investigations into a sample of programs that may, in its opinion, raise issues with regard to the appropriateness of the classification received.

Australian Government Response
The Government does not support this recommendation as it is inconsistent with the co-regulatory framework. The co-regulatory approach to broadcasting requires broadcasters to respond, in the first instance, to complaints relating to their adherence to the industry codes of practice. Complaints may be referred to ACMA if the complainant is not satisfied with the response provided. Section 170 of the Broadcasting Services Act 1992 allows ACMA to conduct investigations where community concern is evident.

Recommendation 19
In the event that SBS or the ABC fails to comply with an ACMA recommendation within a 14 days period of receiving such a recommendation, ACMA should automatically provide a report to the Minister on the matter.
Australian Government Response

The Government notes that ACMA currently has discretion to give the Minister a written report about a failure by a national broadcaster to comply with a recommendation. The Government does not support replacing this discretion with a requirement to report to the Minister within a specified timeframe. The discretion allows ACMA to consider the circumstances of the failure to take action before giving the Minister a written report on the matter.

Recommendation 20

ACMA should limit its use of unenforceable undertakings from broadcasters in relation to a breach of the code. The second time that a broadcaster is found to be in breach of the same part of the code within the duration of its code of practice, ACMA should use its existing powers to impose additional conditions on a license of the broadcaster. In the event of subsequent breaches, ACMA should use its powers to:

- Pursue a civil penalty;
- Refer the matter for prosecution as an offence;
- Suspend or cancel the licence; or
- Impose an enforceable undertaking.

Australian Government Response

The Government does not support this recommendation.

The automatic imposition of a licence condition following a second breach of the same part of a code would be an unnecessarily inflexible approach that runs counter to the objectives of the co-regulatory framework set out in the Broadcasting Services Act 1992 (BSA). As set out below, the legislative intention is that the ACMA should use its discretion to form an opinion on the exercise of its power in relation to individual breaches, rather than be constrained by the application of inflexible rules.

Section 5 of the BSA confers on the ACMA a range of functions and powers that are to be used in a manner that, ‘in the opinion of the ACMA’, will:

- produce regulatory arrangements that are stable and predictable; and
- deal effectively with breaches of the legislation.

Section 5 also provides that: ‘Where it is necessary for the ACMA to use [its] powers... the Parliament intends that the ACMA [should do so] in a manner that, in the opinion of the ACMA, is commensurate with the seriousness of the breach concerned’.

The Government notes that this requires ACMA to use its enforcement powers appropriately and to identify the most effective and proportionate way of dealing with breaches. This is further reinforced in the Explanatory Memorandum to the BSA.

It [section 5] promotes the ABA’s [now ACMA’s] role as an oversighting body... rather than as an interventionist agency hampered by rigid, detailed statutory procedures and formalities and legalism... It is intended that the ABA [now ACMA] monitor the broadcasting industry’s performance against clear, established rules, intervene only where it has real cause for concern, and has effective redressive powers to act to correct breaches.

The automatic imposition of a licence condition runs counter to the intention of the legislation and would fetter the ACMA’s ability to exercise its discretion in assessing the most appropriate way of dealing with breaches.

The imposition of a licence condition may not necessarily be the best way to promote compliance. In practical terms, for a licence condition to be imposed under section 43 of the BSA, ACMA first needs to give the licensee written notice of its intention to impose the licence condition. The licensee must then be given a reasonable opportunity to make representations to ACMA in relation to the proposed licence condition, which ACMA must consider under natural justice principles. The proposed licence condition must be published in the Commonwealth Gazette before becoming effective. The licensee can then apply for ACMA’s decision to be reviewed by the Administrative Appeals Tribunal.

In contrast, negotiated agreements offer the prospect of a practical resolution of the matter within a much sorter timeframe. For example, ACMA has on many occasions agreed measures with licensees involving action by them intended to
ensure compliance problems are addressed and are effective. Such informal measures have often succeeded in improving behaviour within licensees.

Where ACMA finds that a breach of the Commercial Television Industry Code of Practice has occurred, it generally requires that the investigation report be circulated to the broadcaster’s staff, that the action leading to the breach not be repeated, and that a similar breach in the future will result in significantly heightened compliance measures.

ACMA is currently working to further improve the quality and transparency of its investigations. It is implementing the recommendations of a recently released Australian National Audit Office audit report titled Regulation of Commercial Broadcasting, including the recommendation that ACMA regularly analyse investigations information to identify any patterns or trend in non-compliance and to reduce the time taken to complete investigations.

The Government will consult with ACMA about its compliance and enforcement capabilities and consider whether there are any new or alternative measures that could be introduced in this regard.

Recommendation 1: The Committee recommends that the Department of Finance and Deregulation conduct briefings for members of Parliament and their staff on the implementation of Operation Sunlight.

Agreed: The Department of Finance and Deregulation (Finance) provided briefings to Senate Committee members on 18 May 2008 and 20 May 2009, prior to the 2008-09 and 2009-10 Budget Estimates Hearings respectively. Finance will be available to provide further briefings prior to future Estimates Hearings.

Recommendation 2: The Committee recommends that the Department of Finance and Deregulation publish, on a quarterly basis, a newsletter for members of Parliament on the progress of implementing Operation Sunlight.

Not Agreed: The Government released the former Senator Andrew Murray’s report on Overhauling Budget Transparency in December 2008, together with the response and a revised presentation of Operation Sunlight which incorporates the agreed recommendations from the Murray report. In the response the Government committed to provide progress reports on the range of initiatives under Operation Sunlight, the initiatives that have been implemented and the effect of these changes. This includes assisting the Joint Committee of Public Accounts and Audit to examine Budget documents and related reporting arrangements (Murray recommendation 34). Together with the commitment for Finance to be available to brief Committee members prior to Estimates Hearings, this will meet the intent of this recommendation while at the same time, allowing the Government to present progress reports in the most effective and efficient manner.

Recommendation 1: The committee recommends that the Defence Force Discipline Act be amended to include pro-
visions governing the conduct and protection of military jurors (paragraph 2.31).

Response
Agreed. The Government agrees that legislation should be enacted to provide for more comprehensive military jury provisions. Legislation will be introduced into Parliament this year.

Recommendation 2
The committee recommends that Defence undertake an audit of all legal officers in the ADF with a view to ensuring that the legal skills, expertise and experiences available to the ADF are being used to full advantage and to identify deficiencies that may need addressing (paragraph 2.74).

Response
Agreed. The Government has directed Defence to conduct a review of the establishments of both the permanent and Reserve forces to ascertain where legal officer positions are posted. A related audit survey is being undertaken of both the permanent and Reserve forces which reviews, by both Service and rank, qualifications (undergraduate, postgraduate and doctoral), years of experience since admission and specialist accreditations. Defence has also begun an audit of the types of legal work being undertaken by legal officers posted throughout the ADF.

Recommendation 3
The committee recommends that in 12 months, Defence report to the committee on its progress implementing reforms to improve the ADF’s investigative capability (paragraph 3.34).

Response
Substantially Agreed. A further report on the progress of the implementation of the ADF’s investigative capability reforms is agreed. However, a 2010 time frame for the report will take into account the implementation of the recommendations arising from the independent Street/Fisher review of the military justice reforms and the new structure and establishment of ADFIS recommended by a 2008 Unit Establishment Review.

Recommendation 4
The committee recommends that the government commission an independent review of the ADF’s investigative capability at the conclusion of the 5-year remediation period (paragraph 3.35).

Response
Agreed. It would be very appropriate to conduct a further independent review of the ADF investigative capability at the conclusion of the five-year remediation period in December 2011.

Recommendation 5
The committee recommends that a specific time limit, for example 90 days, be imposed on referrals of redresses of grievance to the service chiefs (paragraph 4.14).

Response
Not Agreed. The Government will not impose a time limit on referrals to the Service Chiefs, but will adopt reasonable and achievable benchmarks to ensure the timely functioning of the overall redress of grievance (ROG) system.

The Government recognises that the right to complain is a core element of the military justice system and acknowledges the legitimate expectation that grievances should be responded to expeditiously. There are, however, issues concerning Defence’s capacity to deal with applications for redress of grievance within a specified time limit, and what would happen to a complaint not finalised within that time limit.

The committee correctly identifies the primary cause of delay in ROGs referred to a Service Chief as the time taken to allocate the ROG to a case officer (due to a shortage of case officers), rather than the time taken for the inquiry itself – which currently averages about 75 work hours on a part-time basis by Reserve officers to inquire into the grievance and prepare a decision brief.

While this issue has been recognised as a problem for some years and action has been taken to address it, it remains difficult to attract and retain Reserve officers of appropriate rank who possess the suitable skills and experience to fill Reserve case officer positions. Other options have been, and are being, explored, such as remote Reserve service arrangements, civilian case officers and external service providers, but have not yet proven successful.

It should also be noted that the significantly improved performance of unit commanders in handling ROGs since mid-2006 has been achieved through the provision of more detailed advice and
guidance from the case officers whose primary task is to manage ROGs referred to the Service Chiefs and the Chief of the Defence Force (CDF). In effect, this reduces the time taken at the unit level but increases it once referred to a Service Chief, due to the higher workload of case officers.

The imposition of a specified time limit on referrals of ROGs to a Service Chief also raises the question of what action should be taken upon the expiration of that time limit. The options would appear to include terminating action by the Service Chief on the grievance (thereby ceasing the member’s legislated right to a Service Chief inquiry), elevating the grievance to the CDF (which would create a new right of review for all members below the rank of chief petty officer, warrant officer class 2, or flight sergeant, and create a significant extra workload for the CDF) or forcing the member to take the complaint to the Ombudsman (again, an increased workload and the Ombudsman has no power to provide redress should a member’s grievance be found to have merit).

None of these options are in the best interests of ADF members as they simply move the resource requirement within Defence, or from Defence to the Ombudsman’s office, without providing any benefit to the member and are inconsistent with Defence’s policy of attempting to resolve all complaints at the lowest possible level.

The Government supports the implementation of benchmarks for handling ROGs rather than a time limit, but the benchmarks need to be both reasonable and achievable.

Experience over the past three years shows that an overall performance benchmark of 90 days would far exceed the current capability to process ROGs. As one of the central elements of the military justice system, the ROG process is thorough and rigorous. As such, it has a number of levels of review as well as the initial complaint handling, and these reviews inevitably add considerably to case handling time.

Under the current process, unit commanding officers have 90 days to finalise a ROG. Defence currently allocates Service Chief-level ROGs for management in accordance with the urgency of the matter under consideration. ROGs relating to ‘termination of service’ decisions, for example, are the highest priority, and for these ROGs a benchmark of 90 days is both reasonable and achievable. For lower priority matters, however, 180 days for finalisation would be a more reasonable benchmark.

A further benchmark would need to be set for those ROGs that are referred for review by the CDF. A 90-day benchmark is considered appropriate for these cases and could be applied from the time the member decides to refer the matter to CDF.

**Recommendation 6**

The committee recommends that the ADF commission an independent review of the learning culture in the ADF, along similar lines as the investigation conducted in 2006. The main purpose of the inquiry would be to assess whether the recommendations contained in the 2006 report have been effectively implemented and whether additional measures need to be taken to improve the learning culture in the ADF. This review should take place within five years and the report on its findings should be made public (paragraph 4.39).

**Response**

**Agreed in Part.** A learning culture assessment has been incorporated into planned regular external reviews on the health of the military justice system. The first of these has been conducted by Sir Laurence Street and Air Marshal Fisher (Retd). That review found evidence that ADF training establishments have embraced the intent and spirit espoused within the learning culture inquiry recommendations.

In addition, there are quarterly reports to the Chiefs of Service Committee on learning culture assessment. Rigorous evaluation measures are being developed to continuously monitor and provide assurance that the prevailing culture in training institutions aligns with the desired learning culture.

The Government does not support the commissioning of a further review along similar lines as the investigation conducted in 2006, given the extensive current oversight and the regular independent assessment mentioned above.
Recommendation 7
The committee recommends that the findings of Defence’s attitude survey contain a greater level of detail and analysis than that provided in the most recent publication (paragraph 4.42).

Response
Agreed in Principle. The Inspector General – Australian Defence Force (IGADF) relies on a broad range of indicators to assess the health and effectiveness of the ADF’s military justice system and the perceptions of its members, with the annual Defence Attitude Survey results being just one source element of military justice data used to inform the IGADF.

As an additional diagnostic tool, the IGADF is implementing a regime of detailed military justice feedback questionnaires targeted at ADF members with recent and actual exposure to the disciplinary and administrative complaint processes. The questionnaires will be introduced by the end of 2009.

In view of this new initiative, the practicality and necessity for the expansion of Defence Attitude Survey content and analysis will be the subject of close examination in collaboration with the agency responsible for its production.

Recommendation 8
The committee recommends that the government amend the Defence Force Discipline Act to require the Australian Military Court (AMC) to publish material such as court lists, transcripts of proceedings and judgments in a readily and easily accessible form (paragraph 5.20).

Response
Substantially Agreed. The Act will be amended to provide for the publication of the court lists, rulings, findings and sentencing remarks, subject to any non-publication orders made by a military judge.

The Government does not agree that full transcripts of proceedings should be published as a matter of course for reasons of privacy, practicality (particularly if a new trial were to be ordered) and because it is inconsistent with the practice in the civil courts.

Recommendation 9
The committee recommends that the CMJ appear before the committee to give evidence on the operation of the AMC and matters raised in the CMJ’s annual report when invited by the committee to do so (paragraph 5.30).

Response
Agreed. The Chief Military Judge is available to appear before the committee to provide evidence, on appropriate matters, when invited to do so.

Recommendation 10
The committee recommends that the Defence Act 1903 be amended to include in section 110 the requirement for the IGADF to, as soon as practicable after each 31 December, prepare and give to the Minister, for presentation to the Parliament a report relating to the functions of his office as set out in section 110C(1) (paragraph 5.59).

Response
Agreed. Action will be taken to amend section 110R of the Defence Act 1903 to include a specific requirement in future for the IGADF to prepare, as soon as practicable after 31 December each year, an annual report on the functions of his or her office to be furnished to the Minister for presentation to the Parliament.

Section 110R provides for the IGADF to prepare and give to the Chief of the Defence Force such reports on the operations of the IGADF as the CDF directs. Pursuant to this section, the IGADF prepares an annual report on the functions of his office for the CDF.

For the past three years, extracts of this report have appeared in the Justice and Fairness in Defence chapter of the Defence Annual Report. In addition, the substantive IGADF Annual Report has been made available as part of the online material associated with the Defence Annual Report 2007-08.

Recommendation 11
The committee recommends that the government consider additional measures to strengthen the independence of the IGADF using the provisions governing the CMJ and the DMP as a template (paragraph 5.61).
Response

Agreed in Part. The need for the IGADF to be able to fulfil functions in an independent manner is important and is fully supported. While this has happened in practice since the commencement of the position in 2003, both the need for, and the perception of, the IGADF being able to act independently in fulfilling the role was given legislative underpinning in 2005 by the present provisions of sections 110A-S of the Defence Act 1903 which established the position of IGADF as a statutory appointment.

The Government does not hold the committee’s view that section 110A curtails the independence of the IGADF, particularly as the Government has agreed, under recommendation 10, that the IGADF will now make available an annual report for the Minister to present to the Parliament. However, a measure to further strengthen the perception of independent action by the IGADF will be taken by amending sub-section 110D(2) to make it clear that, where the IGADF is directed to conduct an inquiry or investigation by the CDF, he or she may cease the inquiry or investigation if he or she forms a belief that the continuation of the inquiry or investigation is not otherwise warranted, having regard to all the circumstances. An amendment to this effect would align sub-section 110D(2) with the general scheme of the rest of section 110D and will improve the perception that the IGADF can exercise an independent judgement whether to continue to inquire into a matter, including where the inquiry has been initiated by CDF direction.

Recommendation 12

The committee recommends that the regulations governing the establishment of Commissions of Inquiry (COIs) be amended to require that COIs be conducted in public except in circumstances where the president deems there to be a compelling reason for privacy. In cases where the president makes such a decision, the regulations should require the president to issue a public statement containing the reasons for this decision (paragraph 5.63).

Response

Agreed. The Government appreciates the importance of conducting Commissions of Inquiry in a way that promotes public confidence in the integrity of inquiry processes. Indeed, it is now CDF’s general practice to appoint Commissions of Inquiry as public inquiries, subject to considerations of security and the exercise of legal discretions by inquiry Presidents.

Accordingly, the Government agrees to pursue amendment to the Defence (Inquiry) Regulations to reflect the ADF’s current practice by providing that Commissions of Inquiry be appointed as public inquiries. This would be subject to the CDF having authority to close public access for reasons of security, and inquiry Presidents retaining their existing authority to restrict public access (under regulation 62). It is further agreed that CDF and inquiry Presidents, as the case may be, should issue a public statement containing the reasons for an inquiry being closed to the public.

Recommendation 13

The committee recommends that the government undertake a comprehensive consultation process on any future proposed legislation, including subordinate legislation, that is intended to make significant changes to Australia’s military justice system. The committee cites in particular the importance of consulting with the Law Council of Australia (paragraph 5.91).

Response

Agreed in Principle. The existing legislative process is rigorous. It is designed to ensure that prospective legislation is fully and publicly scrutinised and debated. As a part of this process, opportunities already exist for organisations (such as the Law Council of Australia) and individuals to make submissions on proposed legislation and established procedures allow for these submissions to be properly considered by the Parliament.

The Government acknowledges that the Law Council of Australia has made significant and influential submissions in relation to reforms to the military justice system in recent years. Furthermore, Defence has actively consulted the Law Council of Australia’s Military Justice Working Group on reforms to the Defence Force Discipline Act, most recently over significant changes to the summary authority evidentiary regime.

The Government agrees there are benefits in such consultation with the Law Council and other in-
interested external parties on military justice matters. Notwithstanding that general statement, there is a need to maintain flexibility and discretion regarding consultation on proposed legislation. The benefits of consultation can best be achieved through appropriate non-mandatory engagement case by case. Accordingly, the Government notes that Defence will continue to informally engage with the Law Council and any other interested external stakeholders, as circumstances permit and call for, on future proposed legislation that is intended to make significant changes to Australia’s military justice system.

Senator PARRY (Tasmania) (3.32 pm)—In relation to the government response to the fourth progress report of the Senate Foreign Affairs, Defence and Trade Committee on reforms to Australia’s military justice system, I move:

That the Senate take note of the document.
I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Appropriations and Staffing Committee Report

The DEPUTY PRESIDENT (3.32 pm)—I present the annual report for 2008-09 of the Senate Standing Committee on Appropriations and Staffing.

Ordered that the report be printed.

NATIONAL PREVENTATIVE HEALTH TASKFORCE

AUDITS OF GENERAL PURPOSE ACCOUNTS OF AGED-CARE PROVIDERS

Returns to Order

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.33 pm)—I table correspondence in response to the orders of the Senate of 19 August 2009 concerning the National Preventative Health Taskforce and general purpose accounts from aged-care providers.

AUSTRALIAN TERRESTRIAL BIODIVERSITY ASSESSMENT 2008

Return to Order

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.33 pm)—I table a statement and documents in response to the order of the Senate of 17 August 2009 concerning the Australian Terrestrial Biodiversity Assessment 2008.

COMMITTEES

Rural and Regional Affairs and Transport References Committee Report

Senator PARRY (Tasmania) (3.33 pm)—On behalf of Senator Nash, I present the report of the Senate Rural and Regional Affairs and Transport References Committee entitled Investment of Commonwealth and state funds in public passenger transport infrastructure and services, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator PARRY—by leave—I move:
That the Senate take note of the report.

Senator LUDLAM (Western Australia) (3.34 pm)—I want to make a couple of brief remarks. I initiated the inquiry of the Senate Rural and Regional Affairs and Transport References Committee into public transport on the last sitting day of last year. I am really quite pleased to see the report come to fruition, after eight or nine months of work. It is a valuable contribution to the debate on public transport and we certainly welcome it. Australian cities, with a few notable examples, are still getting by on the public transport investments that we made several generations ago. In Perth, for example, an extensive tram network was allowed to fall into disrepair in the immediate postwar years as Australian planners began to follow the
North American model of low-density, car-dependent, land use planning. So of course that tram network was torn up.

In no Australian city has public transport funding really kept pace with our rapidly expanding communities. This did not happen by accident; it happened by design. While states retain the responsibility for planning decisions and shoulder a lot of the cost of transport, the Commonwealth, for many decades, has made a conscious decision to vastly favour road funding over public transport. There is nothing in the Constitution that says this should be so. The report that we are tabling today notes that in the 30 years to 2004 the Commonwealth spent $58 billion on roads, $2.2 billion on rail, much of it for freight purposes, and $1.5 billion on public transport. This is finally starting to change, and it needs to change urgently, but we have five decades of catch-up ahead of us.

The report strongly warns that funding by the Commonwealth should only be allocated to states and territories with integrated, well-planned transport and land use planning systems, which should be a trigger for some states to urgently reassess their attitudes to public transport. The report is really a shot across the bows—that there will not be any blank cheques on public transport spending coming from the Commonwealth. States and territories with coherent public transport plans and proposals will benefit, and states that retain outdated planning policies favouring freeways over public transport will miss out. We had an object lesson in this approach, as flawed as it may be and as much as we have critiqued it. Infrastructure Australia assessed the proposals that were put up by the states and territories. Western Australia, my own state, put up no coherent public transport proposal, apart from sinking the Northbridge railway line, and we got nothing. Other states and territories of course did get Commonwealth contributions.

Public transport is meaningless without land use planning that supports it so that we do not continue to strand people, many of them on very low incomes, in the far reaches of our cities. In this report, the committee agree that significant catch-up investment in public transport infrastructure is needed. Public transport competes with private transport for ridership. So instead of working out how to make it cheaper, we need to work out how to make it better. That means higher service frequencies, safe places to transfer from one service to another and designing public transport to really appeal to a much larger number of people. It will mean working very closely with planning for pedestrians and for cyclists—an essential part of making the best use of public transport in our communities. It may mean getting bicycles on buses and trains, as has been trialled in some parts of Australia. It may mean expanding the availability for people to take their pets onto public transport vehicles, subject to sensible conditions, as already occurs in many places.

The report recognises that building more roads does not alleviate congestion but rather encourages growth of traffic and entrenches patterns of urban development that creates dependence on cars, particularly in middle ring and outer metropolitan areas. The committee also notes that it would be wise for Australia to pay more attention to peak oil concerns and to adopt strong policies to reduce our oil dependence in the long term. The committee found that the CPRS alone would not have been nearly enough action for the federal government to take to deal with the rapidly rising carbon emissions from the transport sector. This is crucial. It will not be enough, when the CPRS bill returns to the Senate, for the government to argue that a carbon price—somewhere mixed in there, particularly with the fact that motorists would be shielded for a couple of
years—would be enough to change behaviour. Clearly, it will not.

The committee also identifies important health benefits in this report. There is a very strong connection between car dependent lifestyles, inactivity and incidence of obesity. These are major public health issues to which public transport infrastructure in the urban planning field can play a major role.

The report takes a contradictory position in the executive summary at 5.4 implying that public transport remains solely the financial and planning responsibility of the states, while then going on to persuasively argue the case why this should change. The report notes that the committee ‘agrees that the demand on public transport infrastructure will continue to rise and require an expansion’. But of course it refuses to then take the next logical step to recommend that the Commonwealth allocate any funding for this task.

In the face of the evidence, which is very well presented in this report, it borders on the bizarre that the majority report does not make a clear recommendation in this regard. The risk here is that this report will join the many others in the recent past to have made similar recommendations, while state and federal governments carry on funding and building obsolete infrastructure for an age which has passed. Public transport is an import part of the post-fossil world which the Greens are committed to building. We will be working actively in the community and in parliaments around the country to make sure that the lessons learned in the course of this inquiry will actually be heeded.

I want to thank Senator Sterle from Western Australia who chaired the inquiry for the first few months and got us started. I also offer my thanks to Senator Nash for carrying it through to completion. Particularly, thanks go to the committee staff who worked extremely hard to prepare a report which I think is going to make a valuable contribution. Lastly I want to thank all the people who took time to give evidence, to write submissions, to appear before the committee, people who rang talkback radio in Adelaide and Perth—which was then accepted as evidence to the committee—the academics and the community advocates who do so much work for us in this area. I thank them on behalf of the committee. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Selection of Bills Committee

Report

Senator McEWEN (South Australia) (3.41 pm) by leave—I present the 12th report of 2009 of the Selection of Bills Committee.

Ordered that the report be adopted.

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

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 12 OF 2009

(1) The committee met in private session on Thursday, 20 August 2009 at 7.16 pm.

(2) The committee resolved to recommend—

That—

(a) the order of the Senate of 18 September 2008 adopting the committee’s 11th report of 2008 be varied to provide that the Defence Amendment (Parliamentary Approval of Overseas Service) Bill 2008 [No. 2] be referred immediately to the Foreign Affairs, Defence and Trade Legislation Committee for inquiry and report by 19 November 2009 (see appendix 1 for a statement of reasons for referral); and

(b) the provisions of the Education Services for Overseas Students Amendment (Re-registration of Providers and Other
Measures) Bill 2009 be referred immediately to the Education, Employment and Workplace Relations Legislation Committee for inquiry and report by 16 October 2009 (see appendix 2 for a statement of reasons for referral).

(3) The committee resolved to recommend—
That the following bills not be referred to committees:
Asian Development Bank (Additional Subscription) Bill 2009
Foreign States Immunities Amendment Bill 2009
Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009
Veterans' Affairs and Other Legislation Amendment (Pension Reform) Bill 2009.

The committee recommends accordingly.
(Kerry O'Brien)
Chair
20 August 2009

APPENDIX 1
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:
Name of bill:
Defence Amendment (Parliamentary Approval of Overseas Service) Bill 2008 [No. 2]
Reasons for referral/principal issues for consideration:
This bill has been on the Notice Paper for some years, however, in the wake of the departure of Australian troops from Iraq the time is ripe for debate. The timeliness of this debate is also evidenced in recent media interest in the Bill. In a recent broadcast debate the head of the Australian Defence Association saw merit in a Committee referral to further examine the transparency and accountability of governments arising from involving parliamentary discussion and scrutiny of the decision to deploy Australian military forces to overseas conflicts.
Possible submissions or evidence from:
Australian Defence Association
Australian Red Cross
United Nations Association
RSL
Australian Council of Civil Liberties
Human Rights Council of Australia
Women’s International League for Peace and Freedom
Medical Association for Prevention of War
Peace Organisation of Australia,
Catholics in Coalition for Justice and Peace (CCJP),
Australian Peace Committee (South Australia)
Campaign for International Cooperation and Disarmament
Australian Pugwash

Committee to which bill is to be referred:
Foreign Affairs, Defence and Trade

Possible hearing date(s):
October / November
Possible reporting date:
19 November 2009

(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:
Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill 2009
Reasons for referral/principal issues for consideration:
Further investigation into the regulation of education providers offering courses for international students and how this sector is policed

Possible submissions or evidence from:
ACPET
ACC1  
Australian Industry Group  
TAFE Directors Australia  
Skills Australia  
Group of 8  
State Chambers of Commerce and Industry  
International Education Association of Australia  
Australian Federation of International Students  
Committee to which bill is to be referred:  
Education, Employment and Workplace Relations Legislation Committee  
Possible hearing date(s):  
Possible reporting date:  
16 October 2009  
(signed)  
Stephen Parry  
Whip/Selection of Bills Committee member  
Community Affairs Legislation Committee  
Additional Information  
Senator McEWEN (South Australia)  
(3.41 pm)—On behalf of the Chair of the Senate Community Affairs Legislation Committee, I present additional information received by the committee on its inquiry into the Health Insurance Amendment (Extended Medicare Safety Net) Bill 2009.  
Environment, Communications and the Arts Legislation Committee  
Additional Information  
Senator McEWEN (South Australia)  
(3.41 am)—I present additional information received by the committee on its inquiry into the Telecommunications Legislation Amendment (National Broadband Network Measures No. 1) Bill 2009.  
BUSINESS  
Rearrangement  
Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (3.43 pm)—by leave—I move:  
That the order of general business for consideration today be a motion relating to the economy.  
Question agreed to.  
RUDD GOVERNMENT  
Senator BUSHBY (Tasmania) (3.43 pm)—At the request of Senator Parry, I move:  
That the Senate notes the Rudd Labor government’s reckless spending.  
These are historic times. Yes, there is no doubt that Australia, under the Rudd Labor government, is rapidly heading towards new records—new highs and new lows—but the records we are looking to set are not ones that the Prime Minister and those sitting opposite should be proud of. On the contrary, this Labor government should be ashamed of the direction in which it is taking this nation, the future obligations and risks it is placing squarely, firmly and deliberately on the shoulders of all Australians and the fact that many of the decisions it makes are made far more for political expediency than for reasons of good policy.  
Sitting right at the front of the government’s historic achievements in this regard is the new record that it is setting as the biggest spending government of all time. That is right. This government took such great delight in accusing the Howard government of being a big taxing, big spending government. I might add that this occurred because the coalition managed the economy so well; we increased economic activity and created increased tax revenue that we consistently gave back to the taxpayers at every opportunity. But, by any measure, this government has in a short period of just over 12 months taken on the mantle of the biggest spending Australian government of all time and, in the
time since, it has continued to grow that record.

When Labor is in government the fact is that it spends up big. In the few short years that the Whitlam government was in power, spending increased to such an extent that the Commonwealth share of GDP went from 19 to 24 per cent. The 13 years of Hawke and Keating saw that figure increase to 26 per cent—a figure that was much reduced under John Howard. The Howard years saw the rolling back of the Commonwealth share of GDP, as Costello fought to balance the budget after Labor left us $96 billion in the red. In 2009, under the Rudd Labor government, all of that work has been undone. At $57.6 billion and almost five per cent of GDP, next year’s budget deficit is forecast to be our biggest since World War II—so much for the conga line of then shadow ministers, including the now Prime Minister and his deputy, who all stood before the voting public before the last election and, with hands on hearts, they swore on their mothers’ graves that they were economic conservatives. They might have had their right hands over their hearts when they did it, but there is no doubt that they had their left hands behind their backs with their fingers tightly crossed. I am reminded of that oh so prescient comment by Peter Garrett: ‘Once we get elected we’ll change it all.’

As I mentioned whilst taking note of Minister Sherry’s hopelessly irrelevant and inadequate answers to questions without notice yesterday, the calls for the government to consider winding back their stimulus spending are mounting. Just yesterday three leading economists, Stephen Kirchner, Chris Richardson and Sinclair Davidson, added to those calls, saying that it was time for the government to rethink its spending binge. The economic outlook is improving, and it is almost certain at this point that Australians on the whole will escape the worst of the economic downturn that has afflicted many others in comparable nations like the UK and the USA. The government’s own Treasury modelling looks to be too pessimistic in terms of the depths to which economic performance will fall and the impact on the employment of Australians. The three economists yesterday commented on this and noted that, in their opinion, the shallowness of our downturn highlights how monetary policy may have been able to shoulder a greater burden in minimising the impact of the global crisis in Australia and the significant additional cost and burden on current and future Australian taxpayers. I will comment more about the interplay between current fiscal and monetary settings in a few minutes.

What cost has been and will be placed on taxpayers as a result of the government’s decision to rapidly plough headlong and without proper consideration into committing almost $80 billion to the Australian economy in order to stimulate it? It is money that can only be viewed as the largest pork-barrelling exercise in Australian history. Firstly, there is the obvious and well understood future to be faced by all Australians—a future where every man, woman and child will be shackled with $15,000 of debt. It is a debt that each of them will need to repay through their taxes, together with interest. Of course, there are only two ultimate outcomes that can result when a government takes its people into massive debt. The first is that the government seeks to pay interest and hopefully some principal by taking that money out of the tax revenues that it receives. If it takes this path then it must divert money from its spending on the services that it delivers—services like health, national security and education. That is not an attractive political option and is rarely in the interests of Australians.
The second outcome is that it seeks to raise additional money to pay interest and make debt repayments. The only way it can do this is by raising taxes. Raising taxes is, again, not generally a politically attractive option but one which a socialist Labor government can feel it can get away with, if it only hits the rich. But, given the size of the debt that this government is taking us into, new taxes will have to be far more broad based than just on those very rich people that Labor feels it can safely stigmatise as deserving of higher taxes. This is why Labor’s refusal to rule out new taxes, like a capital gains on homes valued at over $2 million, should be of major concern to the majority of Australians who cannot possibly ever hope to own a home worth that much. But the tax will not stop there. Rest assured, when Labor introduces new taxes to hit the rich, it will end up being the hardworking middle class—those who earn two incomes or who are struggling to feed, clothe, house and educate their family on one income—who will end up being caught by every one of these taxes.

You only have to look at the measures that this government has introduced in the last couple of years when they have played with thresholds to see what level of income they think qualifies a family as being rich. They include measures such as their first wildly criticised, badly botched and mishandled attempt to tighten up taxation arrangements on employee share options—they have fixed it up now to some extent—which classed the rich as earning in the range of $55,000. How many Australians would consider themselves rich if their household income was in the $55,000 range? Not many, I would venture. But, ultimately, as a direct result of this government’s reckless spending and its totally stubborn refusal to divert from the hard and rigid path that it has set for itself, people earning an income in this range may well be staring down the face of new and higher taxes.

Yesterday, I asked Minister Sherry what impact this reckless spending would have on higher taxes and higher interest rates, and he completely failed to address the question. One can only presume that the question was too close to the bone for him to comment on. But the consequences of the government’s reckless and record spending spree extend further than to just what new and higher taxes Australians will have to pay or which hospitals or which schools the government will have to cut funding to. As noted by the three economists mentioned earlier, there was room for more action to be taken on interest rates that could have helped to foster economic growth. Unlike other countries such as the US, where official interest rates are effectively at zero per cent, Australian official rates have bottomed out at three per cent. This gives the RBA scope to reduce their official rate further. As most Australians know, the level of the official interest rate can be increased to act as a brake on economic activity in circumstances where the RBA assesses that the economy is growing or is likely to grow at a rate higher than it considers desirable to maintain the inflation rate within the target range of two and three per cent.

Similarly, official interest rates can be lowered in order to stimulate the economy when the RBA considers that the economy is not growing fast enough to maintain employment levels. This works either by deliberately removing money from the wallets of Australians in small businesses, thereby lowering economic activity, or conversely by deliberately placing more money into their hands through lower interest rates so that there is more money going around in the economy. It is called monetary policy. The most recent movements of the cash rate have been down. The RBA took decisive action to
rapidly reduce that rate, not just to put more money into the economy but also, through the size and speed of those reductions, to send a very strong message to the community as a whole to help promote confidence. However, as noted, that action only took interest rates down to three per cent—a rate certainly lower than the level we normally experience in Australia but much higher than that which currently exists in comparable nations.

So there was scope for the RBA to reduce rates further—underutilised capacity to drive additional economic growth. It appears unlikely that it now will be employed given the recent comments of the Governor of the Reserve Bank of Australia before the House of Representatives Standing Committee on Economics in Sydney last week and as apparent from the minutes of the RBA’s last meeting, which were released this week. Both show that interest rates are now on an upward setting.

It is important to note that the use of monetary policy—that is, the manipulation of official interest rates to stimulate the economy—is far more taxpayer friendly than the use of fiscal policy. Think about it: if you seek to stimulate the economy by borrowing money and handing it out in the hope that some of it will be spent in the economy, the end result can only be—even if it works—that taxpayers have to repay the borrowed money with interest. Ultimately, the cost of the measure will be borne in full by the taxpayers of Australia directly out of their pockets together with interest.

Compare this with the use of monetary policy—the reducing of interest rates to leave homebuyers and small businesses with more money in their pockets to stimulate spending, make the economy go around and directly help ensure the viability of small businesses and the security of the people that they employ. The end result of the employment of monetary policy is that taxpayers have more money in their pockets upfront and no long-term debt to repay through their taxes. I would think that anyone would have to agree that monetary policy—that is, reducing interest rates—is a far preferable tool, from the perspective of the taxpayer, than is the use of fiscal policy—that is, borrowing and spending up big. These are the consequences of the decisions made by the government. Their reckless spending spree, a spree that will leave every man, woman and child in Australia with $15,000 of debt, now appears to have been excessive, given that the then complementary and far more taxpayer friendly monetary policy was not fully utilised.

What about the situation looking forward? The government has refused in recent days to consider winding back its unnecessarily large and burdensome stimulus package. But just on Friday, as mentioned, the RBA governor said that we are looking down the barrel of increasing interest rates. Why would this be the case? The only reason the RBA would be looking to increase interest rates would be to avoid the economy, or parts of it, from growing too fast. Let me state that again: we Australians—small businesses, mortgage repay- ers and homebuyers—are staring down the barrel of having to pay higher interest rates. I can assure you that if official interest rates go up the banks will pass it on in full. We are looking down the barrel of interest rates being increased specifically to slow the economy, to curb economic growth and to maintain that desirable balance. Yet at exactly the same time as the RBA is looking to put up interest rates to slow the economy we have the government continuing its stimulus package to deliberately cause the economy to grow. Consider that: fiscal and monetary policy completely in conflict with each other. Only a few months ago the Treasurer was
saying how well they were working together and how complementary fiscal and monetary policies were, and here we are looking in the next few months at the possibility of fiscal policy and monetary policy smashing head on.

Indeed, the RBA have factored in the full impact of the government’s oversized stimulus packages running their full course. The governor said that, in considering where interest rates might have to go, they have taken into account the full impact of the planned continuation of the stimulus package. Given that that is fully factored into the RBA’s consideration, it is probably the case that, if the RBA do increase rates, it would not just be in conflict with, but because of, the government’s continuation of its stimulus package. So those people out there who are buying homes and those small businesses who have loans that they are trying to repay are going to have to suffer higher interest rates. The government is continuing its stimulus package and is showing no sophistication in its approach and no willingness to look at the situation and say, ‘Where is the economy now? Why don’t we just maybe adjust it here and wind things back?’ Why does the government not try to assist Australian taxpayers? Because it has a hard, rigid approach and no sophistication.

It would be interesting to speculate what the IBA would currently be saying—whether it would be on an upward interest rate warning—if the government were actually prepared to say that it would wind back its stimulus package as appropriate, but no—

Senator Conroy—If we went below the band?

Senator BUSHBY—Senator Conroy raises the band. I assume you are talking about the inflation band. There are a couple of ways that that can be achieved. You could achieve that by spending massively, stimulating the economy and having massively high interest rates to balance the economy and get the inflation rate between two and three per cent. But nobody would want that because, if you did that, you would have to borrow money which taxpayers would have to pay back and, on the other side of the equation, Australian taxpayers, Australian homebuyers and small businesses would be paying hugely high interest rates. But you could achieve that two to three per cent band by doing that. That is where we are heading at the moment.

However, the alternative is to not over-stimulate the economy using fiscal policy. Keep the spend down, keep interest rates down and you can still get between the two and three per cent band. That is the preferable place to be. I am sure it is where the RBA governor would prefer to be—

Senator Cameron interjecting—

Senator BUSHBY—but he has to factor in the additional spending by the government, which they are going to keep on doing, and as a result we now have a warning that interest rates are likely to rise. This has to be the ultimate irony, and it comes at the expense of Australian taxpayers, homebuyers and small businesses.

Let me restate the situation: in the next few months, we may be looking at the RBA increasing interest rates, at great cost to Australian homebuyers and small businesses, to directly counter the actions of the government trying to stimulate the economy by borrowing and spending. The losers in all this are Australian taxpayers and homebuyers, our small businesses—

Senator Cameron interjecting—

Senator BUSHBY—and the people they employ—the workers of Australia. And it is also unnecessary. There was a better way, and it is not too late to change. It is not too late for the government to change tack, stop
spending and let monetary policy do the heavy lifting.

The other great shame about all of this is that at least some of the pain was unnecessary for another clear and obvious reason, the blame for which again falls squarely on the shoulders of this reckless, selfish and big-spending Labor government. During the election campaign, the then Treasurer—and, might I say, the best Treasurer we have ever had, the Hon. Peter Costello—warned that the problems then becoming evident were going to hit Australia like an economic tsunami. Remember, this was in late 2007, just before the election. At the time, the then Labor opposition castigated Mr Costello for scaremongering, but he held his ground, as he could see clearly that at that point trouble was brewing and it was coming Australia’s way.

Of course, Labor won the election and inherited what was then undoubtedly the best-managed, best-regulated and healthiest economy in the world. Knowing full well that the management of the economy was likely to be their Achilles heel, the government sought to develop an argument that they had inherited something other than such a strong and robust economy. The only thing that they could find that indicated any issues within the economy related to a problem that can only arise when an economy is firing on all cylinders: skills and capacity shortages caused by an economy growing at a pace that was out-growing its ability to supply labour and imports, which of course leads to inflationary pressures.

I might note at this point, and Senator Cameron will no doubt be interested in this, that these inflationary pressures had to a significant degree been relieved by the increased flexibility built into the industrial relations laws—flexibility that enabled both individual employees and their employers to negotiate arrangements that best delivered high productivity and generally relieved capacity shortages. But, having identified inflationary pressures, what did they do? They went out and spent the next 10 months deliberately talking up inflation, talking about how the ‘inflation genie’ was ‘out of the bottle’ and about the need to cut spending, to reduce demand and to slow the economy—even pretending to slash the budget last year to slow the economy and making a big song and dance about it.

I recall, after that, when we had issues with some of the measures that the government were trying to introduce as part of their slashing of spending, Senator Evans sitting across the table and labelling us economic vandals because we were opposing measures that were going to reduce inflation and slow the economy. It was amazing how smoothly and seamlessly he shifted gear after October last year, calling us economic vandals because we were opposing measures that were going to speed up the economy. It is ironic. They changed so quickly, but the label was still the same. So I would just like to emphasise that we are suffering as a result of Labor’s reckless spending. (Time expired)

Senator CAMERON (New South Wales) (4.04 pm)—That must have been the longest 20 minutes of Senator Bushby’s life! I must say it felt pretty long to me. I put a challenge to Senator Bushby: I challenge Senator Bushby to go back to Tasmania tomorrow, get onto the media and tell them that you oppose this so-called reckless spending—that you oppose the government’s education revolution, that you oppose the money that has been spent on 116 schools in Hobart alone, that you are not interested in the education of the kids of Hobart. That is the challenge for Senator Bushby. Go on the radio tomorrow and say that you oppose this so-called reckless spending that is building 15 community infrastructure projects around...
Tasmania. Tell them that you do not want to spend the money making a better society after 11½ years of neglect under the Howard-Costello government. That is the challenge for Senator Bushby: get on the radio and be honest with the community in Hobart and say that you oppose these initiatives that a Labor government is taking to improve the infrastructure in Hobart, to improve the education facilities in Hobart and to build a better society after 11½ years of neglect by the Howard government.

Get on the radio, Senator Bushby, and tell the Tasmanian public that you oppose the $2 million that will be spent on improved lighting for Bellerive Oval, just down the road from Senator Bushby’s office. Tell them that Bellerive Oval is not to be given any support because it is so-called irresponsible spending. Tell the Hobart public that the quarter of a million dollars that this government is spending in Rosny Park alone on improving public housing through repairs is irresponsible spending. Get on the radio and tell them that should not happen either. That is the challenge for Senator Bushby. Tell them that the social housing that is being built in Rosny Park and Lindisfarne is no longer required, because it is irresponsible spending, and that Tasmania does not need these support facilities because the ideology of Senator Bushby and the Liberal Party is that the government should not intervene to assist the community at the time of the global financial crisis, the biggest crisis since the Great Depression in the thirties.

Senator Bushby has to go down and tell those 43 applicants in Rosny Park that they cannot improve the insulation in their homes, they cannot get any insulation, and it has to be ripped out. He has to tell them, ‘You can freeze in the Hobart winter and you can boil in the Hobart summer because it’s irresponsible to make your home more secure and more insulated through the government’s package.’

That is the challenge for Senator Bushby. That is the challenge for every coalition senator here: stop the rhetoric, go back to your communities and tell them that you are going to oppose it, that the money will not be spent and that your society, your regions and your communities should not be improved through the government’s stimulus package. Senator Bushby should go down to Tasmania and say: ‘We don’t want Tasmania to be at the forefront of the digital revolution. We don’t want the best broadband in the country to be rolled out in Tasmania.’ He should tell every tradesperson, every labourer, every cleaner and every other worker that, because of these stimulation packages, they should not get a job because that would be irresponsible spending. What an absolute nonsense!

When I sit here and listen to the economic incompetence across the chamber, I wonder how they ever managed for 11½ years. Then I think: ‘This is how they did it—they did nothing. They ignored the real issues in building a decent economy.’ All they can do is resort to scare campaigns about debt and terrorism. It will be children overboard writ large again as soon as you get an opportunity. You are built on fear and scare campaigns. That is in your DNA—fear campaigns for the Australian public.

We make no apologies for intervening on behalf of the Australian public when they are faced with the biggest global financial crisis since the Great Depression. What was the coalition’s answer? We know that it was to sit back and do nothing, to do what Peter Costello did for 11½ years—swing in the hammock and hope that the money would keep rolling in from the mining boom. Well, we do not have that sort of luck, so we have to actually manage the economy effectively,
decisively and well. That is what a Labor government is all about.

Let’s be clear about what the scare campaign is about. The scare campaign is to try and divert the Australian public from watching the disintegration of the coalition and watching an impotent, incompetent, ineffective leader in the Leader of the Opposition, Malcolm Turnbull.

Senator Joyce interjecting—

Senator CAMERON—It is no wonder Senator Joyce wants a divorce—absolutely no wonder. Your leadership problems are so big, so great, that you do not have anywhere to go other than scare campaigns. They go into their party room and they fight and squabble. They go onto the floor of the House of Representatives and they fight and squabble. They come here and tell Senator Joyce what to do and he nods his head, saying, ‘What will I do?’ It is just pathetic; it really is. You are a pathetic rabble of an opposition. All you can do is try and deny that there is a global financial crisis and say: ‘Look at the debt. Look at the problems we’re going to have. Look at this irresponsible spending.’

The Australian community know who are handling the economy well, and that is the Rudd Labor government. We are handling the economy in the interests of the community. We are handling this economy, the greatest challenge that any government has ever faced, decisively and well. We make no apology about protecting Australian jobs and communities from the worst financial crisis since the Great Depression. We make no apology for acting quickly, decisively and effectively, and we make no apology for underpinning 210,000 Australian jobs during the financial crisis.

The Liberal and National coalition need to act in the national interest once in a while and start thinking more widely than their party room disruptions and their weak leader. They need to start thinking about what is in the interests of this nation and this community. That is exactly what we have done, to state that neoliberalism has no role—that the community have to be looked after and the government must intervene to ensure that this economy is safeguarded against the financial crisis and has the basis for future growth built in now.

We have a plan and a strategy—something that Howard and Costello never had. You had tax cuts, handouts and money rolling in, but what was your legacy? Your legacy for the Australian community was Work Choices and the GST.

Senator Joyce interjecting—

Senator CAMERON—Yet what are we doing, Senator Joyce? We are dealing with one of the greatest challenges that any government has to face, a social challenge, an economic challenge and an environmental challenge that we are prepared to take up—something that you did not have the bottle to deal with when you were in opposition.

So what happened to Senator Joyce? The now weak Leader of the Opposition actually had some courage when he was in opposition and he put Senator Joyce in his place. He said, ‘We are going to do something about the environment.’ When Malcolm Turnbull became leader—when the Australian public threw you out on your neck—he decided he had to concede the nonsense that was espoused by Senator Joyce. He had to concede and he had to give in because he is a weak leader, because he shows no courage, no strength and no conviction on behalf of the Australian public.

We make no apology for dealing with the global financial crisis or global warming. We want a sustainable economy. We want a sustainable future for the kids in Australia. We want them to look back at what we have
done and say: ‘You did the right thing. You looked after the economy and you looked after what we need, which is a sustainable future.’ That is what the Australian Labor Party is about.

We have also set about supporting the retail sector. No other country in the world has a retail sector with the results that our retail sector has now. Those results are keeping Australians in jobs and are helping families through the assistance that we have given them. We are a government of vision. We are a government of courage. We are a government of conviction. Compare that to the rabble we have over on the other side, a rabble who cannot even keep their people in question time; the Western Australians walked out of question time in the House of Representatives yesterday. Unfortunately they do not have the courage of their convictions in the Senate. I am still waiting for the thank you from the Western Australian senators for the great job that Minister Ferguson has done in delivering the Gorgon project. It is about time you said thank you to the Labor Party for its economic competence and the delivery that we are providing for Australians in this country.

What else have we done? We have assisted pensioners. We have increased the pension—something you would not do, something you have walked away from. In a period when the money was rolling in, you ignored the pensioners of Australia. It took a Labor government to increase the pension to a reasonable level in this country. The problem, under the Howard government, was that they were ignored. The Howard government were too busy looking after the big end of town. They were too busy looking after their mates in big business. They were too busy turning a blind eye to the massive executive salaries, the golden parachutes and the golden hellos. There was more than a decade of absolute incompetence from the coalition.

When we came to government we had to deal with the failures of the coalition government. There was an absolute abject failure to bring investment into this country. You failed to deliver on innovation and industry, the thing that builds productivity and builds wealth for the future. You failed on productivity even though you tried to race to the bottom. Work Choices was your weapon against working people. Even though you were all Work Choices warriors, you do not want to hear the name mentioned anymore. ‘It’s gone; put it behind you,’ they all claim, ‘It’s not there any more, and we won’t go there again.’ The Australian public knows that you are Work Choices warriors and the only way you can deal with the economy is to try and force workers in this country to have lower wages and fewer conditions and give the bosses more profits at the expense of workers and do nothing about reinvesting in the economy. That is the legacy of the Howard-Costello government.

No wonder Peter Costello abandoned you lot. No wonder Peter Costello does not want to have anything to do with you. He knows that you are a rabble. He knows that you are absolute economic incompetents. He wants to try to get out quick because he does not want another session in a party room that cannot even think about a policy issue. This country failed under the coalition. We lacked competitive advantage. We actually failed. Here we are, with arguments from the other side saying what brilliant economic managers they are. There was a decade of lost opportunities under the Howard government. It was a decade when the money was rolling in. You had the opportunity to build for the future. You had the opportunity to build our schools, to build our skill base, to build our industries and to intervene in the economy with the massive wealth that was flowing in. What did you do? You did nothing. You have left this country ill-prepared for the global
financial crisis. It is only Labor that has the courage, the vision and the conviction to deal with the global financial crisis. It is no wonder that when the public thinks of the coalition they think about failure—a number of failed leaders since we have been in government, a failed leader and a failed party room with no policies to deal with the issues that are facing the Australian public.

As we have raised the issue of Work Choices, I just want to place on record my congratulations to the workers at Cochlear who have voted today to be represented by the AMWU, to be represented by a union against all of the intimidation that the company could put in place against those workers. Under Labor, workers now have the right to join a union, to act collectively and to be recognised. Not only are we making all these advances on the economic front; we are making advances on the social front as well.

You must accept that we are doing a fantastic job for Australia. The International Monetary Fund, the IMF, has again commended Australia on its response to the global recession. It notes that Australia has the best performing economy of any developed economy. That is what the IMF is saying. They are saying: ‘You’ve got it right. You’re doing it well.’ And what do we get when this rabble across the chamber come in here? The rabble criticise, carp and are negative—that is what happens. But the IMF have got it right. The IMF know a good government when they see it. They know that the Australian government is a good government, delivering for the Australian economy, delivering for the Australian public and delivering for communities all around Australia. I put the challenge to you again: go back to your states and tell them that the spending should stop, that the money should be ripped out, that the jobs should disappear. You will have even less credibility than your failed leader, Malcolm Turnbull. *(Time expired)*

**Senator JOYCE** (Queensland—Leader of the Nationals in the Senate) *(4.24 pm)*—That was amazing!

**Senator Cameron**—Thanks.

**Senator JOYCE**—That is the side that talks about their economic credibility, and today was pathos. It was amazing. A simple question was asked of Senator Conroy back on 11 August about what the face value was of Commonwealth government securities outstanding as at 10 August 2009. He took the question on notice. I was a bit worried as to whether he is actually the person who is supposed to be representing the Treasurer, so I checked that out and he is. But it did not really matter; he took the question on notice. At that point in time it was $106 billion, but he did not have a clue—not a clue. His way out of it was to say, ‘It’s not my responsibility.’ Do you know whose responsibility he said it was? He said it was Senator Sherry’s. So today we asked Senator Sherry, and what we got from Senator Sherry was an absolute clanger. We asked the question of the Assistant Treasurer, Nicholas Sherry, and he did not have a clue. He had three goes at answering the question about Australia’s debt as listed by the Australian Office of Financial Management as Commonwealth government securities outstanding. We were asking him how much was financed from overseas. He had not a clue. Then in his clanger of an answer—and this is from the people who are supposed to be able to manage the show—he came out with this:

With respect to debt, foreign debt, which is placed overseas, currently stands at some $678.3 billion …

It is actually $108.135 billion. It’s all right—he is only out by half a trillion dollars! He is close: he’s half a trillion dollars away from the answer! And these are the people who are
supposed to be telling us that they can manage the country.

It is beyond ridiculous. They just have this desire to wander out aimlessly onto the bond market. It is magic, you see—you just ask the bond market for money and they give you money. They just give it to you, and you do not have to worry about paying it back, you just keep collecting it. You keep taking it and the debt keeps racing up and up and up. On the 30th of the sixth, 2009, it was $101 billion; on the 30th of the seventh, it was $104 billion; on the 12th of the eighth, $107.5 billion. In the last couple of days it has gone up to $108.135 billion. The debt at a federal level keeps racing up, and then they have gone and underwritten their friends in state politics, their Labor Party mates. That is about $230 billion. And our font of knowledge, the Treasurer, tells us that the federal debt is going to go up to about $315 billion.

Let’s put all this money in the corner of the room and have a good hard look at it. We have got about $300 billion at a federal level. Let’s give them a couple of hundred billion dollars, plus some, at the states level. Let’s put a cost of funds, maybe seven per cent, on it. That makes about $35 billion a year interest bill. We have never ever had a surplus of all the states and the federal government added together, in the best of boom times, that would pay our interest bill. And that is supposed to be Labor Party management.

As an accountant in this show, and unfortunately probably the only accountant in this show, I could tell you what happens next. You go broke. That is what happens when the client comes in and they cannot even get within a bull’s roar of the most basic questions. In this instance, the Labor Party government are being asked questions on behalf of the Australian people. In fact, they cannot even give you an answer. It was completely and utterly pathetic. Senator Sherry stumbled through answering a repeat of the question followed by another repeat of the question, he could not even get close, and then they try to tell you that they are decisive. They use that metaphor, but what does ‘decisive’ mean in their dictionary? Vague apparitions of suggested ideas; stumbling around; economic incompetence—that is what they personified. You can always tell when a client is on the skids, because they lose control of the actual money that they owe and they cannot answer the fundamental questions. This is what has happened here. The next thing that clients that are going broke do is that they start spending money on ridiculous ideas like there is no tomorrow. So we find out that this nation has $3.9 billion of borrowings because they have spent all the dough. They started with $21.6 billion of cash in the bank but they blew that. They blew that in about 10 months—the whole lot, up against the wall; off it went. I remember one day they put about $8.7 billion in cheques in the mail—out it went.

Money is not precious to the Labor Party. Money means nothing—you just toss it around. You see, it is magic stuff; when you run out, you just run out to the bond market and borrow some more. But the day is going to come when you go to the bond market and they say these horrible words to you; like the bank manager, they are going to say: ‘No. You can’t have any more.’

The government are going to spend $3.9 billion on ceiling installation up in the roof for the rats and mice to urinate on. I do not know what we are going to do with that. What are we going to do when we have to pay the money back? Dig the batts back out and send them back to China or wherever they came from? How are we going to deal with this?

Then there is the $890 million spent on boom gates. I do not remember a promise at
the election for a boom gate bonanza. These $890 million worth of boom gates must be somewhere, stuck behind a shed somewhere waiting to be installed by the Labor Party. Then there are the one-off payments—$12.7 billion shovelled out the door in $900 cheques. You are kidding me. And you talk about economic management! That is complete and utter profligacy. That is profligate waste of Australian taxpayers’ money, and now it is just a mountain of debt.

Every time you see one of your marvellous school halls that are being parked around the countryside—they are not going to increase people’s mathematics or English marks—you are going to have to imagine where this money comes from. When you see the school hall, imagine the flag of the Communist People’s Republic of China draped over about a third of it, because I reckon that is where the money is coming from; then imagine another flag from the Middle East draped over about another 10 to 20 per cent of it, because that is where that amount of money is coming from; and then imagine sundry flags from other nations around the world, because it is all borrowed money and it all has to be repaid.

Have they delivered an exit plan of how they are going to repay this money? No—not a smidgen, not a clue. Yet they have the gall to walk in here and talk about themselves as economic managers. Neither the Treasurer, the Assistant Treasurer, the Prime Minister nor anybody else in the cabinet has been able to table even a skerrick of a detail as to how we will pay this money back. They have not got a clue. So how are the Australian people going to pay this money back? The best we can get is two bullet points on, I think, pages 6 and 7 of that wondrous little orange booklet that Treasurer Swan handed out. It basically says, ‘When things get better, we’ll pay the money back.’ I wish it were that easy. If it were, I would try that out on my bank manager: ‘I want to borrow some money.’ ‘How much do you want?’ ‘A couple of lazy mill, if you’ve got it hanging around.’ ‘How are you going to pay it back, Mr Joyce?’ ‘Well, I’m going to say what our Treasurer would say: when things get better, I’ll pay you the money back.’ I just do not think it works that way.

Then we have Senator Sherry, who completely botesches an answer. He was out by half a trillion dollars a day; that is correct, but what is half a trillion dollars between a couple of mates? Do not worry about that; just sweep it along. But what is concerning about that is that the lack of detail illustrates their lack of connection to the real problems. What we do know is that back in February we asked Dr Hyden from the Australian Office of Financial Management, ‘When you think this $200 billion facility, this $200 billion worth of debt, will be drawn down?’ He replied, ‘In about 2013-14.’ We asked Dr Hyden the same question two months later, in April. By that time, it was 2011. That is the mad trajectory we are on, but it is going to come unstuck. So Labor have got a cunning plan to get around this—a cunning plan to deal with it. Their cunning plan is called the CPRS—a cunning plan to stop the Australian people from realising that the economy is RS. The way they are going to do it is to bring on a double dissolution before the budget next year so that they can get around the fact that the books are in oblivion. This is the cunning plan of the Labor Party.

So the Labor Party have gone forward. First of all, they spent the money we had. We had $21.6 billion in the bank, and they went and spent that and a heap of provisions. They blew that in about 10 months. Then they spent the money we do not have—that is, they went out on a borrowing frenzy. Recently they have tried to inspire a reduction in interest rates and to get a stimulus going. I will be the prophet for the Labor Party; I can
tell you where this will end up: it will end up with a thing called quantitative easing. That is where they are off to—quantitative easing. That is where they print the money. Of course, once we arrive at that point, it is game, set and match for the Australian economy; it is all over. They come in here and say that they are managing the economy. Well, they are managing to flush it down the toilet; that is what they are managing to do.

Sooner or later the penny is going to have to drop: you have to pay this money back. There is somebody somewhere who wants their money back and, if you do not pay it back, they are going to get very upset. But we will look at the trajectory of debt and see how it keeps going up and up and up and we will keep asking you the question. Every day we will ask the question. They have got more myths and fables over there than Aesop. It is incredible. It just goes on. Every day a new myth, a new fable, a new dragon to slay: ‘The Prime Minister’s going to save the world’ and ‘The Prime Minister’s going to cool the planet.’ Is he? No, not a skerrick of a chance. But he is going to devise a whole policy that includes a new tax for the whole of our nation.

If what they say is true—if we are in the middle of a financial crisis and we are to be so concerned—what is their magic bullet that we are going to cop between the eyes? Their magic bullet is an emissions trading scheme. They are the only government that is proposing as the absolute centrepiece of government policy a mechanism to make a bad situation worse. Who in their right mind would suggest a tax on every productive section of the economy that actually pays the bills to pay the debt? Who could possibly do it? Let us pretend that Australia is its own business. The government are going to go around that business and everything that actually produces something, that puts something on a boat and send it overseas, whether it is in the mining industry, the agricultural industry, the aluminium industry—the ones that actually make us money—they are going to tax. The government are going to put an overhead on it that is going to start forcing businesses overseas.

Even today in Rockhampton the cement industry is closing down. Why? One reason is some lunatic government policy that they will solo—by themselves—cool the planet. For that reason people in Rockhampton are now on the street. Working families are losing their jobs. You talk about your advocacy for the working family. I tell you the first thing you have to do for working families: keep them in a job. That is priority No. 1: keep them in a job. There is nothing romantic about being unemployed. That is what the CPRS is going to do. You will say, ‘Oh, that is rhetoric.’ No. That is happening. That is happening today. That is happening now. People are foreshadowing this and seeing it coming towards them. Already businesses are making the decision. They are quitting, running and leaving Australian working families on the street. Later on they will go up to Mackay and do it. Then they will go down to the Illawarra and to the Hunter Valley and do it.

I cannot believe that Mr Combet is going to do that to his own people, to the working families of his own area. He is going to put their jobs under threat. They try to gauge it and get around it and say, ‘When there’s a problem, it’s somebody else’s problem.’ They are actually devising the economic policy that is doing this. They are not only going to do this but doing it right now. It is happening today. It is already happening. What do they put forward? They are the economic managers. We are heading to a position under this crowd where we will not even be able to meet our interest payments. We asked this question back in Senate economics committee hearings. I think it was in es-
timates. When we cannot pay the interest bill, where are we going to get the money from? Where do you get the money from when you cannot pay the interest bill? Do you know what the Labor Party are going to do? They are going to borrow it. Of course they are going to borrow it. They are going to borrow the money to pay the interest bill. In accountancy parlance, that is called ‘economic palliative care’. It is the last thing that happens.

When you start capitalising your interest, the bank manager calls you into the office and says: ‘Goodnight, Irene. It is all over.’ But they are doing it. They are economic managers. The first thing a good, prudent economic manager does is give you a forecast for how you are going to run off your debt. They give you a peak debt position and say when that is going to occur. Then, as you track to program, you prove your competency. You prove that you have an understanding of the economic paradigm in which you are working. I can assure the Australian people they have no idea of the economic paradigm they are working in. There is not one prediction they have made that they are able to keep to. On the credit paper that the Australian public is borrowing against, via the Labor Party, they have not managed to keep to one condition. Every one of the gates they said they were going to meet in managing their debt they have missed. They have not just missed them but missed them completely.

When one of their senior operatives, the Assistant Treasurer of the Commonwealth of Australia, came into the nation’s Senate he was asked the most basic question. So help me, he got the answer wrong by half a trillion dollars. It is beyond belief that this is happening to us. There is a stunned-mullet look across the front bench, as they stumble around trying to answer the questions. They just do not care about it. They have no concept of repaying money. They have no idea. There is no acumen. There is no study. There is no late-night sitting down, getting out the calculator and the spreadsheets and saying, ‘Let’s work out where this show goes.’ They do not know. The Australian people are blindly going along saying, ‘I think they’ve got it under control.’ The Assistant Treasurer of the Commonwealth of Australia proved today that it is not under control. The good ship Australia is rudderless and out of control, and they are whooping it up on the decks. It is champagne and caviar on the decks, but the ship is heading towards the rocks.

I cannot believe they took on notice questions on some of the most fundamental principles. Even when they were forewarned that the question was going to come, because it was asked the previous week, they blew it again. Who in the Labor Party is running the show? Who in the Labor Party does know what is going on? Who do we refer the questions to? We have tried Senator Conroy and we have tried the Assistant Treasurer of the Commonwealth of Australia. Who do we ask next time? I might give Dougie a crack at it. I would have just as much luck. There is no-one there.

Senator Crossin—Mr Deputy Speaker, I raise a point of order. It is bad enough that the public of Australia have to listen to this mad rant. I do insist that my colleagues are referred to by their correct titles in this chamber, please.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Senator, thank you. I was about to do that. Senator Joyce, please refer to the senator as Senator Cameron.

Senator Joyce—I will retract. Senator Cameron is the good senator for working families who insists on an emissions trading scheme that is going to put those working families out of a job. ETS stands for ‘em-
ployment termination scheme’. It started terminating their jobs today. It started terminating jobs in Rockhampton. So much for their economic management. The ETS is the ‘extra tax system’. Every family, no matter where they are, is going to have a close relationship with our good Prime Minister. Every power point in the house will be connected to a tax connected to the Labor Party. It will be a new tax. Every shopping trolley will have a new tax in it. We will have the Prime Minister coming to you via your toaster, coming to you via your television set and coming to you via every electrical appliance in the house. If you want to get away from him, you can go and do some shopping, but he will be on every food item. If you just want to get out of the joint and go on holidays, do not worry, as his new tax will be on aviation fuel so he will be on the plane with you. This man is everywhere. He is everywhere but nowhere.

The Australian people should realise the opportunity costs. They are going to spend $3.9 billion on ceiling insulation. We could have built the inland rail. We could have built it all the way from Gladstone down to Melbourne. We could have built a corridor of commerce. It would have removed trucks from the road. It would have reduced carbon emissions, if that was what you wanted. It would have fixed interport connectivity. It would have actually done something. It would have delivered an asset to the nation—an asset which, at a future time, we might have been able to sell to recoup some of our debt. But, no, they did not. They had to spend it on ceiling insulation. They have spent $890 million on boom gates, $40.7 million on school halls and $12.7 million in one-off payments. That encapsulates it. It is so easy to spend and it is so hard to get it back. You do not have a clue. (Time expired)

Senator CROSSIN (Northern Territory) (4.44 pm)—I rise this afternoon to provide a contribution to this debate. Don’t you love it? We enjoy sessions on a Thursday afternoon as the opposition grapple for a topic to put forward in their general business time. It seems that week after week they manage to bat up to us some of the best Dorothy dixers that we get to deal with in this chamber. The contribution this afternoon from my colleague Senator Cameron provided evidence that we enjoy debating these topics, because they clearly highlight to us the difference between what we are doing as a reformist and can-do government that is going to take this country forward and build the infrastructure, knowledge and health reforms and what happened under the Howard government under which the country languished for 10 or 11 long years.

We are on broadcast this afternoon, which gave Senator Joyce the opportunity to get out there and have a mad, factually deficit rant and to filibuster. Do not worry about the facts when you are putting an argument in this place. If you can puff up and get red in the face—a bit like that big white marshmallow man in Ghostbusters—you can come in here, say whatever you like, rave on as much as you like and not let the facts get in the way.

If people were listening very carefully, they would have noticed that there was not a new idea from Senator Joyce—not one new policy idea; not one suggestion about what they would do if they were in government. I had a look at the papers today. If The Nationals broke away from the Liberal Party’s mantra and apron strings, I am not sure that they would ever be in government. But that is what is happening on the other side of the chamber. Day after day, in newspaper article after newspaper article we read about how they cannot get on with each other. The coalition parties in this country cannot seem to line up and have any coherent discussion about policy development, and so there is no
policy development—absolutely no policy development.

We saw that today here in this chamber when we discussed the renewable energy bill. We have seen today that they are in absolute disarray over there. The conservatives in this country are too busy fighting and worrying about who is going to lead them. ‘Will it be Mr Sixteen Per Cent or will it be Mr Twenty-Three Per Cent? Will it be Tony Abbott or Mr Hockey this week? Should we go with Mr Malcolm Turnbull? Is he going to get us through to the election? Let’s just put up with it anyway and afterwards we’ll go for a new leader and wipe the slate clean and start again.’ That is what they are all on about. They are all about self-preservation and are scrabbling around trying to find the magical leader who might be acceptable to people in this country as a future Prime Minister.

But each week we see that people have confidence in this government. That is blindingly evident in the way in which this government is received as it goes around the country. When we got into government, we did not anticipate—and nobody could have anticipated—the global economic conditions that we were going to inherit. The other side stood up earlier this year, particularly after we brought down our 2009-10 budget, denying that a global economic recession was happening. They denied that we ought to get on board and be part of an international solution and denied that in fact what we had done was taken sound advice from Treasury officials—who, by the way, would have been the same officials providing very similar advice to those opposite if the result of the last election had been different. What we did was decide to put forward a plan to buffer Australia from that international global crisis.

And we have done extremely well. Nearly 12 months on, the facts and figures are there for us to see. What we decided to do was to invest in this nation to build infrastructure to make up for the years of neglect under the previous coalition federal government. They may well come in here and boast that they were sitting a large chest of money that they had built up as a surplus. But when people look around, they say to me: ‘What about my school classrooms? What about the fact that there were waiting lists for elective surgery? What about the fact that the roads and the infrastructure in this country have not kept up with time? What about the fact that people are still on dial-up in some parts of this country rather than on ADSL?’

So, you can brag all you like about the surplus that you might have achieved, but I can tell that out there in voter land the ordinary, everyday Australian looked around and saw a chronic lack of attention being paid to infrastructure, health, education and telecommunications. There was clearly a feeling out there that this was a country that was not with the program, not getting on board and not keeping up with the demands of the 21st century. The Labor Party went to an election promising to offer reform to this country and people accepted that. We are a government that got elected on the basis of reform, of modernising, of bringing this country into the 21st century.

You can come in here and rave on as much as you like, with no facts and figures and no alternative policies. But until you get some alternative policies, the people listening to this on broadcast will still feel that there is no credibility in the arguments that you put together in this place week after week. They can see no alternative policies and no alternative answers. They cannot even see any cohesion on the other side of this chamber. We have invested in a nation-building infrastructure program. Week after week, we make announcements regarding roads, rail, ports, clean energy and reforming.
universities. We have given a fair go to pensioners and we have looked at a sustainable pension system, along with a sustainable payment for carers in the budget. We have made the hard choices that are necessary to chart a course back to surplus.

Let me spend a few minutes here getting some facts and figures into this debate this afternoon. People on the other side of the chamber probably do not think that that is relevant. I do. People who are listening ought to clearly understand how we found ourselves in this situation and what we are doing about it. This is the deepest global recession since the Great Depression. There will be people out there who clearly remember the Great Depression. There will be people out there who would say to us, ‘If we’re in a deep global recession and Australia is not feeling the impact of it as much as other countries, then the Rudd government is doing a good job.’ The world economy is expected to contract by 1½ per cent in 2009. Major trading partners are expected to contract by 2 per cent. This is a worse outcome than during the Asian financial crisis. This is not a little blip in the roadway of world economic management; this is a major crisis, and we have weathered the storm remarkably well. Eight of our top 10 trading partners are expected to contract in 2009 and advanced economies in deep recession will contract by 3¼ per cent in 2009.

Australia’s GDP will contract by half of one per cent in 2009-10. Recovery is expected to gather pace from early 2010. So we have been through the worst and we are hoping that by early next year we will be on the road to recovery, with growth forecast to be 2¼ per cent in 2010-11. Public investment is helping to fill some of the gap, growing at 25 per cent in 2009-10, which is the fastest pace on record.

We have always been honest about the unemployment rate, which is forecast to reach six per cent and 8¼ per cent by June next year. This implies that around 980,000 Australians will be unemployed by the June quarter in 2011. We have always said—and we have always prepared the Australian public for this—that in a global economic recession and a downturn such as this there will be job losses, but we have said we will work incredibly hard to minimise the losses and maximise the opportunities for people so that they do not feel the incredible brunt of what is happening on the international economic stage.

Our terms of trade will fall 13¼ per cent in 2009-10, taking around $35 billion out of the economy. That is a result of what is happening internationally. Nominal GDP will fall 1½ per cent in 2009-10. This is the biggest fall in the postwar era. Inflation will moderate to 1¾ per cent by the June quarter in 2009 and to 1½ per cent by the June quarter in 2011.

If we are going to have a debate about spending in this country, we should put it in the context of what is happening in the international arena. Australia, along with the rest of the world, has faced the most difficult global economic conditions since the Great Depression, as I said. In fact, 29 of the 30 OECD countries are in recession or have experienced negative growth since the onset of the global crisis. This includes eight of Australia’s top 10 trading partners. So what have we done about it?

That is the situation we find ourselves in and all we can get from the other side of the chamber is a rant and a rave about how we are spending too much—‘Don’t spend any money. Don’t try to stimulate the economy to get us out of this situation. Don’t try to ensure that people have cash and jobs and can get on with their lives.’ We as a govern-
ment take responsibility to buffer the impact of this on people’s individual lives on a day- to-day basis. Their view is: ‘Just don’t spend so much.’ There is no alternative policy for what we might do, how we will manage this crisis and what we will do to save people’s jobs. There is nothing. There is just the rant: ‘Don’t do it.’ There is no alternative offered.

We as a government have decided that we will stand firm and take strong and decisive action to cushion Australia from the worst impacts of the global recession. The Prime Minister, the Deputy Prime Minister, the Treasurer and the executive group clearly made that decision before Christmas of last year. They put in place a stimulus package that will ensure that this country is buffeted from the worst aspects of what is going on around the world.

We stepped in where the private sector is in retreat. We supported jobs and small business. We invested in the nation-building infrastructure that we need for tomorrow. We saw this as an opportunity not only to protect business, jobs and small business but to stimulate the economy and ensure that the infrastructure is there for the time when this country gets back on its feet. We need to get into the 21st century and be a modernised and responsive country.

The government is also using its economic stimulus strategy to build the infrastructure and skills that Australia needs for the recovery, our long-term productivity and growth. Building infrastructure and building skills go hand in hand. The people opposite me spent their whole time in government ripping dollars out of the education system. There was more than $800 million ripped out of the higher education sector. The VET sector was left languishing. They spent their whole time trying to plot—putting dots on a map of this country—where they would set up the exclusive Australian technical colleges, which to date have proven to be very disappointing in terms of their outcomes. Those on that side of the chamber were too busy with self-preservation. They were not stimulating the skills and the education sectors to develop the knowledge and skill base that trade and VET people need to undertake jobs and works. They did not provide input to businesses, provide infrastructure and provide the building competency that we need for the future.

The government has also put in place a fiscal consolidation strategy to return the budget to surplus once the global economy recovers. Recently the government welcomed the modest positive economic growth that was recorded in the first three months of 2009. This result means that Australia has not entered a technical recession. We have not done that. We had positive economic growth for the early months of this year—modest as it was. It is evidence that the government’s stimulus package is working.

Treasury analysis confirmed that, without the government’s cash stimulus payments, Australia would have entered a recession. There are many people listening to the broadcast this afternoon who do not need to be told that; they know it. They have experienced that. They have had the money in the stimulus payments. They can now see that the second and third tranches of the stimulus are being put into infrastructure around the country. It is going into schools, building houses, small businesses, and tradies and their skills knowledge. People have had the personal benefit and now there is that whole-of-country benefit, if you like. It is about stimulating the individual and businesses. At the end of the day schools will benefit, homes will benefit, first home owners will benefit and the homeless will benefit. We will benefit when the basic infrastructure that is needed in this country is built.
The global recession still has a long way to go, though. Growth will be slow and unemployment will rise. We cannot rule out the possibility of negative economic growth in the future. What we have done in the first half of the term of the Rudd Labor government is to start on a path to build a stronger Australia. As my colleague Senator Cameron outlined in his speech, we are on a path to build a fairer Australia, an Australia that is prepared for the challenges of the future. What we have done is to guarantee, for the first time in Australia’s history, an estimated $13 million in deposit holdings. We have delivered $77 billion in the nation building for recovery plan, a plan to stimulate the economy by supporting jobs today and investing in nation-building infrastructure for tomorrow.

We did that in three phases. The first phase was the short-term stimulus that was paid to people in late 2008. We made cash payments to pensioners, carers, veterans and families. That supported 1½ million Australians working in the retail sector. We trebled the first homeowners’ bonus to support the housing industry. In the second phase we looked at medium-term infrastructure. We began the biggest school modernisation program in the nation’s history—a stocktake of our schools, to see what was needed to fix them up, and to build classrooms, libraries and science laboratories so that the kids of today and tomorrow will have modern facilities to learn in. They will have modern school facilities to enjoy and to stimulate their hunger for an education. We are building 20,000 units and repairing 50,000 units of community housing. We have made local government infrastructure investments through the biggest ever national partnership with local government. Our third phase, long-term infrastructure, will start later this year. That is rail, roads and port infrastructure, including the first ever Commonwealth investment in urban rail. There will be large-scale building programs for hospitals, universities and TAFEs. We are also creating the National Broadband Network Co., which will invest $43 billion in the high-speed National Broadband Network that will deliver superfast broadband to 90 per cent of homes, schools and workplaces.

If that is not enough to keep us all busy, we have created a new Jobs and Training Compact. We have established a temporary investment allowance of 30 per cent until June 2009 and then 10 per cent and 50 per cent for general and small businesses respectively until December 2009. That will support their business investment decisions during this recession. We have invested in a new national car plan. We have developed a fiscal sustainability strategy. We have convened a Council of Australian Governments to implement a new national program of micro-economic reform, to produce a single regulatory environment for the Australian economy and to reduce the compliance burden for small business. We have created a new global role for Australia through the G20 summit. We have acted to protect our nation through the defence white paper. We have ensured that we have a new strategy for our Defence Force, particularly in Afghanistan. The defence white paper outlines what will prove to be the largest long-term investment in advanced naval capabilities since World War II.

This is a government that has not sat on its hands. The nation has faced the challenges of a global recession of immense proportions in the last 12 months and we have used our vision as a government. We have used the vision of the Prime Minister and his executive to ensure that the nation rides out this global economic crisis. We have buffered individual Australians and Australian businesses from the impact. We will ensure that the nation faces the challenges of the future. We have
ideas, we have reform and we are getting on with the job—unlike my colleagues opposite, who simply want to laugh and filibuster and have no plans and no ideas. Never before in the history of this parliament has there been such a stark contrast.

Senator FIFIELD (Victoria) (5.04 pm)—Imagine, Mr Acting Deputy President, that you have just been appointed chief executive of one of Australia’s largest companies. The chief financial officer comes to you and says, ‘Chief Executive, I’ve got good news and I’ve got bad news. The good news is that you have just been appointed chief executive. Congratulations. The bad news is that your predecessor has left you a basket case. Your predecessor fibbed to the market, fibbed to the shareholders and failed to practise full and continuous disclosure. So, Mr Chief Executive, we have an operating loss of $12 billion and the company has a debt of $96 billion. There’s no plan to retire the debt and there are losses forecast as far as the eye can see.’

The ACTING DEPUTY PRESIDENT (Senator McGauran)—Sounds familiar.

Senator FIFIELD—Mr Acting Deputy President, that does indeed sound familiar. It is not hard to recognise that situation. That is the advice that the then Treasury secretary had to tender to incoming Prime Minister Howard and Treasurer Costello in 1996. The Australian Labor Party had lied to the Australian people. They said the budget was in surplus when it was not. There was $96 billion of debt and a $12 billion budget deficit. That situation, as we all know, was not of the coalition’s making, but the coalition resolved to fix it. It was not easy. It was not popular. The easy thing would have been to keep borrowing, but we chose to do the right thing.

What made an already difficult task of balancing the budget and repaying the debt that much harder was the Australian Labor Party. The Australian Labor Party opposed, as we know, each and every measure designed to put the budget back into balance. The hide, the cheek! Labor created the debt and they tried at every step to stop us repaying it. We did not expect Labor to repay the debt; we just wanted them to get out of the way. They refused. It was just cheapjack, opportunistic politics at its worst. Despite the opposition, we balanced the budget and we repaid every cent of Labor’s $96 billion debt—every cent.

That is not all we did. We established an asset position—a future fund, a higher education fund and a health fund. We established the world’s best corporate financial and banking structures and, as a result of that, the best banking and financial culture in the world. On top of that, we gave the Reserve Bank independence. I can remember the then shadow Treasurer, Gareth Evans, threatening to sue the government for taking that step—that was quite extraordinary.

During our time in office we presided over a booming economy with record low unemployment and a dramatic increase in household wealth. That is the legacy of the coalition government. That was the bequest of the coalition to the Australian Labor Party. Upon inheriting office, Labor complained that the coalition had done too well, that the economy was growing too strongly. Can you believe that—the government complaining that the economy was growing too strongly? And who was to blame for that? Who was to blame for the fact that the Australian economy was growing too strongly? It was the coalition. We plead guilty. It was our fault that the Australian economy was booming.

Senator Mason—They put the brakes on!

Senator FIFIELD—They sure did. They slammed their foot on the brake pedal. Remember their foot on the brake pedal. Remember that pesky inflation genie breaking the bonds of its bottle; remember Wayne
Swan’s reckless fuelling of inflationary expectations; remember Wayne Swan’s jawboning of the Reserve Bank, egging them on to increase interest rates? Which they did in the process of fuelling inflationary expectations, Mr Swan king-hit business confidence and Mr Swan king-hit consumer confidence. Mr Swan did this in 2008, before the effects of the global financial challenge had reached Australia. At just the time Mr Swan should have been focusing on the strengths of the Australian economy he was fearmongering. Mr Swan caused the Australian economy to slow unnecessarily before the effects of the global financial situation had reached here. That is very important to understand. The problem was, I think, that after watching the coalition’s management of the economy for a decade, Mr Rudd and Mr Swan thought managing an economy was easy. In fact, Mr Rudd thought running the economy was so easy that anyone could do it, even Mr Swan. Labor thought that it did not really matter what it did or said, the economy would just keep on ticking along pretty much as it had been. How do we know that that was Labor’s view? You do not need to look much further than Mr Swan’s first budget speech when he said these interesting words:

We are budgeting for a surplus of $21.7 billion in 2008-09, 1.8 per cent of GDP, the largest budget surplus as a share of GDP in nearly a decade.

This honours and exceeds the 1.5 per cent target we said in January, without relying on revenue windfalls.

He also said in his budget speech:

We have honoured our commitment to deliver a budget surplus of at least 1.5 per cent of GDP—

No, that was not delivering a budget surplus. This government has never delivered a budget surplus; that was a forecast of a budget surplus which has not transpired. Not only has this government never delivered a budget surplus; this government will never deliver a budget surplus. Then came the sting in the tail of Mr Swan in his budget speech:

The previous government forecast a surplus of only 1.2 percent at 2008-09.

Who was the fool? I think it is clear. Poor old Mr Swan had not worked out that you cannot spend more than you bring in in revenue and come out with a surplus. It is a pretty simple equation, but that had eluded Mr Swan. Having trash-talked the economy, killed confidence, slowed growth and started the spend-a-thon, Mr Swan was looking for some cover. He was looking for an excuse and from this point of view he received a godsend. The global financial situation was indeed a godsend for Mr Swan because it provided the cover for the first year of his bungled treasurership. It provided the cover for the reckless new spending and Mr Swan’s irresponsible economic commentary. Seemingly overnight, Mr Rudd and Mr Swan morphed from being fiscal conservatives; they morphed from nudge-nudge, wink-wink ‘economic liberals’ to being great central planners. Overnight, the mark of fiscal virtue was no longer a balanced budget and a surplus; the mark of fiscal virtue became a deficit and the bigger the better. The bigger the deficit, the more virtuous you were. The bigger the deficit, the more you were trying to do good, the more you were seen to be doing good. That is what it was all about—being seen to be doing something, regardless of the effects. That is why Senator Arbib cannot answer how many jobs will be created from the $14 billion being spent on school halls. They cannot answer because they do not know. They do not know because they never asked. They never asked because they were not interested, because the purpose of the spending is to be seen to be doing something. It is there as a cover for a bit of old-fashioned pork-barrelling. Do not tell me, Mr Acting Deputy President—I am sure you wouldn’t—that boom barriers, bike paths
and pink batts will a recovery make. This is not productivity-enhancing economic infrastructure.

I think Chris Berg from the Institute of Public Affairs put it very well in an opinion piece in the *Age* on 21 June. Mr Berg, whom I am sure Senator Mason is a fan of, coined a new definition for the noun ‘stimulus’: ‘a huge sum of money spent on any old crap’. I do not think I have heard a better definition of Labor’s stimulus package than that of Mr Berg. Mr Berg went on to cite a few examples of what justifies his new definition. In his piece, he wrote:

The Commonwealth Government is planning to spend $1.4 million helping a recreation hall in the ACT install iPod docking stations, among other things. Children these days apparently won’t go anywhere if they can’t plug in their MP3 players. And the global economy needs—really, really desperately needs—a couple more iPod docks.

He continues:

It would interesting to find out what proposals the Government thought were bad value for money, if any. If the iPod docking stations got through, what wouldn’t have?

I think that is a very fair question. So much for evidence based policy.

Mr Acting Deputy President, I know that I have been depressing you, so I want to lift the mood. There is some good news. Australia is faring better in the global financial situation than most other nations—that is good news—and the reason for that is that we had a better starting point. We started with no debt. We started with an asset position. We started with the coalition’s $21 billion budget surplus. We started with the world’s best financial infrastructure. None of these are thanks to the Rudd government. All of these are because of the hard work of the coalition. That does explain our relative position compared to other nations.

But there is more good news: our economy is holding up better than forecast at the last budget. As expected, the government is claiming that the anticipated better position is because of—and you guessed it—the stimulus package. But let us look at the facts. The RBA governor’s statement on monetary policy on 4 August makes it clear why we are travelling better than anticipated. He cites five reasons. The first: the strong state of the Australian financial system. Does that have anything to do with the Rudd government? No. The second reason: significant monetary stimulus from the reduced cash rate. Does that have anything at all to do with the Rudd government? The answer is no. The third reason cited by the RBA governor is the depreciation of the exchange rate in 2008. Does that have anything to do with the Rudd government? The answer again is no. The fourth reason the RBA governor cites is China’s strong economic recovery. Does that have anything to do with the Rudd government? The answer is no. The fifth reason cited by the RBA governor is this government’s fiscal stimulus. No doubt the fiscal stimulus had some effect. But the question to ask is: how much effect and at what cost? I would contend that it was at great cost and for very little effect—and I am not alone.

Professor Tony Makin, a respected economist from Griffith University, agrees. Professor Makin, in a piece in the *Australian* on 14 July—I will quote him because he does make a lot of sense—stated:

In most recent commentary on the state of the economy, it has become routine to credit federal fiscal stimulus, particularly the cash handouts to households, for any positive economic news. Whether it is the avoidance so far of a technical recession, higher than expected retail sales, or other miscellaneous measures of spending, we have been led to believe that things would have been much worse without the unprecedented fiscal activism.

CHAMBER
But objective economic analysis based on standard textbook theory suggests that fiscal policy has played a significantly less important role in cushioning the impact of the global financial crisis on the economy as compared with the role played by monetary policy through interest rate reductions and associated exchange rate depreciation.

In other words, since the global financial crisis climaxed last October, dramatically easier monetary policy has probably done more for the Australian economy than fiscal policy.

The next statement by Professor Makin brings together his thoughts and those of the Reserve Bank governor:

A less modest, or perhaps more independent, Reserve Bank would take more credit for this.

I think Professor Makin nailed it. The RBA governor was being polite; he was being modest. The four main factors for our relatively better position have nothing to do with this current government.

I do concede that there was an argument for some stimulus, but I would have argued for a smaller and better targeted stimulus. We have heard the cry time and time again from this government: ‘Go early, go hard’. You would think that you were listening to a coach at a state of origin match rather than to serious economic managers. Rather than go early, go hard and go household, I think we should have gone slow, gone soft and gone business. We should have provided support to small business to continue to employ people. The coalition argued that there should be a tax loss carry-back for small business and that there should be assistance for small business for their super guarantee obligations for their employees. We also argued that there should be some stimulus spending but that it should be much smaller and much better targeted so as to focus on serious economic infrastructure to lift the productive capacity of the nation.

Having blown the budget, now is the time for the government to be honest and to reassess the balance of the stimulus money. When we put that to them, the government posed the question: ‘Why not spend the balance of the stimulus money?’ There are a few good reasons, I think. One is that it will be good money after bad. It will be money that will not do much good. The second reason is that, if that additional stimulus money were not spent, the debt would be less. At the moment we are on track for an interest bill of $17 billion per year. Surely that is something to be avoided if possible. The third reason why I think the government should re-examine the balance of its stimulus spending is interest rates. Again I will quote Professor Makin. Professor Makin, in the same opinion piece in the *Australian* which I cited earlier, said:

What economics textbooks also tell us is that continued fiscal expansion will limit the extent to which interest rates can be lowered in the future. There is a warning there: ‘continued fiscal expansion will limit the extent to which interest rates can be lowered in the future’.

Here is the kicker:

This is because extra fiscal activity raises the demand for funds, which pushes up long-term interest rates.

The government are pursuing a policy which will rapidly escalate the nation’s debt and not only see us on track for a $17 billion interest bill but also have the nation on track for higher interest rates. These will come just as the economy is recovering. Running the nation’s finances, running the nation’s budget and running an economy are not easy. It is a serious business. It is hard work. While I readily admit that our former Treasurer, Mr Costello, did at times make those tasks look easy, they are not easy. It is time for this government to mature. It is time for this government to get back to what they argued for early in their term—evidence based policy. If
the government do get back to evidence based policy, they will review the balance of the stimulus spending and they will at least avert this nation from having a net debt in excess of $200 billion. The government need to think again.

Senator FEENEY (Victoria) (5.24 pm)—I have to admit that when I first read the general business notice of motion ‘That the Senate notes the Rudd Labor government’s reckless spending’ I did actually think to myself, ‘Well, hats off to Senator Parry.’ ‘Hats off’ because he is, in his own manful way, trying to evacuate the Liberal Party back to what might be said to be its political high ground after it has spent several weeks languishing in division and languishing in farce as it has tried to come to terms with climate change, with the RET, with Utegate and with the antics of the Leader of the Opposition and our very own Inspector Clouseau, Senator Abetz. Senator Parry remembers that, once upon a time, economic credentials were a brand strength of the Liberal Party. Incredible as that might seem, one might say that economic credibility was a pre-Malcolm attribute of the coalition. This is why Senator Fifield talked to us about the 1990s, because he hearkens back to those glorious times, those pre-Malcolm days, when economic credibility was a strength of the coalition.

So how appropriate it is that the opposition has sent in the undertaker, in the shape of Senator Parry, to exhume its economic credentials from the tomb in which the Leader of the Opposition has interred them. When we consider the travails and disasters that the coalition has inflicted upon itself over the last few months, it really is just as well that the coalition has an undertaker on hand and it is just about ready for his professional services.

As the Liberal Party now attempts to re-engage in the economic debate in this country, after having taken a policy sabbatical of several months, it is clear that the coalition still has a long and rocky road ahead of it. The opposition is not seeking to participate in the economic debate in a real way—in a real debate. It is not proposing to make a real contribution. It is not offering a plan to protect Australian jobs or Australian industries. Instead, it is attempting to mount a fear campaign. The opposition seeks to campaign on a fear about taxes, a fear about employment and a fear about interest rates. This week we have seen Mr Turnbull and his frontbench trying to beat up a fear campaign over the Henry review of taxation. Indeed, we have just heard Senator Fifield suggest that the GFC itself is part of a magnificent Labor conspiracy. Perhaps he will do us the honour of showing us the email where this spectacular fact is revealed.

Just as the pre-Malcolm Liberal Party once enjoyed strong economic management credentials, so too did it once have a strong record of mounting successful fear campaigns. It used to be good at that too. Senator Parry and those opposite will fondly recall the politically devastating fear campaigns mounted by Prime Minister Howard on issues like interest rates, terrorists and immigrants. Alas, it now seems that, in a post-Malcolm Liberal Party, even a half decent fear campaign is beyond them.

The ACTING DEPUTY PRESIDENT (Senator McGauran)—Order! Senator Feeney, refer to the Leader of the Opposition with his full title. It is not ‘Malcolm’.

Senator FEENEY—The Leader of the Opposition seems to find that even a half decent fear campaign is beyond him. What the Liberal Party strategists, veteran MPs, pollsters and spin doctors have failed to understand or admit about the GFC is the letter G. This is a global financial crisis and every-
one knows it. The government knows it, the markets know it and the people know it.

Every night on our TV sets and every morning in our newspapers we learn of the plight of our trading partners—of Japan, of the US, of the United Kingdom and of European economies like Italy and Spain. The GFC is an international tsunami, spreading from Wall Street and now encompassing the globe. If we briefly look at international net debt figures for the year 2014—and I choose the year 2014 because this is when net debt figures will peak in Australia—we can see that net debt will be 13.8 per cent of GDP for Australia. But also note that it will be 26.8 per cent in Canada, 74.9 per cent in the broader European area, 83 per cent in the United Kingdom and 83.4 per cent in the United States of America. It will be an average of 80.7 per cent of GDP for the 25 largest advanced economies. So, even on a cursory analysis, we can see that by international standards the net debt figures for Australia in 2014 are far lower.

This is where the feeble opposition narrative simply falls apart—like its leader, it simply falls apart. Senator Parry and his colleagues want us to believe that the Rudd government has been engaged in ‘reckless spending’. This is the same line they have been running ever since the global financial crisis began with the collapse of Lehman Brothers nearly a year ago. They simply refuse to acknowledge that there is a global crisis. This global crisis threatens Australian workers, Australian investors, Australian small businesses, Australian farmers and Australian working families. They refuse to accept that it is a crisis of this global kind and on this global scale and it requires immediate and strong government action.

What are the facts about the Rudd government’s spending? As soon as the global crisis broke in September last year, the Rudd government acted. It did not just make stuff up as it went along, as those opposite do these days. Instead it acted firmly, it acted quickly, it acted decisively and it acted on the best advice available—the advice of the Treasury, of the Reserve Bank of Australia and of the International Monetary Fund. The government moved swiftly with a plan. The government did two things immediately: it announced an economic stimulus package, including an increase in pensions, payments to families and $1.5 billion for first home buyers; and it announced that it would guarantee bank deposits. These two measures were designed to stimulate spending, support employment, save small businesses from bankruptcy and prevent a loss of confidence in our financial system—the kind of loss of confidence which has proved so very devastating in the US.

What was Leader of the Opposition’s response to these important measures? When the government’s first stimulus package was announced, the Leader of the Opposition said:

We support these measures and we are particularly pleased about the measure, the payments to pensioners.

When the Prime Minister announced the bank deposit guarantee, Mr Turnbull said:

We welcome this measure, we support it and we will give the Prime Minister every assistance.

But Mr Turnbull soon showed the weakness—the irresolution and the poor judgment which has tragically become a hallmark of his time as opposition leader. He soon changed his mind on the stimulus package and he soon changed his mind on the bank guarantee. He described the stimulus package as reckless spending and the bank guarantee as unnecessary. Apparently, that is the opposition position even today, even though in the year since then there has been abundant evidence, indeed overwhelming evi-
dence, that the government measures were successful in preventing Australia following the US and other international economies down the slippery slope of a long and prolonged recession.

To the great disappointment of those opposite, Australia has had only one quarter of negative growth and has thus, so far, avoided a technical recession, and there is increasing confidence among many economists that we will continue to record positive growth figures. To the great disappointment of those opposite, we have seen only a moderate growth in unemployment, to about 5.8 per cent, which is of course too high but is far lower than the figures in most other countries, far lower than many predicted and far lower than those opposite hoped for. To the great disappointment of those opposite, there has been no financial crisis in Australia, there has been no run on our financial institutions, there has been no wave of bankruptcies and there have been no massive losses for most investors.

What did the Rudd government do this year, when it became apparent that the global financial crisis was turning into a deep and prolonged global recession, the worst economic downturn since the Great Depression? The government launched an aggressive program of countercyclical spending, investing in nation building through infrastructure and particularly through building and renovating schools, the best investment a country can make in its own future. Far from being the reckless ‘cash splash’ that the opposition and its friends in the media like to talk about, the Rudd government’s response to the global recession has been a very responsible investment in this country’s future. Fully 70 per cent of the government’s stimulus spending has been on infrastructure. It is being spent on roads, rail, ports and bridges—investments that will pay for themselves over the coming decade in higher productivity and higher efficiency in our economy. These are investments that should have been made over the past decade had the then government been responsible, but, of course, infrastructure was neglected under the Howard government. That government frittered away the surpluses it gained during the easy years of the resources boom on vote buying, on regional rorts and on middle-class welfare for people who did not need it. That was the real reckless spending, because it was spending without any return—without any real dividend for our country.

To listen to those senators opposite, we would think Australia is the only country which has engaged in countercyclical spending to fend off the worst effects of the global recession. Of course that is nonsense. Most governments have followed this course, some to a far greater extent even than Australia. China is spending nearly $900 billion, the largest government stimulus package in the history of the world. The US has already spent $700 billion, and is now spending a lot more bailing out its auto industry. The European Union spent €300 billion. The UK is spending £19 billion and Japan $US18 billion.

Do opposition senators condemn all of these governments for reckless and irresponsible spending? Do Senator Parry and Mr Turnbull have any idea of the scale of the potential disaster which Australia has been facing over the last year? Do they remember the precipice which our economy appeared to be sitting on in September and October last year? As always, it is hard to tell what the Leader of the Opposition, Mr Turnbull, thinks, because he always wants it both ways. He is always walking both sides of the street. Australia can boast that it possesses an opposition leader who may meet himself walking in the door. Thus, in October last year, after the crash of Lehman Brothers, he said that Kevin Rudd had ‘hyped up this so-
called financial crisis’. But the very next day he said:

... it is undoubtedly a very grave, the gravest global financial crisis that we’ve seen since the Great Depression ...

In September last year he said that nobody could have predicted the financial crisis. Two weeks later he criticised Mr Rudd for ‘missing the warning signs at the beginning of the year’. So the crisis could not be predicted, but Mr Rudd was at fault for not predicting it.

This is a man who is only consistent in being inconsistent, a man who cannot make up his mind about anything, a man whose hallmark has been poor judgment. It seems that the very best attempts of Senator Parry and his colleagues to rescue him are doomed to failure. Mr Turnbull is a man who has changed his mind on every major issue—a man who is for stimulus one day and against it the next; a man who demands increased payments to pensioners, welcomes them when they are announced and then opposes them after the event; a man who describes as reckless and catastrophic measures that he supported when they were announced. He is a man with no credibility and, tragically, no authority within his own party.

The fact is that the Rudd government’s response to the global financial crisis has been completely responsible, completely orthodox and completely consistent with the response of other major economies. Every significant economist, every senior banker and every leading business figure has supported the actions taken by the Rudd government. It is, in fact, the opposition which now sits out of the mainstream of economic thinking.

To support that proposition, I would like to quote at some length an article from March this year by the respected financial journalist Peter Martin, because I think this is an article that exposes the opposition. This is what Peter Martin said:

The International Monetary Fund has given the Australian Government the green light to spend even more to fight recession, taking a swipe at the alternative of tax cuts proposed by the Opposition, declaring its effect “not so dramatic”.

In a detailed analysis released in Washington overnight, IMF staff find that direct government investment of the kind included in the Rudd Government’s stimulus packages can boost the economy by as much as $3 for every $1 spent.

By contrast, income tax cuts of the kind proposed by the Opposition would boost the economy by just 30 cents for each $1 spent.

Direct payments of the kind delivered in December and to be delivered again in April would boost economic activity by about $1 for each $1 spent. Where the payments target low-income earners they can boost the economy by almost $2.

The findings undercut a claim by Opposition Leader Malcolm Turnbull repeated as recently as this week that his alternative of “bringing forward tax cuts to give incentives” would bring about a greater economic boost. Whereas Mr Turnbull attacked the Government ... for scattering around money “like confetti, sending out cheques to left, right and centre” and borrowing “$200 billion from our children” the IMF found that Australia was in a better position to stabilise or repay the debt it was running up than any major country other than Chile.

There we have it. The smaller and more targeted fiscal package that the others now proffer as a fig leaf in this debate has been discredited. It would not have achieved the results our package has achieved and, of course, it is nothing more than a debating device.

Another highly respected journalist is Ross Gittins of the Sydney Morning Herald. Here is his judgment on the Rudd government’s stimulus spending:

The big question is whether our early action yields what I call a significant “stitch-in-time effect”. That is, whether getting in so early and
decisively changes the path of the down-turn, making it a lot less severe than it otherwise would have been: whether we get more than our money’s worth—a bigger bang per buck. So far, it’s looking good. There’s pretty clear evidence that the two cash splashes have boosted retail sales and new car sales and that the first-home owners boost, combined with the fall in mortgage interest rates, has significantly lifted new home loan approvals.

Still to come is the effect of the second stage of the fiscal stimulus, spending on “shovel-ready” minor capital works such as school buildings, and the third stage, major infrastructure projects in road, rail, ports and broadband.

The more the authorities do to preserve confidence, the more effective their efforts to diminish the recession are likely to be. However, economists’ tendency to focus on what can be measured in dollar terms means they often fail to see that the psychological effect of their measures can be just as important as the “real” effect. The most amazing thing about this recession is the rapidity with which consumer confidence has recovered since the dark days of October. It is now back to where it was at the end of 2007. I think this has to be explained mainly by the confidence-boosting effect of the cash splashes and the slashing of mortgage interest rates.

There we have it. We can see that the psychological effects and the economic effects mean that we have in fact introduced a plan to combat the GFC—a plan that has worked, a plan that is working, a plan that will continue to work.

Senator Fifield prided himself on quoting various authorities. Glenn Stevens, head of the Reserve Bank of Australia, speaking recently to a parliamentary committee, said:

On the basis of the information to hand at present, this may well turn out to be one of the shallower recessions Australia has experienced. The chances are now we are not going to get the 8.5 percent peak in unemployment. The economy appears to be weathering a very large storm pretty well and the community's confidence about the future has improved commensurately. Some of the recent strength in private demand might prove to be temporary. But at the same time, the contribution of public spending to growth in demand is likely to increase over the year ahead.

The fact is that the Leader of the Opposition and Senator Parry are completely wrong when they condemn the Rudd government’s response to the global recession as reckless and irresponsible. Economists, financial journalists and business organisations reject those allegations. The Rudd government’s response has been rapid, well judged, decisive, responsible and absolutely necessary. It has been taken on the best available economic advice, much of it from the people who once advised those opposite—indeed, from some of the people that those opposite appointed, such as Mr Stevens and Dr Henry. The Australian people know this and at the appropriate time will render their judgment on the Leader of the Opposition and the coalition. The weak and vacillating approach they have taken to the global financial crisis is in stark contrast to the behaviour and actions of this government. In the aftermath of this vacillating position advanced by the other side, there will be plenty of work for Senator Parry and his professional colleagues.

Senator CASH (Western Australia) (5.44 pm)—You can only imagine, can’t you, that the greatest day of the now Prime Minister’s prime ministership must have been the night that he was elected. Not really because he was elected—that would have been a great thing—but because he became the custodian of the almost $22 billion surplus that the coalition government had amassed during its time in office. You can imagine a grubby little Labor Prime Minister who finally had his hands on some money. He must have been like a little child let loose in a lolly shop. Just imagine the new Labor Prime Minister salivating over all the various ways
he could spend the $22 billion surplus amassed for the Australian people. He has not disappointed us because from the moment that Mr Rudd was elected he started to make mistakes. Why did he do that? Because Labor have only ever had a political strategy that would get them elected, but they have never had an economic strategy. And that is to the detriment of the Australian people. The sad reality for mums and dads is that because Labor have only ever had a political strategy they are now paying the price for Labor’s reckless spending. Despite the protestations from those on the other side there is no good news in sight. Australians will continue to pay more under Labor.

What must be so disappointing for the mums and dads in Australia is that they are paying more under the leadership of a Labor Prime Minister who told them prior to the 2007 election that he was an economic conservative. He was an economic conservative who had a plan for Australia’s future, and that plan involved budget surpluses. The evidence that we now have, and I will turn to that, shows that the now Prime Minister was little more than just being loose with the truth when he told the Australian people that he was an economic conservative. It begs the question though, doesn’t it? Why would a Labor Prime Minister tell the people of Australia prior to a federal election that he was an economic conservative? The only answer to that question can be: because he wanted the Australian people to believe that he had the same fiscal and economic acuity as his Liberal predecessor, John Howard. Mr Howard was an economic conservative. A $22 billion surplus speaks to that.

Mr Rudd’s claim to be an economic conservative was all just spin, and the Australian people have now been delivered the substance. It cannot be denied: Labor’s pre-election commitment to fiscal conservatism, just like so many of Labor’s other pre-election commitments, was a farce. It was a sham, it was a charade and it was designed to pacify and con the voters into believing that Mr Rudd would be economically and fiscally responsible, just like Mr Howard. If you need any evidence of the farce, the sham that Mr Rudd continues to perpetuate, you only have to look at the fact that this government is following a policy of creating and constructing massive deficits well into the future. In very basic terms, what does this mean for mums and dads in Australia? Unfortunately it is a very simple answer. Mums and dads will continue to pay more for Labor’s reckless spending, and they will pay more through higher taxes and higher interest rates.

That cannot be denied because the facts over the last few days are now being put on the record. Rudd Labor this week have been given every opportunity to categorically rule out any new taxes including taxing mum and dad’s family home. But they refuse to do so. Why? Because they have returned to form. What we have with the economically conservative Rudd Labor government is an old-style, high-taxing, high-spending Labor government. Did the now Prime Minister, who is masquerading as an economic conservative, tell this to the Australian people prior to the 2007 election? Absolutely not. Did he tell the Australian people that they would have to bring in new taxes to pay off their massive spending spree? Absolutely not.

We know that Labor are considering more taxes. In question time yesterday Senator Sherry was given the opportunity and he failed to deny that both the Treasurer and the Minister for Finance and Deregulation agree that Australia should have an inheritance tax and that a deemed capital gains tax on death is yet another option being considered by Rudd Labor. He also failed to rule out that Australians will be slugged with a special tax surcharge on so-called high-income earners.
Then we have the comments from Mr Tanner, which should be read out so the Australian public know exactly what they have now got in voting for Labor. What did Mr Tanner say? He said this:

“We should have an inheritance tax or some tax of that nature. Deemed capital gains tax on death is another option in that regard.”

If they cannot get you while you are living, they will get you once you are dead. The good old Labor mantra of ‘spend, spend, spend and then tax, tax, tax’ is well and truly alive. What do we have with the Henry review? Quite frankly, nothing more than a vehicle to find more revenue to pay for Rudd Labor’s reckless spending. As the Leader of the Opposition, Malcolm Turnbull, so eloquently said:

The biggest brake on Australia’s recovery from this economic downturn is the mountain of debt that the Prime Minister has built for us. He’s talked about this decade being a decade of building. The only thing he’s built so far is a record level of government debt heading to $315 billion and likely to be more …

Labor continue to rewrite history. How soon they forget, or perhaps it is just a repressed memory, that it was the former Howard government, the former coalition government, that bequeathed Rudd Labor no debt, money in the bank and the best regulatory system in the world. Labor can continue to try and rewrite history but the facts remain. Let us look at a little bit of history. On Tuesday, 8 May 2007 the Treasurer of Australia, the Hon. Peter Costello, in delivering the budget address, said the following:

Australia is different to the way it was 10 years ago.

Our economy is about 1½ times larger than it was back in 1996.

We have another 2 million Australians who have found jobs since then. And average wages have increased 20 per cent in real terms.

Ten years ago the Australian Government owed a net debt of $96 billion. The Government was paying an interest bill of $8.5 billion a year. Today we are debt free in net terms. And our net interest payments are zero. This is saving taxpayers $8.5 billion a year.

Back in 1996 the budget was in deficit. We were living beyond our means. Today we are living within our means. For the 10th time, I am outlining a Budget that will be in surplus.

How times have changed. Shame on the other side for standing in this chamber and trying to tell the coalition that we did not know how to manage the economy. Those are the facts. They speak for themselves. No matter how those opposite try to rewrite history the Australian people are not stupid and they know that through the economic mismanagement of those opposite they are now paying for their reckless spending. What Peter Costello said back then was what a true fiscal conservative sounds like, someone who understands that chronic national debt will have a crippling effect on the economy for generations to come.

It took the coalition government 10 years to pay back $96 billion of Labor debt and we did it during a boom cycle. How long will it take the next coalition government to clean up the filthy mess that Rudd Labor has created to the tune of $315 billion of debt to date? What is worse is that when in good faith the Australian people look to Rudd Labor for leadership and look to Rudd Labor for a way out of this black hole, this is what they see: nothing but darkness. Three hundred and fifteen billion dollars in debt is no laughing matter and Australians know that one day they will have to pay this money back. Increasing debt and a huge deficit—that is now Australia’s reality. Australians face a $58 billion deficit this year, $315 billion worth of gross debt for our children, seven years of budget deficits and a peak gross interest bill of around $17 billion.
Without a doubt, actions speak louder than words. In the very short time that those opposite have been in power, they have presided over not only a swift but a disastrous U-turn by the Australian economy. The strong, robust Australian economy that they inherited from the coalition government has been destroyed. It is nothing but a memory. How things have changed for the worst since 2007.

But what is worse for the Australian people is that the $315 billion debt may even be a conservative figure. Perhaps that is what Mr Rudd actually meant when he called himself a ‘fiscal conservative’! So Australians are right to be asking Mr Rudd, ‘What is Rudd Labor going to do to get us out of debt?’ The bad news for Australians is that Rudd Labor does not have a plan. True economic conservatives leave government with a legacy that they can be proud of. The former coalition government left a legacy that it could be proud of. It was a record of no debt—and therefore no interest repayments—an almost $20 billion surplus and historically low unemployment. Australia, under Rudd Labor, is now a nation saddled with increasing debt. A nation saddled with a huge deficit—that is the Rudd Labor record. Rudd Labor has no strategy other than a political strategy. There is no long-term sustainable strategy or sound economic policy to rebuild this country. Australian families are paying the price for Labor’s reckless spending and, as always, it is the coalition who will yet again clean up the filthy mess.

Debate interrupted.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop)—The President has received letters from party leaders requesting changes in the membership of committees.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (6.00 pm)—by leave—I move:

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

Environment, Communications and the Arts References Committee—

Appointed—

Substitute member:

Senator Siewert to replace Senator Ludlam for the committee’s inquiry into sustainable management by the Commonwealth of water resources

Senator Fisher to replace Senator Troeth from 6 to 23 October 2009

Participating members: Senators Ludlam and Troeth

Rural and Regional Affairs and Transport References Committee—

Appointed—

Substitute member:

Senator Colbeck to replace Senator McGauran for the committee’s inquiry into the fee rebate for the Australian Quarantine and Inspection Service export certification functions

Participating member: Senator McGauran.

Question agreed to.

DOCUMENTS

Consideration

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

Australian Crime Commission—Joint Statutory Committee—Report—Inquiry into the legislative arrangements to outlaw serious and organised crime groups. Motion of the chair of the committee (Senator Hutchins) to take note of report agreed to.

Economics References Committee—Report—Employee share schemes. Motion
of the chair of the committee (Senator Eggleston) to take note of report agreed to.

AUDITOR-GENERAL’S REPORTS
Consideration
The following orders of the day relating to reports of the Auditor-General were considered:

Auditor-General—Audit report no. 47 of 2008-09—Performance audit—Management of domestic fishing compliance—Australian Fisheries Management Authority. Motion of Senator Macdonald to take note of document agreed to.

ADJOURNMENT
The ACTING DEPUTY PRESIDENT (Senator Mark Bishop)—Order! I propose the question:

That the Senate do now adjourn.

Aung San Suu Kyi
Mrs Corazon Aquino

Senator Farrell (South Australia) (6.00 pm) — During the past several weeks we have seen in the media the names of two of world’s most respected female freedom fighters, including the farewelling of one who did her best to help her people. I refer to two courageous women who have forged their names indelibly in the world’s history books, Aung San Suu Kyi in Burma, and the late Cory Aquino, a former president of the Philippines.

Burmese freedom fighter Aung San Suu Kyi has spent more than 14 of the past 20 years under house arrest and now, thanks to that country’s brutal and arrogant military regime, this will continue for at least another 18 months following a decision by Burmese courts on 11 August. The court handed Suu Kyi a three-year prison term for violation of an internal security law, but that was halved on the orders of the military government, which said the 64-year-old Nobel Peace Laureate could serve the time in her Yangon home. The decision has, quite rightly, brought wide condemnation from around the world.

Suu Kyi is the daughter of politically active parents. Her father, Aung San, founded the modern Burmese army and negotiated Burma’s independence from the United Kingdom in 1947 but was assassinated by his rivals in the same year. Her mother, Daw Khin Kyi, gained prominence as a political figure in the newly formed Burmese government and was appointed Burmese ambassador to India and Nepal in 1960.

Aung San Suu Kyi married Dr Michael Aris, a scholar of Tibetan culture, and the following year gave birth to their first of two sons. Sadly, Michael was diagnosed with prostate cancer in 1997 and died on his 53rd birthday, on 27 March 1999. Prior to that, Suu Kyi had returned to Burma in 1988 to tend to her ailing mother and to subsequently lead the pro-democracy movement. She was not present when her husband died overseas as by that time Suu Kyi was under house arrest and knew that even if she had left Burma the regime would not allow her to return.

On 26 August 1988, Suu Kyi addressed half a million people at a mass rally in front of the Shwedagon Pagoda in Rangoon, calling for a democratic government. However, in September the military junta took power and later that same month the National League for Democracy was formed, with Suu Kyi as general secretary. On 20 July 1989 she was placed under house arrest. Suu Kyi has been placed under house arrest on numerous occasions since she began her political career, and during these periods, she has been prevented from meeting her party supporters, international visitors including the Secretary General of the United Nations, and international media. She has appealed against her detention, and many nations and
world figures, including the Pope, have continued to call for her release and that of 2,100 other political prisoners in the country.

In 1991 she was awarded the Nobel Peace Prize, and to this have been added many other awards including the Mahatma Gandhi International Award for Peace and Reconciliation, the Presidential Medal of Freedom, the Jawaharlal Nehru Award and Honorary Companion of the Order of Australia.

This latest saga occurred when an American man identified as John Yettaw swam across Inya Lake to her house on 3 May this year, with Suu Kyi subsequently being arrested on 13 May for violating the terms of her house arrest. There is no doubt that the court case was fabricated by the barbaric military regime to keep the charismatic Suu Kyi out of circulation ahead of next year’s polls. While Suu Kyi will spend another 18 months under house arrest, the American who caused this outrage has been freed and is now in a Bangkok hospital. The court’s decision simply reinforces the world view that the brutal Burmese military regime is made up of terrified old men who will stop at nothing to retain their hold on power.

On a brighter note, Suu Kyi, who once opposed tourism to Burma, is now encouraging it. She now believes, according to the United Kingdom newspaper the Telegraph of 14 August this year, that tourism should be encouraged:

... provided it is run through private operations and not through the government, and that visitors might help draw attention to the oppression of the people by the military junta. She has made her views known through a close acquaintance and former member of her party, the National League for Democracy (NLD).

Finally, I refer to the late Cory Aquino, who was the sixth of eight children in what was considered to be one of the richest Chinese-Mestizo families in the Philippines. Mrs Aquino was largely educated in the United States and returned to the Philippines in 1954, where she married Benigno Aquino Jr, the son of a former speaker of the national assembly, and had five children.

During her husband’s political career, Mrs Aquino remained in his shadow, although he consulted her regularly on political matters because he valued her judgments enormously. Benigno Aquino was jailed by President Marcos during the early 1970s. He was subsequently permitted to live in exile in Boston before he returned to the Philippines, without his family, on 21 August 1983 only to be assassinated on a staircase leading to the tarmac of the Manila international airport. I was actually in the Philippines at the time of the assassination. Cory Aquino and her family returned for his funeral and participated in many of the mass actions that were staged during the two years following the assassination of her husband.

When Marcos unexpectedly announced a snap presidential election to be held in February 1986, Aquino became, at first, a reluctant presidential candidate despite pleas that she was the only person who could unite the opposition against Marcos. However, clad in her trademark yellow, Cory Aquino proved to be a formidable and fearless campaigner. She vowed to dismantle the dictatorial edifice built by Marcos in his two decades in power and eliminate corruption. After protracted vote-counting marked by fraud and violence, on 16 February 1986 a rubber-stamp legislature officially proclaimed the re-election of Marcos to a new six-year term. Cory Aquino launched a civil disobedience campaign in protest. Millions of Filipinos responded and three days after the revolt began Marcos was forced to flee to the United States, where he died in 1989, and Cory Aquino took over as president.

The ouster of a dictatorship through non-violent popular protest became the model for
democracy movements all over the world, and Mrs Aquino was named *Time* magazine’s Woman of the Year for 1986. In her six turbulent years in office, Mrs Aquino resisted seven coup attempts or military revolts, battled a persistent communist insurgency and grappled with the effects of typhoons, floods, droughts, a major earthquake and a devastating volcanic eruption. As president, Cory Aquino also won the Eleanor Roosevelt Human Rights Award, the United Nations Silver Medal, and the Canadian International Prize for Freedom. She died on 1 August at the age of 76 after a battle with colon cancer. She was a true freedom fighter for the Philippines.

It is easy for Australians to take liberty for granted when they have never had it taken from them, but for the people of Burma and the Philippines, Aung San Suu Kyi and Cory Aquino have been courageous and determined fighters for freedom. Without them, the world would have been much the poorer.

**AusAID: Family Planning Policy**

**Senator MOORE** (Queensland) (6.10 pm)—The Australian aid agency AusAID has released its new guiding principles for family planning and the aid program. There has been much discussion around this particular change in policy and I was really keen to put on record exactly what is now going to be the Australian policy and to clarify any misconceptions about what is in our policy and how we are going to move forward.

The guiding principles have been developed to reflect the International Conference on Population and Development’s program of action, which was adopted 15 years ago in Cairo. This program of action defined reproductive health as:

... a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity, in all matters relating to the reproductive system and to its functions and processes. The ICPD actually put forward a 20-year plan for action with a vision that people across our world would be healthy. The ICPD called for countries to support the following principles: to ensure that comprehensive and factual information and a full range of reproductive health care services, including family planning are accessible, affordable, acceptable and convenient to all users; to enable and support responsible voluntary decisions about child bearing and methods of family planning of their choice, as well as other methods of their choice, for regulation of fertility that are not against the law, and to have the information, education and the means to do so; to meet the changing reproductive health needs over their life cycle and to do so in ways sensitive to the diversity of the circumstances of local communities; to make appropriate steps to help women avoid abortion, which in no case should be promoted as a method of family planning, and in all cases provide for the humane treatment and effective counselling of women who have had recourse to abortion; ensure in circumstances where abortion is not against the law that such abortion is safe and, in all cases, women should have access to quality services for the management of complications arising from abortion; and that very professional and effective post-abortion counselling, education and family planning services should be offered promptly, which will also help again to avoid repeat abortions.

It is so important that we do have effective guidelines so that people are not confused. It also aids our aid program working with donors and NGOs to effectively provide what we should be doing to face the enormous challenge that we have now under the Millennium Development Goals. I have spoken many times in this chamber about the challenge of the Millennium Development Goals and, particularly, about Millennium Devel-
We as a world know through our commitment that MDG 5 and 5a can be achieved, but we must have the political will and financial investment. Delivering a package of services is essential to making significant improvements to maternal health—and it has been costed at less than US$1.50 per person in the 75 countries where 95 per cent of maternal mortality occurs. I know that they are just a series of figures, but they show just how small an amount of money individually can make such a significant change. That is nowhere more important than it is in our neighbouring countries. Papua New Guinea, Timor Leste and a range of other areas through Asia and the Pacific are all addressing these problems, and we have a role to play in supporting that.

We know what we must do. There is no magic about the solutions. We must have cost-effective health strategies that will save mothers’ and newborns’ lives. The great majority of maternal and newborn deaths can be prevented through simple, cost-effective measures. Complications in pregnancy and childbirth are common everywhere, but they are not unpredictable.

Governments and the international community must commit together to the following actions needed to provide essential services to all women in developing countries, to meet MDG 5 by 2015—and remember, Mr President, 2015 is not that far away. We must increase investment in maternal, newborn and reproductive health, and that means looking at aid programs from all donor nations, because no one country can support this alone. What we have learnt is that cooperation among donor nations, which is being effectively put in place in many countries at the moment, will be an advantage, and that means that the best resources can be used and utilised. Rather than it being some form of competition and complication, we can actually work together on this—and I know
this is a key issue in our aid program across all areas, not just in maternal health. Effective cooperation and focus of resources must be a key issue for all of us.

We need to strengthen the general health systems in countries, because maternal health is one part of a health system. We have to sustain and scale up critical health interventions. In addressing the absolutely serious gaps that we have in the workforce, we must look at all elements of healthcare professionals. Of course we look at doctors and nurses, but also across some areas of Asia and the Pacific we are looking at what is known as a ‘skilled birth attendant’. That is someone who has local knowledge, has a degree of skill, has the trust of the local community and, most importantly, can be there with the woman before, during and after she gives birth so that there is safety and security and the birth process is a joy and something that can be celebrated rather than—as it is in all too many cases—something that represents loss and death in the community.

We must also look at strengthening maternal, newborn and reproductive health programs and institutions, and ensure that information and services are sensitive to and respectful of women, especially poor and marginalised women. This includes making sure that we have effective cultural knowledge and do not impose a culture from the outside. How many programs have been unsuccessful because of our lack of real cultural sensitivity and hence a lack of trust at the local level? We need to work effectively with communities so that we share the responsibility, and we need to respect women and their families no matter where they are.

As always, in any program—and we are talking about a significant funding investment here—we need to develop monitoring and accountability mechanisms and channels for community engagement that address wider socioeconomic, political and cultural barriers to maternal and newborn health care, improve policies and programs, and then make sure that we review them constantly so that we are not lost because something has been bypassed—that we work together to see that the best use of resources is made.

This is not a difficult process, but it is a real challenge for all of us. I think we have the opportunity to deal with these issues. I know that across the world we are saying we can meet MDG 5 and 5a. If we do not, we have not succeeded. As I have said in this place before, no woman should die in the process of giving life.

Senate adjourned at 6.20 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

Civil Aviation Act—

Civil Aviation Regulations—Civil Aviation Order 100.66 Amendment Order (No. 2) 2009 [F2009L03214]*.

Civil Aviation Safety Regulations—Airworthiness Directives—

Part 105—

AD/A109/13—Electrical Connectors P/N MS3456W14S-5S [F2009L03124]*.

AD/A109/15—Modification of Overhead Console Relay Boards [F2009L03123]*.

AD/A109/20—Main Rotor Hydraulic Actuators [F2009L03122]*.

AD/A109/26—Hydraulic System Return Line [F2009L03121]*.
AD/AS 355/34 Amdt 1—Rotating Swashplate Bearing [F2009L03063]*.
AD/BEECH 23/17—Electric Flap System Mechanism [F2009L03113]*.
AD/DAUPHIN/1—Tail Rotor and Tail Gearbox Support – Inspection [F2009L03058]*.
AD/DAUPHIN/2—Tail Fin Ballast Weight – Installation [F2009L03057]*.
AD/DAUPHIN/5 Amdt 6—Retirement Life – Fatigue Critical Components [F2009L03056]*.
AD/DAUPHIN/10—Retirement Life – Flexible Couplings on MGB Input End [F2009L03055]*.
AD/DAUPHIN/12—Securaiglon (Ex LAiglon) Safety Belts – Modification [F2009L03052]*.
AD/EMB-120/49 Amdt 1—Fuel Quantity Indication System [F2009L03024]*.
AD/ENST 28/3—Cable Gauge/Circuit Protection Coordination – Modification [F2009L03109]*.
AD/ENST 28/11—Fuel Tank Vent – Modification [F2009L03108]*.
AD/ENST 28/12—Tail Rotor Pitch Link Safety Washer – Replacement [F2009L03107]*.
AD/ENST 28/18—Alternator Field Cable Protection – Modification [F2009L03106]*.
AD/ENST 28/19—Fuel Strainer Drain Valve – Modification [F2009L03105]*.
AD/G1159/51—APU Firewall [F2009L03209]*.
AD/HILLER 12/38—Engine Mount Clevises [F2009L03102]*.
AD/HILLER 12/39—Consolidation of Early Airworthiness Directives [F2009L03101]*.
AD/HILLER 12/42—Main Rotor Mast [F2009L03100]*.
AD/JT15D/2—Deletion of Oil Filler Drain Tubes [F2009L03095]*.
AD/JT15D/5—Modified Fuel Manifold Assembly [F2009L03094]*.
AD/L40/3—Fire Resistant Flexible Fuel and Oil Lines in Engine Compartment – Modification [F2009L03093]*.
AD/MCH/5—Low Airspeed Aural Warning Device – Installation [F2009L03083]*.
AD/SWSA226/96 Amdt 1—Inboard Wing Leading Edge Electrical Wires [F2009L03127]*.

Part 106—
AD/LYC/91—Crankshaft Removal/Inspection [F2009L03086]*.
AD/LYC/95—Turbocharger Density Controller Adjustment [F2009L03085]*.
AD/LYC/96—Unapproved Camshaft Repairs [F2009L03084]*.
AD/OM-P/1—Connecting Rods – Replacement [F2009L03080]*.
AD/OM-P/2—Cylinder Heads – Inspection and Replacement [F2009L03079]*.
AD/OM-P/3 Amdt 1—Throttle Lever Screw – Replacement [F2009L03078]*.
AD/PW-P/7—Operating Restrictions – Placarding [F2009L03077]*.
AD/PW-P/8—Operating Restrictions – Placarding [F2009L03076]*.
AD/PW-P/13—Piston Pin – Replacement [F2009L03075]*.
AD/PW-P/16 Amdt 1—Master Rod — Retirement Life [F2009L03074]*.
AD/PW-P/17—Propeller Oil Feed Pipe – Modification [F2009L03073]*.
AD/ROTAX/12—Oil System Venting [F2009L03125]*.
AD/TURMO/2—Oil Scavenge Hose – Life Limitation [F2009L03069]*.

Customs Act—Tariff Concession Orders—
0904304 [F2009L03167]*.
0904837 [F2009L03166]*.
0904838 [F2009L03165]*.
0905018 [F2009L03164]*.
0905160 [F2009L03194]*.
0905205 [F2009L03172]*.
0905289 [F2009L03195]*.
0905291 [F2009L03196]*.
0905675 [F2009L03188]*.
0905676 [F2009L03178]*.
0905677 [F2009L03163]*.
0905757 [F2009L03176]*.
0905761 [F2009L03175]*.
0905825 [F2009L03189]*.
0905856 [F2009L03181]*.
0906171 [F2009L03187]*.
0906259 [F2009L03186]*.
0906323 [F2009L03174]*.
0906486 [F2009L03182]*.
0906487 [F2009L03180]*.

Federal Financial Relations Act—Federal Financial Relations (National Partnership payments) Determination 2009 No. 6 (7 July) [F2009L03206]*.

Health Care (Appropriation) Act—Statement under section 4 relating to the total amount paid by way of financial assistance for the 2003-09 appropriation period, dated 17 August 2009.

Migration Act—Instruments IMM—
09/096—Travel agents for PRC citizens applying for tourist visas [F2009L03210]*.
09/102—Health waiver – participating States and Territories [F2009L03162]*.

Mutual Recognition Act—Ministerial declaration under section 32 [F2009L03219]*.

National Health Act—Instruments Nos PB—
75 of 2009—Amendment declaration and determination – drugs and medicinal preparations [F2009L03148]*.
78 of 2009—Determination – drugs on F1 [F2009L03151]*.
79 of 2009—Amendment determination – exempt items [F2009L03147]*.
82 of 2009—Amendment Special Arrangements – Highly Specialised Drugs Program [F2009L03154]*.
83 of 2009—Amendment Special Arrangements – Chemotherapy Pharmaceuticals Access Program [F2009L03155]*.

Social Security (Administration) Act—Social Security (Administration) (Declared relevant Northern Territory areas – Various) Determination 2009 (No. 8) [F2009L03213]*.

* Explanatory statement tabled with legislative instrument.

Departmental and Agency Contracts

The following document was tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Departmental and agency contracts for 2008-09—Letter of advice—Human Services portfolio agencies.

CHAMBER
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Medicare Australia**

(Question No. 1609)

**Senator Cormann** asked the Minister representing the Minister for Human Services, upon notice, on 29 May 2009:

With reference to the answer to question on notice no. 1388 (Senate *Hansard*, 14 May 2009, p. 2982), concerning the promised Medicare office in Belmont, Western Australia: (a) why is the Belmont office only under ‘active consideration’ when it was a 2007 election promise and the Rudd Government is halfway through its term of office; (b) when will a commitment on timing be made; (c) will the office be opened before the next election; and (d) why has the delay occurred.

**Senator Ludwig**—The Minister for Human Services has provided the following answer to the honourable senator’s question:

(a) On 12 May 2009 funding was announced for a new Medicare office in Belmont, Western Australia in fulfilment of a 2007 election commitment.

(b) It is expected that the new office will be open by January 2010.

(c) The proposal to open a new Medicare office in Belmont, Western Australia was considered as a part of the 2009-10 Budget process and was announced as a part of that Budget on 12 May 2009.

(d) There was no delay.

**Immigration and Citizenship: Program Funding**

(Question No. 1615)

**Senator Abetz** asked the Minister for Immigration and Citizenship, upon notice, on 29 May 2009:

(1) Can a list be provided, by agency, of all infrastructure and/or capital works projects that fall under the responsibility of an agency within the Minister’s portfolio.

(2) For each of the projects in (1) above:

   (a) when was it first announced, by whom, and by what method;

   (b) if applicable, what program is it funded through;

   (c) what is its total expected cost;

   (d) what was its original budget;

   (e) what is its current budget;

   (f) what is the total Federal Government contribution to its cost;

   (g) what is the total state government contribution to its cost;

   (h) if applicable, what other funding sources are involved and what is their contribution to the project cost;

   (i) what was the expected start date of construction;

   (j) what is the expected completion date;

   (k) (i) who is responsible for delivering the project, and

   (ii) if a state government is responsible for delivering the project, when will the funding be released to the relevant state government;
(l) is the project to be completed in stages/phases; if so, what is the timing and cost of each stage/phase;
(m) why was the project funded; and
(n) what cost benefit or other modeling was done before the project was approved.

Senator Chris Evans—The answer to the honourable senator’s question is as follows:

(1) For the Department of Immigration and Citizenship (DIAC) the following infrastructure and/or capital works projects fall under the Minister’s Portfolio:

2009-10
- Christmas Island – Reconfigure Demountable Units at Phosphate Hill
- Maribyrnong - Security Fencing
- Maribyrnong - Upgrade Recreation Facilities
- Maribyrnong – Additional Separation Zone
- Villawood - Amenities Facility for Sydney Immigration Residential Housing (IRH)
- Adelaide Office Level 1 Refurbishment
- 6 Chan Street Vehicle Intrusion Protection

2008-09
- Perth Airport Refurbishment
- Villawood Works – Redevelopment
- Thrust Blocks (Reinforced Hydrant Mains) Villawood
- Long Term Detention Strategy – Broadmeadows
- Adelaide Immigration Transit Accommodation Centre (ITAC)
- Perth Immigration Detention Facility (IDF)
- Darwin Northern Immigration Detention Facility (NIDF)
- Darwin Northern Immigration Detention Facility works
- Perth Immigration Detention Facility Refurbishment

(2) Responses for each of the projects in (1) above are on the following pages.

Christmas Island – Reconfigure Demountable Units at Phosphate Hill
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $1.500 million.
(d) The original budget $1.500 million.
(e) The current budget is $1.500 million.
(f) Federal Government contribution is $1.500 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project is expected to commence in 2009-10.
(j) The project is expected to be completed by June 2010.
(k) (i) DIAC.
   (ii) Not applicable.
(l) It has not been determined if this project is to be split into stages.
(m) Required to provide additional accommodation options on Christmas Island.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

**Maribyrnong - Security Fencing**
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $0.780 million.
(d) The original budget $0.780 million.
(e) The current budget is $0.780 million.
(f) Federal Government contribution is $0.780 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project is expected to commence in 2009-10.
(j) The project is expected to be completed by June 2010.
(k) (i) DIAC.
(ii) Not applicable.
(l) It has not been determined if this project is to be split into stages.
(m) Improvements to perimeter security.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

**Maribyrnong - Upgrade Recreation Facilities**
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $0.750 million.
(d) The original budget $0.750 million.
(e) The current budget is $0.750 million.
(f) Federal Government contribution is $0.750 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project is expected to commence in 2009-10.
(j) The project is expected to be completed by June 2010.
(k) (i) DIAC.
(ii) Not applicable.
(l) It has not been determined if this project is to be split into stages.
(m) Provide updated recreation facilities to clients.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

**Maribyrnong – Additional Separation Zone**
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $2.200 million.
(d) The original budget $2.200 million.
(e) The current budget is $2.200 million.
(f) Federal Government contribution is $2.200 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project is expected to commence in 2009-10.
(j) The project is expected to be completed by June 2010.
(k) (i) DIAC.
     (ii) Not applicable.
(l) It has not been determined if this project is to be split into stages.
(m) Provide an additional separation zone at Maribyrnong.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

**Villawood - Amenities Facility for Sydney Immigration Residential Housing (IRH)**
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $0.500 million.
(d) The original budget $0.500 million.
(e) The current budget is $0.500 million.
(f) Federal Government contribution is $0.500 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project is expected to commence in 2009-10.
(j) The project is expected to be completed by June 2010.
(k) (i) DIAC.
     (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Business need to provide amenities facility for the Sydney IRH.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

**Adelaide Office Level 1 Refurbishment**
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $1.400 million.
(d) The original budget $1.400 million.
(e) The current budget is $1.400 million.
(f) Federal Government contribution is $1.400 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project is expected to commence in 2009-10.
(j) The project is expected to be completed by June 2010.
(k) (i) DIAC.
(ii) Not applicable.
(l) It has not been determined if this project is to be split into stages.
(m) Business need to refurbish Adelaide offices.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

**Perth Airport Refurbishment**
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $0.250 million.
(d) The original budget $0.250 million.
(e) The current budget is $0.250 million.
(f) Federal Government contribution is $0.250 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project commenced in January 2009.
(j) The project is expected to be completed 31 December 2009.
(k) (i) DIAC.
     (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Refurbishment required to offices at Perth Airport.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

**Villawood Works – Redevelopment**
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $9.000 million.
(d) The original budget $9.000 million.
(e) The current budget is $9.000 million.
(f) Federal Government contribution is $9.000 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project commenced in January 2009.
(j) The project is expected to be completed October 2009.
(k) (i) DIAC.
     (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Improvement to Villawood facilities
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

**Thrust Blocks (Reinforced Hydrant Mains) Villawood**
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $0.250 million.
(d) The original budget $0.250 million.
(e) The current budget is $0.250 million.
(f) Federal Government contribution is $0.250 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project commenced in May 2009.
(j) The project is expected to be completed by December 2009.
(k) (i) DIAC.
    (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Occupational, health and safety requirement.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

Long Term Detention Strategy – Broadmeadows
(a) This project was part of the capital budget measures announced in the 2004-05 Budget.
(b) Not applicable.
(c) The total expected cost of the project is $1.202 million.
(d) The original budget $1.202 million.
(e) The current budget is $1.202 million.
(f) Federal Government contribution is $1.202 million.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project commenced in July 2008.
(j) The project is expected to be completed by 30 June 2010.
(k) (i) DIAC.
    (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Refurbishment works as part of government policy.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

Adelaide Immigration Transit Accommodation Centre (ITAC)
(a) This project was part of the Capital Budget measures announced in the 2004-05 Budget.
(b) Not applicable.
(c) The total expected cost of the project is $2.533 million.
(d) The original budget $2.533 million.
(e) The current budget is $2.533 million.
(f) Federal Government contribution is $2.533 million.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project commenced in November 2008.
(j) The project is expected to be completed by 30 June 2010.
(k) (i) DIAC.
   (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Construction works as part of government policy.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

Perth Immigration Detention Facility (IDF)
(a) This project was part of the Capital Budget measures announced in the 2004-05 Budget.
(b) Not applicable.
(c) The total expected cost of the project is $2.498 million.
(d) The original budget $2.498 million.
(e) The current budget is $2.498 million.
(f) Federal Government contribution is $2.498 million.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project commenced in July 2008.
(j) The project is expected to be completed by 30 September 2009.
(k) (i) DIAC.
   (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Refurbishment works as part of government policy.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

Darwin Northern Immigration Detention Facility (NIDF)
(a) This project was part of the Capital Budget measures announced in the 2004-05 Budget.
(b) Not applicable.
(c) The total expected cost of the project is $1.624 million.
(d) The original budget $1.624 million.
(e) The current budget is $1.624 million.
(f) Federal Government contribution is $1.624 million.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project commenced June 2008.
(j) The project is expected to be completed by 30 November 2009.
(k) (i) DIAC.
   (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Refurbishment works as part of government policy.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.
Darwin Northern Immigration Detention Facility works
(a) This project was part of the Capital Budget measures announced in the 2004-05 Budget.
(b) Not applicable.
(c) The total expected cost of the project is $2.220 million.
(d) The original budget $2.220 million.
(e) The current budget is $2.220 million.
(f) Federal Government contribution is $2.220 million.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project is expected to commence in August 2009.
(j) The project is expected to be completed by 30 April 2010.
(k) (i) DIAC.
   (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Refurbishment works as part of government policy.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

Perth Immigration Detention Facility Refurbishment
(a) The project has not been publicly announced.
(b) Not applicable.
(c) The total expected cost of the project is $0.500 million.
(d) The original budget $0.500 million.
(e) The current budget is $0.500 million.
(f) Federal Government contribution is $0.500 million from depreciation funding to DIAC.
(g) There is no state government contribution.
(h) Not applicable.
(i) The project commenced in March 2009.
(j) The project is expected to be completed by 30 June 2010.
(k) (i) DIAC.
   (ii) Not applicable.
(l) This project will not be completed in stages/phases.
(m) Refurbishment work in conjunction with capital injection funding.
(n) A cost benefit was undertaken as part of the business case provided to support the proposal.

Foreign Affairs and Trade: Program Funding
(Question Nos 1617 and 1618)

Senator Abetz asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade, upon notice, on 29 May 2009:

(1) Can a list be provided, by agency, of all infrastructure and/or capital works projects that fall under the responsibility of an agency within the Minister’s portfolio.
(2) For each of the projects in (1) above:

QUESTIONS ON NOTICE
(a) when was it first announced, by whom, and by what method;
(b) if applicable, what program is it funded through;
(c) what is its total expected cost;
(d) what was its original budget;
(e) what is its current budget;
(f) what is the total Federal Government contribution to its cost;
(g) what is the total state government contribution to its cost;
(h) if applicable, what other funding sources are involved and what is their contribution to the project cost;
(i) what was the expected start date of construction;
(j) what is the expected completion date;
(k) (i) who is responsible for delivering the project, and (ii) if a state government is responsible for delivering the project, when will the funding be released to the relevant state government;
(l) is the project to be completed in stages/phases; if so, what is the timing and cost of each stage/phase;
(m) why was the project funded; and
(n) what cost benefit or other modelling was done before the project was approved.

**Senator Faulkner**—The Minister for Foreign Affairs and the Minister for Trade have provided the following answer to the honourable senator’s question:

(1) The only agency within our portfolio currently undertaking infrastructure and/or capital works projects is the Department of Foreign Affairs and Trade (DFAT). Other agencies in the portfolio only undertake minor office fitouts or security upgrade works in Canberra and overseas properties from time to time. Aid program support for infrastructure in developing countries is funded and managed through partner government systems and processes, managing contractors, other donor partners or non-government organisations, so is not included. DFAT defines capital works projects as projects above a threshold cost of $15 million which are considered by the Parliamentary Joint Standing Committee on Public Works and current projects are listed below in the response to part (2) of the question.

(2) The details requested for each category of DFAT capital works projects are as follows:

(i) **For Australian participation in the Shanghai World Expo 2010:**

(a) On 13 May 2008, Mr Smith issued a media release advising the Government’s commitment to the Shanghai World Expo 2010.
(b) DFAT Program 1.3: Public Information Services and Public Diplomacy (Administered).
(c) The total capital works cost for construction of a temporary pavilion is $49.27 million.
(d) $48.19 million.
(e) $49.27 million.
(f) $49.27 million.
(g) and (h) Sponsorship cash contributions and commitments from state and territory governments and the private sector have been received but are for the total costs of Australian participation in Shanghai World Expo 2010 and are not earmarked specifically for capital works.
(i) January 2009.
(j) Practical completion of the pavilion is scheduled for March 2010.
(k) DFAT.

(l) No, the construction of the temporary pavilion is to be completed in one stage.

(m) To ensure Australia would have an impressive, whole of nation presence at the expo which would be commensurate with the scale and the importance of the bilateral relationship.

(n) DFAT funded a detailed budgeting and research activity in 2007-08 which informed the New Policy Proposal process for the 2008 Budget. Following the May 2008 Budget, fully-costed design tenders were prepared for each project core component, and best market value contracts were awarded through public tender processes.

(ii) For overseas property projects:

(a) Major capital works projects in the Commonwealth-owned overseas property estate are announced in the Budget context.

(b) Primarily DFAT Program 3.2: Overseas Property.

(c) See table below.

(d) See table below.

(e) See table below.

(f) 100 per cent.

(g) Nil.

(h) Not applicable.

(i) See table below.

(j) See table below.

(k) (i) Capital property projects in the overseas property estate are managed by the Overseas Property Office of DFAT; (ii) not applicable.

(l) Not applicable.

(m) All projects are funded to provide Australian Government representatives overseas with appropriate and secure office and residential accommodation.

(n) All capital property projects are subject to rigorous professional design and cost analysis to meet stated tenant agency requirements, risk analysis, business case analysis requiring approval by the Department of Finance and Deregulation, approvals through the Budget process and, where required, consideration by the Public Works Committee and approval by Parliament.

<table>
<thead>
<tr>
<th>Project name</th>
<th>(c) Total expected cost A$million</th>
<th>(d) Original budget A$million</th>
<th>(e) Current budget A$million</th>
<th>(i) Expected start date (construction)</th>
<th>(j) Expected completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baghdad Staff apartments &amp; related security works*</td>
<td>33.17</td>
<td>14.39</td>
<td>27.60</td>
<td>2006</td>
<td>2010</td>
</tr>
<tr>
<td>Bangkok New chancery and HOM residence**</td>
<td>193.4</td>
<td>105.9</td>
<td>193.4</td>
<td>2011</td>
<td>2014</td>
</tr>
<tr>
<td>Jakarta New chancery complex, HOM residence, staff accommodation**</td>
<td>415.1</td>
<td>145.6</td>
<td>415.1</td>
<td>2011</td>
<td>2014</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>Project name</th>
<th>(c) Total expected cost A$million</th>
<th>(d) Original budget A$million</th>
<th>(e) Current budget A$million</th>
<th>(i) Expected start date (construction)</th>
<th>(j) Expected completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo Staff apartments refurbishment</td>
<td>22.00</td>
<td>22.00</td>
<td>22.00</td>
<td>2009</td>
<td>2011</td>
</tr>
</tbody>
</table>

* The Baghdad project costs are more than initially estimated due to changes in security requirements and the difficult situation on the ground in Baghdad.

** The Bangkok and Jakarta project costs are more than initially estimated as these projects have been delayed due to protracted negotiations over land acquisition. During this delay, construction costs have escalated and other Australian Government agencies have increased their representation in the missions. Additional security measures are also required in response to the changed security environment.

**Infrastructure, Transport, Regional Development and Local Government: Program Funding**

(Question No. 1623)

Senator Abetz asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 29 May 2009:

1. Can a list be provided, by agency, of all infrastructure and/or capital works projects that fall under the responsibility of an agency within the Minister’s portfolio.
2. For each of the projects in (1) above:
   a. When was it first announced, by whom, and by what method;
   b. If applicable, what program is it funded through;
   c. What is its total expected cost;
   d. What was its original budget;
   e. What is its current budget;
   f. What is the total Federal Government contribution to its cost;
   g. What is the total state government contribution to its cost;
   h. If applicable, what other funding sources are involved and what is their contribution to the project cost;
   i. What was the expected start date of construction;
   j. What is the expected completion date;
   k. (i) Who is responsible for delivering the project, and (ii) if a state government is responsible for delivering the project, when will the funding be released to the relevant state government;
   l. Is the project to be completed in stages/phases; if so, what is the timing and cost of each stage/phase;
   m. Why was the project funded; and
   n. What cost benefit or other modelling was done before the project was approved.

Senator Conroy—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator’s question:

1. The Department of Infrastructure, Transport, Regional Development and Local Government (DITRDLG) maintains several program websites on behalf of the Government that display all ap-
proved projects in the portfolio. Given the significant number of projects in the portfolio it is not practical to provide a single list of projects.

This information can be obtained on the Department’s websites.

Australian Maritime Safety Authority’s major capital works projects are listed in AMSA’s Annual Report.

Civil Aviation Safety Authority (CASA) has a nil return.

Airservices Australia’s capital works projects are listed in its annual report and corporate plan.

(2) Department of Infrastructure, Transport, Regional Development and Local Government

Where the specific information relating to the Department is available, it will be stated on the relevant web pages as per the Department’s response to Question 1 above.

Australian Maritime Safety Authority

Most of the questions are not relevant to AMSA’s capital works and the remainder are answered in Question 1 above.

Civil Aviation Safety Authority

Nil return.

Airservices Australia

Where applicable, this information is provided in the annual report and corporate plan.

Aged Care

(Question No. 1688)

Senator Cormann asked the Minister representing the Minister for Ageing, upon notice, on 9 June 2009:

With reference to the evidence of the department to the Finance and Public Administration Committee inquiry Residential and Community Aged Care in Australia on 13 March 2009, indicating that the survey by Bentleys MRI Resourcing Pty Ltd for 2008 showed an improvement in returns for operators:

(1) Is the Minister aware that, although Bentleys have not released the report on its results, the covering letter provided with the raw data released on 16 February 2008 stated ‘We advise participants that our data analysis indicates that, on a macro level, profitability for the sector is trending downwards when compared to last year’.

(2) (a) Is the Minister aware that the covering letter goes on to state that ‘We also urge participants to exercise caution when comparing data between this year’s survey benchmarks and previous years. Due to changes in the participant pool in 2008, and as a result of adjustments to our classification scales for services, direct comparison from year to year for some items may be misleading at first glance’; and (b) did the Minister not consider that the researcher’s advice was relevant before presenting comparative analysis to the inquiry on two unrelated data sets.

(3) Given that the department also stated that 51.5 per cent of single-bed facilities were in the top earnings before interest, taxes, depreciation and amortization (EBITDA) quartile for the 2007-08 financial year and Bentleys has not published a report on its raw survey data, what is the department’s definition of ‘single-bed’ and ‘multi-bed’ facilities.

(4) Is the Minister aware that using the Grant Thornton definition of ‘multi-bed’ facilities, 77 per cent of high care services in the top EBITDA quartile were multi-bed (less than 70 per cent single rooms).

(5) How does the department reconcile its statement that 49 per cent of high care services in the top EBITDA quartile are ‘multi-bed’ with the Grant Thornton data on ‘multi-bed’ facilities.
(6) Is it correct that the bottom quartile is dominated by single-bed facilities.

(7) What is ‘CAP data’ and what is its purpose.

(8) (a) In what year was the analysis on the general purpose financial reports describing providers’ financial returns from residential care last performed; (b) were the results of the analysis published; and (c) if the results were not publicly released: (i) why not, and (ii) will the Minister now make this analysis public.

(9) Can details be provided for individual facility EBITDA and performance for single- and multi-bed facilities.

Senator Ludwig—The Minister for Ageing has provided the following answer to the honourable senator’s question:

(1) Yes.

(2) (a) Yes. (b) The Department fully considered and took into account the caveats that Bentley’s had placed on the raw data.

(3) The Department did not give evidence to the Finance and Public Administration Committee inquiry Residential and Community Aged Care in Australia on 13 March 2009 that “51.5 per cent of single-bed facilities were in the top earnings before interest, taxes, depreciation and amortization (EBITDA) quartile for the 2007-08 financial year”. Rather the Department’s evidence was that “51.5 per cent of providers of services in the top quartile were in fact single-bed” (see page 96 of the transcript). The Department’s analysis of Bentley’s data used the following definitions:

Single-bed facility: An aged care home in which each room can only cater for one resident.

Multi-bed facility: All other aged care homes.

(4) Yes. Based on either the definition of a multi-bed facility used by Grant Thornton or the definition used by the Department, some 77 per cent of high care services in the top quartile are multi-bed facilities. However, it should be noted that using the Department’s definition some 67 per cent of all high care services are multi-bed facilities. Due to the limited size of the Bentley’s survey, there are only 52 high care homes in the survey and only 12 high care homes in the top quartile, no statistically reliable conclusions can be drawn about whether multi-bed facilities are over or under-represented in the top quartile.

(5) The Department did not give evidence to the Finance and Public Administration Committee inquiry Residential and Community Aged Care in Australia on 13 March 2009 that “49 per cent of high care services in the top EBITDA quartile are ‘multi-bed’”. The Department’s evidence was with respect to all services not to high care services (see page 96 of the transcript).

(6) The Department’s analysis of the Bentley’s survey data indicates that 57 per cent of the aged care homes in that survey are single-bed facilities. It also indicates that 64 per cent of the aged care homes in the bottom quartile of the survey are single-bed facilities. That is, at first glance, the data indicates that single-bed facilities are slightly over represented in the bottom quartile.

(7) The ‘CAP data’ is data derived from the information provided by approved providers through their General Purpose Financial Reports as a pre-condition for the payment of the Conditional Adjustment Payment (CAP)

(8) (a) 2009. (b) The results have not been published. (c) The deidentified unit record data is available on the Departmental internet site at www.health.gov.au .

Agriculture, Fisheries and Forestry: Legislative Instruments
(Question No. 1708)

Senator Minchin asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 10 June 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) With reference to the ‘clean-up’ of redundant and potentially-redundant regulations being coordinated by the Department of Finance and Deregulation, which Acts or legislative instruments have been identified as redundant or potentially-redundant and why.

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) I am advised that the Minister representing the Attorney-General will provide in her answer a complete list of legislative instruments and Acts broken down by portfolio.

(2) During the ‘clean-up’ of redundant and potentially redundant regulations coordinated by the Department of Finance and Deregulation, the Department of Agriculture, Fisheries and Forestry identified eighteen Acts for repeal. These Acts were repealed by the Statute Law Revision Act 2008, and the reasons for redundancy are outlined in the Explanatory Memorandum to this Act. The eighteen Acts were as follows:

- Brigalow Lands Agreement Act 1962
- Foreign Fishing Boats Levy Act 1981
- New South Wales Flood Relief Act 1974
- New South Wales Grant (Leeton Co-operative Cannery Limited) Act 1971
- Northern Prawn Fishery Voluntary Adjustment Scheme Loan Guarantee Act 1985
- Queensland Flood Relief Act 1974
- Queensland Grant (Proserpine Flood Mitigation) Act 1976
- Queensland Tobacco Leaf Marketing Board Guarantee Act 1953
- Softwood Forestry Agreements Act 1967
- Softwood Forestry Agreements Act 1972
- Softwood Forestry Agreements Act 1976
- Softwood Forestry Agreements Act 1978
- States Grants (Rural Reconstruction) Act 1971
- States Grants (Rural Reconstruction) Act 1973
- Tasmanian Native Forestry Agreement Act 1979
- Tasmanian Native Forestry Agreement Act 1980
- Western Australia Grant (Northern Development) Act 1958, and
- Western Australia Grant (Northern Development) Act 1963.

Additionally, the Department of Agriculture, Fisheries and Forestry identified several parts of Acts that were redundant. These are being repealed in the Statute Stocktake (Regulatory and Other Laws) Bill 2009, which was introduced into Parliament on 24 June 2009. The reasons for redundancy are outlined in the Explanatory Memorandum to this Bill. The relevant sections are:

- section 52 of the Australian Wine and Brandy Corporation Act 1980
- section 22 of the Dairy Adjustment Act 1974
- section 22 of the Horticulture Marketing and Research and Development Services (Repeals and Consequential Provisions) Act 2000, and

In relation to redundant regulations and potentially redundant regulations which have not yet been removed, advice relating to these groups cannot be provided at this point in time as the instruments are still subject to policy, legal and other considerations.

**Resources and Energy, and Tourism: Legislative Instruments**

(Question Nos 1709 and 1710)

Senator Minchin asked the Minister for Resources and Energy and Minister for Tourism, upon notice, on 10 June 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. With reference to the ‘clean-up’ of redundant and potentially-redundant regulations being coordinated by the Department of Finance and Deregulation, which Acts or legislative instruments have been identified as redundant or potentially-redundant and why.

Senator Carr—The Minister for Resources and Energy and Minister for Tourism has provided the following answer to the honourable senator’s question:

1. I am advised that the Minister representing the Attorney-General will provide in her answer a complete list of legislative instruments and Acts broken down by portfolio.
2. In relation to redundant regulations and potentially redundant regulations which have not yet been removed, advice relating to these groups cannot be provided at this point in time as the instruments are still subject to policy, legal and other considerations.

**Human Services: Legislative Instruments**

(Question No. 1711)

Senator Minchin asked the Minister representing the Minister for Human Services, upon notice, on 10 June 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. With reference to the ‘clean-up’ of redundant and potentially-redundant regulations being coordinated by the Department of Finance and Deregulation, which Acts or legislative instruments have been identified as redundant or potentially-redundant and why.

Senator Ludwig—The answer to the honourable senator’s question is as follows:

1. I am advised that the Minister representing the Attorney-General will provide in her answer a complete list of legislative instruments and Acts broken down by portfolio.
2. At this stage, no regulation within the Human Services Portfolio has been identified as redundant or potentially redundant.
Small Business, Independent Contractors and the Service Economy: Legislative Instruments
(Question No. 1719)

Senator Minchin asked the Minister representing the Minister for Small Business, Independent Contractors and the Service Economy, upon notice, on 10 June 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) With reference to the ‘clean-up’ of redundant and potentially-redundant regulations being coordinated by the Department of Finance and Deregulation, which Acts or legislative instruments have been identified as redundant or potentially-redundant and why.

Senator Carr—The Minister for Small Business, Independent Contractors and the Service Economy has provided the following answer to the honourable senator’s question:
Please refer to the answer provided to Parliamentary Question 1703.

Boston Consulting Group and Allen Consulting Group
(Question No. 1743)

Senator Ronaldson asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 10 June 2009:
Can a list be provided of contracts awarded to: (a) the Boston Consulting Group; and (b) the Allen Consulting Group, by the department and/or any of its agencies, of any value, between 1 January 2008 and 31 May 2009, including the value and primary deliverable of the contract.

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

Department of Environment, Water, Heritage and the Arts
(a) Contracts awarded to the Boston Consulting Group, Nil.
(b) Contracts awarded to the Allen Consulting Group, Two.
      Value - $60,489 of which $40,143 was paid within reporting period of question (GST inclusive).
      Primary Deliverable - Conduct a mid-term review of the Energy Efficiency in Government Operations policy to investigate its effectiveness and possible areas for improvement.
   (2) Economic Modelling Mandatory Retailer Charge for Plastic Bags.
      Value - $10,800.
      Primary Deliverable - Professional Services for Economic Modelling of a Mandatory Retailer Charge for Plastic Bags for the plastic bags Regulatory Impact Statement.

Portfolio Agencies
Bureau of Meteorology
(a) Contracts awarded to the Boston Consulting Group, Nil.
(b) Contracts awarded to the Allen Consulting Group, One.
Value - $195,173 (GST inclusive).
Key Deliverable - Consultancy to assist with Water Regulations 2008 Category 6 Data Delivery to the Bureau of Meteorology.

All other portfolio agencies reported having no contracts awarded to either the Boston Consulting Group or the Allen Consulting Group within the period of the question.

**Boston Consulting Group and Allen Consulting Group (Question Nos 1744 and 1754)**

**Senator Ronaldson** asked the Minister representing the Attorney-General and Minister representing the Minister for Home Affairs, upon notice, on 10 June 2009:
Can a list be provided of contracts awarded to: (a) the Boston Consulting Group; and (b) the Allen Consulting Group, by the department and/or any of its agencies, of any value, between 1 January 2008 and 31 May 2009, including the value and primary deliverable of the contract.

**Senator Wong**—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:
(a) No contracts were awarded to the Boston Consulting Group in the Attorney-General’s Portfolio between 1 January 2008 and 31 May 2009.
(b) The contacts awarded to the Allen Consulting Group in the Attorney-General’s Portfolio between 1 January 2008 and 31 May 2009 are as set out below.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Date awarded</th>
<th>Value (GST excl)</th>
<th>Deliverable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney-General’s Department</td>
<td>03/02/2009</td>
<td>$320,000.00</td>
<td>Federal Audit of Police Capabilities</td>
</tr>
<tr>
<td>Attorney-General’s Department</td>
<td>16/10/2008</td>
<td>$100,000.00</td>
<td>Undertake organisational audit of Attorney-General’s Department</td>
</tr>
<tr>
<td>Attorney-General’s Department</td>
<td>26/05/2009</td>
<td>$77,272.73</td>
<td>Development of report analysing economic and social costs – National Human Rights Consultation</td>
</tr>
<tr>
<td>Australian Institute of Criminology</td>
<td>19/05/2009</td>
<td>$15,000.00</td>
<td>To research and prepare a paper on potential criminal vulnerabilities of an emissions trading scheme</td>
</tr>
</tbody>
</table>

**Boston Consulting Group and Allen Consulting Group (Question No. 1749)**

**Senator Ronaldson** asked the Minister representing the Minister for Human Services, upon notice, on 10 June 2009:
Can a list be provided of contracts awarded to: (a) the Boston Consulting Group; and (b) the Allen Consulting Group, by the department and/or any of its agencies, of any value, between 1 January 2008 and 31 May 2009, including the value and primary deliverable of the contract.

**Senator Ludwig**—The Minister for Human Services has provided the following answer to the honourable senator’s question:
(a) The Department of Human Services and Portfolio Agencies did not award any contracts to Boston Consulting Group between 1 January 2008 and 31 May 2009.
(b) The Department of Human Services and Portfolio Agencies did not award any contracts to the Allen Consulting Group between 1 January 2008 and 31 May 2009.
Senator Bob Brown asked the Minister for Climate Change and Water, upon notice, on 30 June 2009:

With reference to the department’s accreditation process for carbon neutral products, in particular, the Reflex Laser Carbon Neutral paper:

(1) How much of the paper’s carbon neutrality is achieved by purchasing carbon offsets.

(2) How much of the carbon neutrality is achieved by genuine changes to reduce carbon emissions as a result of the:
   (a) logging of native forests;
   (b) transport of pulp; and
   (c) production of the paper.

(3) If the carbon neutrality is achieved primarily from buying offsets, what guidelines does the department have in place to monitor the effectiveness of the offsets in reducing carbon emissions.

(4) Given that 50 per cent of the pulp for the paper is sourced from native forests in Tasmania and Victoria, does Reflex include the carbon emissions from the burning of forests after logging in its account of how much carbon is emitted from the production of the paper.

Senator Wong—The answer to the honourable senator’s question is as follows:

(1) Reflex Laser Carbon Neutral paper is certified as carbon neutral under the Greenhouse Friendly™ program. After efforts to reduce emissions associated with the production of the paper, 100 per cent of the remaining emissions are offset by the purchase of approved Greenhouse Friendly™ abatement.

(2) Australian Paper took steps to reduce the greenhouse gas emissions arising from the production of the paper. With respect to the stages in the sourcing of materials and manufacturing process specified:
   (a) Australian Paper obtains material from regrowth native forest and plantation timbers in Tasmania. No reduction in emissions has been attributed to the sources of the wood products used for paper production.
   (b) With regard to transport of pulp or fibre within Tasmania, while switching from truck to rail would reduce transport emissions, the rail line is no longer available. For pulp or fibre sourced from overseas, Australian Paper switched from an international supplier to a mainland Australian supplier in 2008-09.
   (c) Changes in the paper production processes included changing from an oil fired burner to three natural gas boilers, and substantial use of renewable hydro electricity. The change to natural gas burners has significantly reduced the amount of liquefied petroleum gas used in the paper’s production and reduced fuel transport emissions, including emissions resulting from the previous shipment of oil across Bass Strait.

(3) Providers of Greenhouse Friendly™ abatement must complete a comprehensive and rigorous approval process which includes preparation of an Emissions/Abatement Study and development of a Project Monitoring Plan. These documents must be independently verified and then reviewed by the Program Administrator before final approval by the Department of Climate Change. To maintain Greenhouse Friendly™ approval, Abatement Providers are required to conduct ongoing emissions monitoring in accordance with the Project Monitoring Plan and update the Emissions/Abatement Study to account for any relevant changes.
(4) Emissions from the burning of the forest floor for fibre sourced locally and overseas is included in the emissions calculations for Reflex Laser Carbon Neutral paper.

**Defence: Consultancies**

*(Question Nos 1879 and 1908)*

Senator Barnett asked the Minister for Defence, upon notice, on 2 July 2009:

(1) (a) Since November 2007, what is the total number of: (i) completed, and (ii) ongoing, consultancies in the portfolio/agency; and (b) for each consultancy: (i) who is the consultant, (ii) what is the subject matter, (iii) what are the terms of reference, (iv) what is its duration, (iv) what will it cost, and (v) what is the method of procurement (i.e. open tender, direct source, etc.).

(2) Can copies be provided of all the completed consultancies.

(3) (a) How many consultancies are planned or budgeted for: (i) 2009, and (ii) 2010; (b) have these been published in the Annual Procurement Plan on the AusTender website; if not, why not; and (c) in each case, what is the: (i) subject matter, (ii) duration, (iii) cost, (iv) method of procurement, and (v) name of the consultant if known.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) (a) Information on Defence Consultancies are reported by financial year in the Defence Annual Report in accordance with statutory reporting requirements. Due to the quantity of consultancies and complexity of data collection, it is not cost effective for Defence to separate consultancies for the 2007-08 financial year.

(i) The number of new contracts let by financial year was:

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<tr>
<th></th>
<th>Defence</th>
<th>DMO</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>788</td>
<td>129</td>
<td>917</td>
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<tr>
<td>2008-09</td>
<td>521</td>
<td>47</td>
<td>568</td>
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<tr>
<td><strong>Total</strong></td>
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*Unaudited

(b) (i) For 2007-08, the name of consultants are listed in the Defence Annual Report and for 2008-09 please see Attachment A.

(ii) For 2007-08, the subject matter is listed in the Defence Annual Report and for 2008-09 please see Attachment A. Terms of reference for consultancies are not centrally collected and I am not prepared to authorise the commitment of resources required to provide a detailed response.

(iii) The duration of consultancies is not maintained on Defence systems and I am not prepared to authorise the commitment of resources required to provide a detailed response.

(iv) For 2007-08, the cost of consultancy contracts let is listed in the Defence Annual Report and for 2008-09 please see Attachment A. A summary is provided in the following table:

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</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>$81.9 million</td>
<td>$13.9 million</td>
<td>$95.8 million</td>
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<tr>
<td>2008-09</td>
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<td><strong>Total</strong></td>
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<td><strong>$163.6 million</strong></td>
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*Unaudited

(v) For 2007-08, the method of procurement is listed in the Defence Annual Report and for 2008-09 please see Attachment A.

(2) Given the number of contracts involved, it would not be practical or cost effective to provide copies of completed consultancies.
(3) Consultancies are undertaken on an as required basis to provide specialist advice to responsibility managers across the Defence portfolio. Defence does not centrally collate budget information at the level of detail requested and I am not prepared to authorise the commitment of resources required to provide a detailed response.

ATTACHMENT A

<table>
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<tr>
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QUESTIONS ON NOTICE
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### QUESTIONS ON NOTICE

#### DEFENCE NEW CONSULTANCIES >$10,000 LET DURING FY08/09

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### QUESTIONS ON NOTICE

#### DEFENCE NEW CONSULTANCIES >$10,000 LET DURING FY08/09

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## QUESTIONS ON NOTICE

### DEFENCE NEW CONSULTANCIES >$10,000 LET DURING FY08/09

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QUESTIONS ON NOTICE
### QUESTIONS ON NOTICE

#### DEFENCE NEW CONSULTANCIES >$10,000 LET DURING FY08/09

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## QUESTIONS ON NOTICE

### DEFENCE NEW CONSULTANCIES >$10,000 LET DURING FY08/09

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## QUESTIONS ON NOTICE

**DEFENCE NEW CONSULTANCIES >$10,000 LET DURING FY08/09**

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### QUESTIONS ON NOTICE

#### DEFENCE NEW CONSULTANCIES >$10,000 LET DURING FY08/09

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### Defence New Consultancies >$10,000 Let during FY08/09

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**Defence: Total number of contracts 521**

**62,370,067.16**

### Defence Materiel Organisation New Consultancies >$10,000 Let during FY08/09

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**QUESTIONS ON NOTICE**
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Senator Barnett asked the Minister representing the Minister for Housing and Minister for the Status of Women, upon notice, on 2 July 2009:

(1) (a) Since November 2007, what is the total number of: (i) completed, and (ii) ongoing, consultancies in the portfolio/agency; and (b) for each consultancy: (i) who is the consultant, (ii) what is the subject matter, (iii) what are the terms of reference, (iv) what is its duration, (v) what will it cost, and (vi) what is the method of procurement (i.e. open tender, direct source, etc.).

(2) Can copies be provided of all the completed consultancies.

(3) (a) How many consultancies are planned or budgeted for: (i) 2009, and (ii) 2010; (b) have these been published in the Annual Procurement Plan on the AusTender website; if not, why not; and (c) in each case, what is the: (i) subject matter, (ii) duration, (iii) cost, (iv) method of procurement, and (v) name of the consultant if known.

Senator Wong—The Minister for Housing and Minister for the Status of Women has provided the following answer to the honourable senator’s question:

Housing

(1) The following information is provided and is up-to-date as at 16 July 2009:

(a) (i) The total number of completed consultancies since November 2007 is 13. (ii) The total number of ongoing consultancies since November 2007 is 8.

(b) Broad details of each of the consultancies are publicly available on the AusTender website.

Status of Women

(1) The following information is provided and is up-to-date as at 16 July 2009:

(a) (i) The total number of completed consultancies since November 2007 is 17. (ii) The total number of ongoing consultancies since November 2007 is 5.

(b) Broad details of each of the consultancies are publicly available on the AusTender website.
Housing and Status of Women

(2) It is not practical to provide copies of all completed consultancies but broad information is publicly available for each on the AusTender website.

Planned consultancies for the 2009-10 financial year are described in FaHCSIA’s Annual Procurement Plan which was published on AusTender on 26 June 2009. The Annual Procurement Plan provides a forecast of planned activity over the next 12 months and includes a brief description of each consultancy topic and the expected date of the approach to market.

Health and Ageing: Water


Senator Abetz asked the Minister representing the Minister for Health and Ageing, upon notice, on 21 July 2009:

For the department, each agency of the department and the offices of each Minister/Parliamentary Secretary, in the 2008-09 financial year, how much was spent on:

(a) bottled water;
(b) bulk water;
(c) cooler rental;
(d) cooler hire; and
(e) water delivery.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(a) Nil
(b) Office of Minister Roxon $1704.80
   Office of Minister Elliot $1121.55
   The then Office of Senator McLucas $761.90
(c) Office of Minister Roxon $2178.00
   The then Office of Senator McLucas $18.00
   See response to (d) below
(d) Department $4890.00 cooler rental and hire
(e) Nil

Agriculture, Fisheries and Forestry: Water

(Question No. 1976)

Senator Abetz asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 21 July 2009:

For the department, each agency of the department and the offices of each Minister/Parliamentary Secretary, in the 2008-09 financial year, how much was spent on: (a) bottled water; (b) bulk water; (c) cooler rental; (d) cooler hire; and (e) water delivery.

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

I am advised that the department’s expenditure on water coolers and spring water services for the 2008-09 financial year was $6,307.90 (excl. GST). For a number of the department’s properties, water coolers
and spring water services are not required because they have inbuilt instant boiled/chilled water mixer taps.
For my offices, $661.80 (excl. GST) was spent on water coolers and spring water services for the 2008-09 financial year.
It is not possible to segregate the department’s or my offices’ water expenditure further.

**Housing, and Status of Women: Media Monitoring**

*(Question Nos 2019 and 2020)*

**Senator Abetz** asked the Minister representing the Minister for Housing and Minister for the Status of Women, upon notice, on 21 July 2009:

(1) Has the Minister undertaken any media training since 24 November 2007; if so: (a) when; (b) who was the provider; and (c) what was the total cost.

(2) Have any of the Minister’s staff undertaken any media training since 24 November 2007; if so: (a) who, including their Members of Parliament (Staff) Act 1984 classification; (b) when; (c) who was the provider; and (d) what was the total cost.

**Senator Wong**—The Minister for Housing and Minister for the Status of Women has provided the following answer to the honourable senator’s question:

No media training has been undertaken by the Minister or the Minister’s staff since 24 November 2007.

**Naltrexone Implants**

*(Question No. 2034)*

**Senator Cormann** asked the Minister representing the Minister for Health and Ageing, upon notice, on 22 July 2009:

(1) Has Dr George O’Neil manufactured naltrexone implants under the guidelines set out in Annex 13 of the Australian code of good manufacturing practice for medicinal products since August 2000 for use in both clinical trials and for use under the Special Access Scheme (SAS) of the Therapeutic Goods Administration (TGA).

(2) (a) When was the decision taken to reinterpret the Special Access legislation so Dr O’Neil could no longer manufacture naltrexone implants for use under the SAS using a facility that had been given an Annex 13 Good Manufacturing Practice Licence; (b) who took that decision; and (c) if the decision was made under delegated authority by a TGA or departmental official: (i) was the Minister or the Minister’s office consulted before the decision was taken, and (ii) what was the reason for that decision.

(3) Was the Minister, the department or the TGA aware that the Western Australian Government had recently given a grant to Dr O’Neil to progress the approval process, specifically ‘As part of the funding arrangement, Dr O’Neil has been asked to agree to the appointment of an independent and qualified researcher with relevant drug and alcohol treatment expertise, to undertake a comprehensive review of the available records and data to confirm the quality, validity and applicability of the research material’.


(4) Given that this work was underway and the implants have been manufactured by Dr O’Neil for 9 years under the SAS, what justification does the Minister have for the decision to stop clinical use of the implants.

(5) Is the Minister aware that the Western Australian Australian Labor Party Shadow Minister for Health, Mr Roger Cook, on the announcement of the then proposed additional funding by the State
Government stated ‘I am delighted that Dr George O’Neil and his team who fight drug addiction on a daily basis will finally get the support they deserve’.


(6) Does the Minister disagree with the statement in (5) above.

(7) Is the Minister aware of statements by Dr O’Neil that the decision to halt manufacture of the naltrexone implants will lead to an increase in the number of deaths from heroin overdose.

(8) Has the Minister considered the risk that the lack of availability of the naltrexone implants will contribute to an increased number of deaths from heroin overdose.

(9) What action has the Minister taken to prevent an increase in the rate of heroin overdose deaths as a result of the decision to prevent Dr O’Neil’s production of naltrexone implants into the future.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

(1) No. The Therapeutic Goods Administration understands that Dr George O’Neil has undertaken personal manufacture of naltrexone implants for many years under an exemption in the Therapeutic Goods Regulations allowing a medical practitioner to manufacture therapeutic goods for his or her own patients.

The company Go Medical Industries Pty Ltd, of which Dr O’Neil is a director, has manufactured naltrexone implants since 2005 under a manufacturing licence restricted to manufacture for use in clinical trials in accordance with Annex 13 of the Australian Code of Good Manufacturing Practice for Medicinal Products

(2) No such decision has been made.

(3) Yes.

(4) No such decision has been made.

(5) Yes.

(6) The Australian government has so far provided over $4.6 million in support of work with naltrexone implants carried out by Dr O’Neil and Go Medical Industries Pty Ltd.

(7) Yes. However, no such decision has been made.

(8) This is a hypothetical question as no decision to restrict the availability of naltrexone implants has been taken by the TGA. However, as Dr O’Neil has yet to apply to register naltrexone implants and has not supplied any data on their safety or efficacy, any pronouncements on the effects of a shortage of implants are entirely speculative. In addition, there are a number of registered alternative treatments for narcotic addiction that have been evaluated for safety and efficacy and are in widespread use in treatment programs around the country. Dr O’Neil could use these for his patients.

(9) No such decision has been made.