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RADIO BROADCASTS
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FORTY-SECOND PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

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

Senate Officeholders

President—Senator Hon. John Joseph Hogg

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

Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans

Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy

Leader of the Opposition in the Senate—Senator Hon. Nicholas Hugh Minchin

Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz

Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig

Manager of Opposition Business in the Senate—Senator Stephen Shane Parry

Senate Party Leaders and Whips

Leader of the Australian Labor Party—Senator Hon. Christopher Vaughan Evans

Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy

Leader of the Liberal Party of Australia—Senator Hon. Nicholas Hugh Minchin

Deputy Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz

Leader of the Nationals—Senator Barnaby Thomas Gerard Joyce

Deputy Leader of the Nationals—Senator Fiona Nash

Leader of the Australian Greens—Senator Robert James Brown

Deputy Leader of the Australian Greens—Senator Christine Anne Milne

Leader of the Family First Party—Senator Steve Fielding

Chief Government Whip—Senator Kerry Williams Kelso O’Brien

Deputy Government Whips—Senators Donald Edward Farrell and Anne McEwen

Chief Opposition Whip—Senator Stephen Shane Parry

Deputy Opposition Whips—Senators Judith Anne Adams and David Christopher Bushby

The Nationals Whip—Senator John Reginald Williams

Australian Greens Whip—Senator Rachel Mary Siewert

Family First Party Whip—Senator Steve Fielding

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

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

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

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
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

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 to the Prime Minister and Parliamentary Secretary for Trade Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector Senator Hon. Ursula Stephens
Parliamentary Secretary 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 Innovation and Industry   Hon. Richard Marles MP
SHADOW MINISTRY

Leader of the Opposition
Hon. Tony Abbott MP

Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition
Hon. Julie Bishop MP

Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals
Hon. Warren Truss MP

Shadow Minister for Resources and Energy and Leader of the Opposition in the Senate
Senator Hon. Nick Minchin

Shadow Minister for Employment and Workplace Relations and Deputy Leader of the Opposition in the Senate
Senator Hon. Eric Abetz

Shadow Treasurer
Hon. Joe Hockey MP

Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Hon. Christopher Pyne MP

Shadow Minister for Infrastructure and Water
Hon. Ian Macfarlane MP

Shadow Attorney-General
Senator Hon. George Brandis SC

Shadow Minister for Defence
Senator Hon. David Johnston

Shadow Minister for Health and Ageing
Hon. Peter Dutton MP

Shadow Minister for Families, Housing and Human Services
Hon. Kevin Andrews MP

Shadow Minister for Climate Action, Environment and Heritage
Hon. Greg Hunt MP

Shadow Minister for Indigenous Affairs and Deputy Leader of The Nationals
Senator Hon. Nigel Scullion

Shadow Minister for Finance and Debt Reduction and Leader of the Nationals in the Senate
Senator Barnaby Joyce

Shadow Minister for Agriculture, Food Security, Fisheries and Forestry
Hon. John Cobb MP

Shadow Minister for Small Business, Deregulation, Competition Policy and Sustainable Cities
Hon. Bruce Billson MP

Shadow Minister for Broadband, Communications and the Digital Economy
Hon. Tony Smith MP

Shadow Minister for Immigration and Citizenship
Mr Scott Morrison MP

Shadow Minister for Innovation, Industry, Science and Research
Mrs Sophie Mirabella MP

Chairman of the Coalition Policy Development Committee
Hon. Andrew Robb AO MP

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

Shadow Minister for Tourism and the Arts and Shadow Minister for Youth and Sport
Mr Steven Ciobo MP

Shadow Minister for Employment Participation, Apprenticeships and Training
Senator Mathias Cormann

Shadow Minister for Consumer Affairs, Financial Services, Superannuation and Corporate Law and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Assistant Treasurer
Hon. Sussan Ley MP

Shadow Minister for COAG and Modernising the Federation
Senator Marise Payne

Shadow Minister for Early Childhood Education and Childcare and Shadow Minister for the Status of Women
Hon. Dr Sharman Stone MP

Shadow Minister for Justice and Customs
Mr Michael Keenan MP

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

Shadow Minister for Veterans Affairs
Mrs Louise Markus MP

Shadow Minister for Ageing
Senator Concetta Fierravanti-Wells

Shadow Minister for Seniors
Hon. Bronwyn Bishop MP

Shadow Special Minister of State and Scrutiny of Government Waste
Senator Hon. Michael Ronaldson

Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Parliamentary Secretary for Infrastructure and Population Policy
Senator Cory Bernardi

Shadow Parliamentary Secretary for Northern and Remote Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development and Emerging Trade Markets
Mr Mark Coulton MP

Shadow Parliamentary Secretary for Tourism
Mrs Jo Gash MP

Shadow Parliamentary Secretary for Education and School Curriculum Standards
Senator Hon. Brett Mason

Shadow Parliamentary Secretary for the Murray Darling Basin and Shadow Parliamentary Secretary for Climate Action
Senator Simon Birmingham

Shadow Parliamentary Secretary for Public Security and Policing
Mr Jason Wood MP

Shadow Parliamentary Secretary for Defence
Mr Stuart Robert MP

Shadow Parliamentary Secretary for Regional Health Services, Health and Wellbeing
Dr Andrew Southcott MP

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

Shadow Parliamentary Secretary for Families, Housing and Human Services and Shadow Parliamentary Secretary for Citizenship
Senator Gary Humphries

Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry
Senator Hon. Richard Colbeck
MONDAY, 22 FEBRUARY

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

COMMITTEES
Community Affairs Legislation Committee
Meeting
Senator MOORE (Queensland) (12.31 pm)—by leave—I move:
That the Community Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate today, from 3.30 pm, to take evidence for the committee’s inquiry into the provisions of the Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 and related bills.

Question agreed to.

BUSINESS
Consideration of Legislation
Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.31 pm)—by leave—I move:
That government business orders of the day no. 2 (Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2]) and no. 3 (Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 [No. 2]) may be taken together for their remaining stages.

Question agreed to.

Rearrangement
Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.31 pm)—I move:
That intervening business be postponed till after consideration of the government business order of the day relating to the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] and a related bill.

Question agreed to.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE) BILL 2009 [No. 2]
FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE—FRINGE BENEFITS) BILL 2009 [No. 2]
Second Reading
Debate resumed from 4 February, on motion by Senator Ludwig:
That these bills be now read a second time.

Senator FIERRAVANTI-WELLS (New South Wales) (12.32 pm)—I rise to speak on the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 [No. 2]. May I start by saying that, just like with many other things about this government, the Australian public were certainly not told about a hike in the Medicare levy surcharge before the last federal election. These two surcharge bills, together with the Fairer Private Health Insurance Incentives Bill 2009 [No. 2]—which, interestingly, will be conditional on the surcharge bills—set up a framework for hitting the Australian public with another big new tax. It is now very clear, as if we did not already know, that this government cannot be trusted because it will say one thing and do another. This government is a fraud, and that is just as evident in health as it is in many other areas.

These bills go against all the commitments that Prime Minister K Rudd and Ms Roxon gave to the Australian people before the election. They lied to the Australian people before the election and they have lied since.
Look what they said in 2007. It is important that we take the Senate back to what this government and the now health minister said then. In September 2007 she stated:

On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians. The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue.

Then in a letter to the Australian Health Insurance Association the Prime Minister stated:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

Federal Labor will also maintain Lifetime Health Cover and the Medicare Levy Surcharge.

He went on to state:

Labor will maintain the existing framework for regulating private health insurance, including the process for full approval of premium increases.

This letter is not worth the paper it was written on because it is very clear that the Prime Minister, on 20 November 2007—there he is—was prepared to tell the Australian Health Insurance Association in writing, no less, that he was not going to change the system and here we are for the second time with the Prime Minister pushing for these changes. So not only did they make these hollow promises before the election, but after the election Kevin Rudd and Nicola Roxon confirmed Labor’s position, sometimes in quite spectacular form. In February 2008 in the Australian the Prime Minister said:

The private health insurance rebate remains unchanged and will remain unchanged.

In May 2008, on Macquarie Radio, Nicola Roxon stated:

… we continue to support the 30 per cent, 35 per cent and 40 per cent rebate for those Australians who choose to take out private health insurance.

And then, in October 2008, in a speech to the Australian Health Insurance Association conference, Nicola Roxon stated:

Private health insurance consumers will still be able to claim the 30 to 40 per cent rebate, and the Lifetime Health Cover incentives will remain in place.

In February 2009, in the Age, the Minister for Health and Ageing, Ms Roxon, stated:

The Government is firmly committed to retaining the existing private health insurance rebates.

On Channel 9, with Laurie Oakes—this was later in the piece, when the Prime Minister had finally confessed that he was going to break another election promise—to try and justify the broken promise that these bills represent the Prime Minister drew on what at that time was the unpublished Intergenerational report. He told Laurie Oakes:

What the intergenerational report tomorrow will reveal for the first time is that the cumulative impact of knocking that major reform back is in the order of one hundred billion dollars over the next several decades.

He plucked a figure out of the air of $100 billion. Our Prime Minister is very good at doing that, plucking figures out of the air. As everybody knows, there was no $100 billion in the Intergenerational report. We all looked for this magic figure, and guess what? It was not there. It was nowhere to be found. The Prime Minister was, yet again, caught out lying and then he had to fudge it a bit.

Senator Stephens—Madam Acting Deputy President, on a point of order. Senator Fierravanti-Wells has twice this morning accused the Prime Minister of lying. It is unparliamentary and I ask her to withdraw.
The ACTING DEPUTY PRESIDENT (Senator Hurley)—Yes, indeed. Senator Fierravanti-Wells.

Senator FIERRAVANTI-WELLS—I withdraw it now. I will replace it with ‘untruth’. I will replace it with ‘misleading’ or I will replace it with ‘very big porky’ if you like, Senator Stephens, but the fact remains that what he said before the election is very different to what he is now trying to push through this parliament. It does not change it, but it is very clear that the Prime Minister’s position is very different to before. On health and a whole range of other things, his position has changed.

Senator Forshaw interjecting—

Senator FIERRAVANTI-WELLS—Well, Senator Forshaw, that is all very well. The Prime Minister said and did whatever he had to do to get into power. Now he does not give a damn because he is out there changing his position on just about everything. Health is the most spectacular. At last week’s estimates we were waiting for this grand plan from the Prime Minister, the famous K Rudd plan to fix our hospitals. What did the Secretary of the Department of Health and Ageing tell us? ‘There is no plan.’ They could not even find a back-of-an-envelope scribbling that said, ‘K Rudd’s grand plan for the hospitals.’ Why? Because there is no plan. There never was a plan and there is not one now. That is the truth, Senator Forshaw, and the sooner you get used to hearing that sort of stuff then the better off we will all be as we go towards the election.

We have this mythical $100 billion. When Ms Roxon initially introduced the bills in the earlier part of last year, she told the parliament that they would provide savings of $1.9 billion over four years. This is the figure that has been repeated by the minister and repeated to the parliament and to the media. But, later in the year, the Prime Minister—a serial offender, I must say, in the field of exaggeration—was putting another figure out there. On 10 September, when he was asked about Labor’s changes to private health insurance on the 7.30 Report, he said:

... in the case of that one measure, PHI, that you mentioned, that’s worth some $9 billion in the decade ahead.

We have got $100 billion that was not in the report and we have got the $9 billion that Minister Roxon and the Prime Minister mention. It is $100 billion now and it was $9 billion then. When you change so often you forget which one is the actual, true position.

The Prime Minister was saying that the savings from the rebate means test—this new tax—will be directed at additional investments in health. In August last year Minister Roxon, at a CEDA Health Reform Forum in Sydney, showed that she is on a different page because she told CEDA that the private health changes alone will save enough to fund the commission’s proposed e-health investments. She means the National Health and Hospitals Reform Commission. Three months later, the minister was quoted in the Age as saying:

This measure is part of the government’s reform of the health system, will save about $1.9 billion over the next four years, and allow the government to invest more in better services, new medicines and improved technology ...

The same $1.9 billion over four years has suddenly become this magic pot for different uses. The Prime Minister says one thing and the health minister says another. The Treasurer, when he foreshadowed these bills at the last budget, made it very clear where the savings measures were to go. He said that they were to support the long-term sustainability of the pension system. If you believe the PM, it is health generally; the health minister is on a frolic of her own and saying it is going to be used for e-health; and the Treasurer...
says it is to be used to fund the pension system changes.

Quite frankly, given the untruths and deceptions, you cannot believe any of them. The Treasurer was questioned by Malcolm Farr at the National Press Club on this and the Treasurer gave this answer:

It is true that the private health insurance means testing that we put in there along with a number of other measures we had in the budget offset the cost of the pension increase right out past the forward estimates and well into the future.

The changes that this government wants to bring about, quite frankly, have absolutely nothing to do with investments in health but they have everything to do with an ideological agenda. The Prime Minister and the health minister have absolutely no hesitation in misleading the Australian public about this whole thing.

This is simply bad policy. Firstly, if these measures are passed, there is no doubt that there would be further pressure on our public hospitals, because, as I mentioned earlier in my speech, there is this grand plan to fix the hospitals. If these bills go through, there will be even more pressure on hospitals, particularly those in New South Wales. Can the hospitals in New South Wales get any worse than they are at the moment? The answer is yes, because if these measures are passed there will be absolutely extraordinary pressure on New South Wales hospitals and all other public hospitals around Australia. Secondly, if these measures are passed, they will increase the cost of private health insurance for millions of Australians, including those on lower incomes. It was very clear from answers given in estimates in June last year that there are 11 million people that have private health insurance, and 9.7 million of these are single people on less than $75,000 a year or couples on less than $150,000 a year. They are the people that do take out health insurance and that this Prime Minister and this health minister want to screw into the ground.

Labor just cannot get it into their heads that this is not about ideology. This is about people insuring themselves because they know how bad the hospitals are. That is why they take out private health insurance. If you force those people out of the private health insurance system, particularly the younger ones, and they leave that pool, of course it makes the insurance more expensive for those who remain. So, by driving people out of health insurance, particularly younger people, you are leaving the burden on older Australians, as well as the millions of people who have private health insurance who are on very low incomes of $26,000 or less, and driving up their premiums. Families who continue to have private health insurance will, under the proposed new tax on private health, face higher premiums. Families will face higher premiums as a result of these changes.

Let us just look at some of those families, because I think it is time for the government to look Australians, particularly Australian families, squarely in the eye and tell them what the repercussions of this new tax on private health insurance will be. For example, let us look at the federal seat of Bennelong. Perhaps Ms McKew might like to go out and tell her electors—

Senator Bernardi—Ms Who?
Senator Cormann—Ms Who?
Senator FIERRAVANTI-WELLS—That is right. Ms Who? As patron senator of Bennelong I have not actually seen her out and about.

Senator Cormann—I have not seen her.

Senator FIERRAVANTI-WELLS—You have to make an appointment, Senator Cormann, to see her—by appointment only, between two and four on certain days of the
week. But perhaps, on the odd days when her constituents actually get the opportunity to see her, she might like to explain to the 72 per cent of people in the federal seat of Bennelong who had private health insurance as at 1 January 2009 that, with these changes, Labor is going to hit them with higher premiums. Or, if they do not take out private health insurance, they are going to be hit by a higher Medicare levy surcharge. That is what this is about: a very little carrot and a lot of stick—a lot of stick. Bennelong is an electorate where the median individual income is just over $27,000, the median family income is just over $79,000 and the median household income is just over $61,000. These are the sorts of people that Labor is going to really hurt—those 72 per cent in the seat of Bennelong.

Let me look at some other Labor seats. For example, in the federal seat of Banks, as at 1 January, 56 per cent of voters had private health insurance. Go tell them how much extra it is going to cost them to have private health insurance and that, if they opt out of private health insurance, they are going to be hit with a huge increase in their Medicare surcharge. Go and tell the people of Barton, for example. Sixty-one per cent of the people in Barton have private health insurance.

This government is ideologically trying to portray this change as somehow hitting the rich. It is not. It is going to predominantly hit people on low to medium incomes—ordinary Australians who know that if they have to subject themselves to the rigours of the public health system, particularly in places like New South Wales, they are going to be waiting and waiting and waiting. Therefore, many of them make sacrifices to take out private health insurance, many senior Australians in particular because they know that they are going to have to call on the system. But this government is about to slug them with higher premiums or, if they do not take out private health insurance, a higher Medicare surcharge.

Let us look at other seats, such as in the Illawarra, where my electorate office is—working-class Labor areas like Cunningham and Throsby. In the federal seat of Cunningham, 55 per cent of people have private health insurance. In the federal seat of Lowe, it is 72 per cent. Try the federal seat of Macquarie: 41 per cent. In the federal seat of Watson, Minister Burke’s seat, it is 50 per cent; in Werriwa, 41 per cent. These are the ordinary Australians that Labor is prepared now to slug—and slug very, very hard.

Labor will turn around and say, ‘Oh, yes, but it’s only a very small number of people who will actually be affected.’ Last time we had this debate, Senator Ludwig had to come into this chamber to correct the record and tell us that it was over a million people—from memory, 1.7 million people—who would be affected by these changes. Catholic Health Australia have commissioned research by Access Economics which shows that the number of people who will quit private health insurance could be significantly higher—much, much higher.

These bills introduce three new tiers to the health insurance rebates. As a direct result of the changes in these bills, the cost of private health insurance, as I have said, will increase for millions of Australians by between 14 per cent and almost 67 per cent. These are people who earn above $75,000 as a single or $150,000 as a couple. Many thousands of the people in Labor’s heartland that I referred to are going to be affected. What sort of spin or argument is the Prime Minister going to run to fudge his way out of this one? The plain and simple truth is that this is a new tax on private health insurance that millions and millions of Australians are going to have to face.
What does this mean for our health system? It will increase the number of patients, treatments and costs on the public side of the ledger. Of course, this is at a time when the Prime Minister is professing he is going to fix public hospitals. It is very clear that all we have seen is lots of rhetoric and not much action from this government.

Senator SIEWERT (Western Australia) (12.53 pm)—Earlier this year in the Senate the Greens successfully moved to split these fairer private health insurance incentives bills so that we could talk about the increase in the Medicare levy surcharge and means testing the rebate separately and allow a separate vote on the bills. This is because we have a different opinion on the bills. We have flagged that we do support means testing for the Medicare rebate—and we will talk about this in more detail when we debate that bill—because we did not support the rebate in the first place. So a move to remove at least some of it and generate more income for the public health system, in our minds, is at least a step in the right direction.

However, the government’s Medicare levy surcharge is a stick to compel people to take out private health insurance, forcing people who are not on high incomes—$75,000 for singles and $150,000 for families—to purchase a market product that is expensive and over which the government has no true and proper legislative control. Health insurance premiums are again about to rise by an estimated six to seven per cent, which is around $195 per family. People often buy the cheapest product available even though it does not service their needs, because they feel compelled to.

The Medicare levy surcharge, we believe, unfairly penalises people who make a conscientious choice about private health insurance. As departmental officials at the recent Senate estimates hearings on 10 February pointed out, people on higher incomes who do not have private health insurance are not influenced by either the rebate or the levy surcharge. Those on high incomes who do not take out private health insurance—estimated at around 130,000—who pay the surcharge were described by officials as ‘unpredictable’. In the past people have described them as not making an economically rational decision. These people have not been included, we were told at estimates, in the Treasury modelling.

These people make a choice not to take out private health insurance for not just economic reasons. In other words, they are not being forced into it by the surcharge. These people take care of their health costs themselves. The Greens believe that this group should not be subject to extra financial penalties for no obvious financial gain to them, as they are unlikely to take out private health insurance and, if they did, they would probably take out basic packages that they would barely use.

The Medicare levy surcharge was introduced by the Howard government following their election in 1996. The Medicare Levy Amendment Act introduced a one per cent Medicare levy surcharge for individuals with a taxable income above $50,000 and for families with a combined taxable income of more than $100,000 who did not have private health insurance cover for themselves and all their dependants.

It is impossible to consider reform of the Australian health care system without considering the role of private health insurance. The government makes a significant contribution to the cost of private health insurance through the 30 per cent private health insurance rebate, or the PHI. It also provides other incentives for people to take out private cover, including Lifetime Health Cover and
the Medicare levy surcharge, which is what we are debating now.

The government progressively introduced these policies in the late 1990s in response to dwindling private health insurance membership. The Medicare levy surcharge was introduced in 1997, the Lifetime Health Cover in 1999 and the 30 per cent private health insurance rebate in 2000. These policies increased private health insurance membership from 30 per cent in 1997 to 44 per cent in 2000, although most of this occurred in the six months before June 2000.

The introduction of these measures by the Howard government was accompanied by a concurrent reduction in the level of expenditure provided by the federal government to public hospitals. A fall of about $1 billion each year pushed public hospitals to crisis in most states and territories, amid claims from the federal government that the state and territory governments were misusing the funds and counterclaims from the federal government that the state and territory governments were misusing the funds and counterclaims by the states and territories that there was underfunding from the Commonwealth—the classic state versus federal debate. The point here is that these policies were introduced in the then government’s philosophical belief that private health insurance would save our hospital system and public health system. The Greens do not share that belief.

While the Private Health Insurance Administration Council collects a large amount of data on the operations of the private health insurance industry, there is little in the way of performance information. This is in contrast with recent efforts to improve accountability and transparency of performance in the public hospital system. If the government is to continue subsidising the private health insurance industry by nearly $4 billion a year, it must take steps to demand more accountability and transparency from the private health insurance funds and private hospitals. Despite the fact that we will be debating means testing the rebate over the coming day, we are currently debating the increase in the Medicare levy surcharge. The fact is, here the government is still supporting the private health insurance industry and will still be channelling millions of taxpayers’ dollars into private health insurance.

The stated intention of the then government’s policies was to increase private health insurance and, supposedly, to take pressure off the public system. We do not believe there is evidence that these policies have done that. We do not believe it has reduced the burden on our public hospitals, and in fact the situation continues to worsen. There is also evidence to suggest that the policy has led to a preference for privately insured patients to use the public system. This is detrimental for the people without private health insurance and does little to take pressure off the public health system, which is what the philosophy of the government of the time was supposed to achieve. The Medicare levy surcharge is, we believe, a clumsy way of taking money from people on high incomes if they do not have private health insurance and it penalises those people that are in fact trying to take care of their health insurance costs themselves and do not believe in private health insurance. There are easier ways, we believe, to fund the public hospital system—that is, get rid of the rebate.

The Medicare levy surcharge is now set at a level where it applies to those who are most likely to have the means to pay their way in a private hospital and pay for ancillary services without the need to depend on insurers. In fact, those people have consciously made that choice. People do not necessarily buy private health insurance because it represents good value for money. Indeed, in most cases we do not believe it does. Many people will avoid declaring their private health insurance on admission to
hospital to avoid paying the large gaps and out-of-pocket expenses associated with many private health insurance plans. In fact, when the Senate inquiry looked into the previous bills concerning this matter we took evidence which suggested that those rates were going up. In other words, more people with private health insurance were still using public hospitals. That undermines the previous government’s assertion that private health insurance encourages people out of the public hospital system and takes pressure off the public hospital system.

The surge in membership following the introduction of Lifetime Health Cover shows people buy only if there is a sufficient threat associated with failing to do so, not because it necessarily delivers good health outcomes. Health economist and National Health and Hospitals Reform Commission Commissioner Stephen Duckett, and others, estimated back in 2000 that if all government subsidies to the private health sector were redirected to public hospitals an additional 1.5 million cases could be treated in Australia’s public hospitals.

Why do federal governments believe it is their responsibility to boost private health insurance membership? If the industry was selling something that represented good value, perhaps they would not have had the same level of difficulty in maintaining fund membership. The policy of subsidising private health insurers undermines Medicare and takes funds away from public hospitals. Consumer advocates Choice have said that the antagonistic response of the private health industry to any changes to the status quo shows how dependent they are on government policy to force customers to take up private health insurance, arguing that if the industry provided a product that offers customers value, it would not require a government subsidy. The loss of members from private health insurance may be a loss for private health insurers but is unlikely to have profound impacts on public hospitals as many of those affected are young people who are less likely to need hospital care, and if they do need hospital care they are likely to use a public hospital rather than bear the surcharges and excess payments associated with private health insurance products. Thus the viability of private hospitals is not threatened by the decline in the number of people with private health insurance; it is threatened by the private health insurance companies failing to provide insurance products that people want.

The Greens have repeatedly expressed our concern about this surcharge and the fact that it is impacting on people that have made a conscious decision not to take out private health insurance. We believe that the money this surcharge would raise should be invested directly back into the public system, and specifically into mental health programs. There is compelling evidence that proper investment in early intervention mental health services can have dramatic health and financial benefits, for example, reducing the estimated $10 billion to $30 billion costs associated with mental ill health in young people. In other words, if we invest early we can (a) provide a much-needed service to young people and (b) we actually save on those longer term health costs. There are many early intervention mental health programs which could benefit from immediate funding, and I suspect that if people knew that the extra money they were being forced to pay through the surcharge was being directly invested in helping to pay for mental health programs they would be more supportive of that particular program. We believe that $145 million that the government say that they are going to raise over four years from the Medicare levy surcharge—and, by the way, we could not get access to the modelling for that—
Senator Fierravanti-Wells—Surprise, surprise!

Senator SIEWERT—Exactly, surprise, surprise! We have no way of knowing how the $145 million was calculated. Our calculations are unable to come up with the same amount of money. It is also important to point out that those 130,000 people that do not take out private health insurance—those unpredictable 130,000 people who make a conscious decision not to take out private health insurance—were apparently not included, as I said earlier, in the modelling.

However, that rubbery $145 million over four years, we believe, needs to be invested in mental health programs and we are suggesting some very concrete proposals, such as the Communities of Youth. Thirty million dollars per annum should be invested in the program that was proposed by the National Health and Hospitals Reform Commission. We are proposing that further money be invested in Headspace. This is an excellent program that has been running now for some time. It is desperately underfunded and needs to be expanded to the areas that it does not cover at the present time. That service has been highly praised and delivers much-needed services to young people.

The third area we believe needs to be invested in is other early intervention services, again recommended by the National Health and Hospitals Reform Commission. We believe further investment in early psychosis prevention and intervention services would provide an excellent way to help those suffering from mental illness. Also, and importantly, we believe we need to be investing in a suicide hospital discharge and treatment program. This is an area that is underfunded, and that has been highlighted in the media recently. Investing in these programs is a way the government can prove that they are genuine about their desire to increase the surcharge to raise funds. Those funds are supposed to be directed to public health. This is a concrete way those funds can be directed to public health. We believe it is a fair way to ensure that services are genuinely delivered for improving the public health system in an area that is much needed, the area of mental health.

We still have concerns around the increase in the surcharge. We believe that the government has not justified increasing the surcharge—other than to keep people in private health insurance. We do not believe that is an appropriate measure to keep people in private health insurance. We do not believe it is the government’s role to keep people in private health insurance. The government should be investing those resources in places other than private health insurance rebates. It should be directing all of that money to the public health system. We do not believe that the private health insurance sector is delivering good health outcomes for our community. We believe, as I said, that it would be better if the government focused more on the reform of the public health system.

We have a number of problems with the government’s arguments and we are extremely concerned that the modelling around the impact of the measures on the public health sector is not conclusive. In particular, the modelling around the Medicare levy surcharge is incomplete. The government says so itself because it cannot model the people who do not take out private health insurance. We do not believe that the purchase of private health insurance is an objective, rational or measurable act. It is highly subjective, and evidence given to several Senate Community Affairs Committee inquiries by people like Dr Tim Woodruff from the Doctors Reform Society and Ian McAuley from the Centre for Policy Development has shown that cost, as a premium or as a tax incentive or disincentive, is rated lower than perceptions of
security and safety. In other words, the basic premise the government is using to do its modelling is flawed. This simply means that the removal of the surcharge would have less of an impact on people’s choices about private health insurance than their age, their general health and their perception of risk and security in general and in relation to their health and wellbeing. In other words, the foundation on which the government is making its decisions is flawed.

The Greens have concerns with the government’s Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] because it is a ‘stick’ to compel people into taking out private health insurance—forcing people who are not on high incomes into purchasing a market product which is expensive and over which the government has no legislative control. And the Medicare levy surcharge also unfairly penalises people who make a conscientious choice about private health insurance.

However, the Greens do believe that any funds raised from the Medicare levy surcharge should be directed towards mental health programs. We believe it is a worthwhile investment and would deliver real outcomes. We believe they are outcomes that not only are essential to our community but also would be supported by people who are essentially what we call ‘conscientious objectors’ to private health insurance.

According to Dr Lesley Russell from the Menzies Centre for Health Policy, the increase in the Medicare levy surcharge suggests we are moving towards a new policy with regard to the role of the private system in health care. The increased surcharge imposed on high earners seems to indicate that the government expects or at least requires these people to have—if not to use—private health insurance cover. We agree with Dr Russell’s observations that it is a confused approach from a policy perspective. It would appear that the case for budget savings has won out over the drive for better health policy.

This is the bottom line here. In this case we do not believe it is about delivering better health outcomes; it is about trying to appease the private health insurance industry—arguing that means testing the rebate is not going to have such an impact on private health insurers because the government is raising the Medicare levy surcharge, thus forcing people into private health insurance. We believe the government is taking two contrary positions. On the one hand it is means testing the rebate; on the other hand it is saying to insurers, ‘It’s okay. We are going to slug the higher earners who do not have private health insurance and try to force them into taking your product, which we actually do not really like.’ But the government is going to do that to appease the private health insurers, to make them feel better so that they will not oppose the means testing of the rebate. The government has taken two contrary positions. This is confused policymaking. At its heart it is not delivering good health outcomes. That is the concern for the Greens. The government needs to be more upfront about what its position is. It needs to be more upfront about investing the funds from the surcharge into real policy outcomes, and it needs to present its modelling on how it came to its figures for the surcharge. The modelling has not been presented to us. We could not get it through the chamber or through estimates. We do not believe the figures. The government seems to have plucked them out of the air. The modelling does not include the 130,000 people who do not have private health insurance.

I move:
At the end of the motion, add:

and the Senate calls on the Government to invest the full amount raised by the Medicare Levy Surcharge (approximately $145 million over 4 years) into mental health programs:

(a) Communities of Youth, Mental Health ($30 million per annum) proposed by National Health and Hospitals Reform Commission;

(b) Headspace (30 new services at $1 million per annum or $30 million);

(c) early psychosis prevention and intervention services ($26 million per annum); and

(d) Lifeline suicide hospital discharge and treatment plan ($15.39 million as a total package over 3 years) and a new Lifeline freecall number ($17.5 million per annum).

Senator BERNARDI (South Australia) (1.13 pm)—In reviewing the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 [No. 2] put forward by the Rudd Labor government, I realise that the government are confronted with a great moral challenge. You may be excused for thinking I am referring to last year’s great moral challenge of our time—the Carbon Pollution Reduction Scheme, which somehow has been relegated to the backblocks of the legislative agenda for 2010. That is just another example of the failure of this government to implement any substantive policy that is actually in accordance with the best interests of the Australian people.

We could talk about the whales and how the government is going to sue people and take the Japanese to court. That has been on the backburner for a couple of years but has reappeared now in an election year. We could talk about the government’s environmental promises with a CPRS and other nonsense that it has put forward as the greatest moral challenge of our time. That has gone. We could talk about its fiscal conservatism before it blew $150 billion of taxpayers’ money on nonsense. We could talk about its failed education revolution where it has not introduced a laptop per student as it promised before the last election. Now we are into a new realm of broken promises. In this instance we are talking about the Medicare levy surcharge, another broken promise by the Rudd government, which in spin worthy of a whole troop of whirling dervishes it has called the Fairer Private Health Insurance Incentives Bill—more nonsense because there is nothing fairer about what the government is proposing here. The government is proposing to increase taxes for those people who previously wanted to take care of their own private health insurance needs but who will be forced to drop it because of the consequential action the government is proposing to take in removing the private health insurance rebate. It is more nonsense, more empty rhetoric and more spin from the most loquacious and disingenuous Prime Minister that this country has ever seen.

Let me remind you, Madam Acting Deputy President, of why I can say that this is more empty rhetoric from an empty vessel in the Prime Minister who makes a heck of a lot of noise. He has said repeatedly that the government—federal Labor—will also maintain Lifetime Health Cover and the Medicare levy surcharge. There is your get-out-of-jail-free card for the Prime Minister because the word ‘maintain’, he would maintain, could be interpreted as ‘increase’, because increase tax is what these bills will do. They will increase the taxation burden on ordinary Australians and Australian families. They will increase by 0.25 per cent and 0.5 per cent the Medicare levy surcharge for individuals and couples. They will be increased because the government is pursuing an ideological vendetta against private health insurance. It is just another vendetta that this government pursues in relation to private ownership, pri-
Private industry and private enterprise, and private thrift—anything that does not place the government at the economic centre of how the country is running and that does not place the government at the centre of family life or the education system. This government is opposed to anything that does not have it at the very core of almost every event in Australia.

Australian families do not want that. Australian families want to be able to take care of themselves. They want to be able to look after their own health needs by taking some responsibility, by having affordable private health insurance. They have private health insurance so that it maintains options for them but also relieves the burden on the public health system. And it is very hard to argue against that. Something along the lines of 56 per cent of operations are now undertaken in the private hospital system. This is the very system that this government wants to undermine. It wants to undermine it by removing the private health insurance rebate, which would make private health insurance more expensive for certain individuals. I am sure any number of those individuals will drop out of private health insurance because they will no longer be able to afford it as their electricity bills go up 16 or so per cent and their gas bills rise and their mortgage costs rise as a result of the spendthrift ways in which this government is throwing cash around.

As the cost of living goes up, people have to make discretionary decisions and private health insurance, as important as it is, is not regarded as important enough by this government, which is making it unaffordable. So there is a stick for this government to beat private health insurance out of people. As people are reliant then on the public health system, as they fall into the Medicare safety net, this government wants to beat them again by increasing the Medicare levy surcharge. For a high-income earner—and a very big question is what is a high-income earner in this day and age—living in Sydney you will need substantially more money to be a high-income earner and to maintain a certain lifestyle than if you live in, say, Hobart or Adelaide. The government is going to beat you with more tax. More tax is some sort of incentive. Apparently the logic is this: ‘We are going to make you drop out of private health insurance and then we are going to tax you more for putting extra pressure on the public health system.’

It strikes me as a duplicitous, irreconcilable objective. The government wants to reduce the pressure on the public health system, yet it wants to provide disincentives for people to maintain private health insurance. The government, of course, knows the consequences of its actions. Basically, it means it will reap more money from the Australian taxpayer. It is going to rip cash out of households that, in many instances, really cannot afford it and is doing so in order to buttress its own coffers—the coffers that have been run down not into just an empty vault but into negative territory. This government has wasted so much money. It has been irresponsible with taxpayers’ money; it has been irresponsible with its ideological agenda that is seeking to pit ordinary Australians who are seeking to take care of their own needs and requirements against their own government. What a shameful thing! I know there are many on the Labor side who share my disdain and contempt for the way Mr Rudd is going about his business.

Senator Cormann—They do, too.

Senator Bernardi—I know they do, Senator Cormann; they tell us all the time. They provide us with this information. They see the failed policies. They see these extraordinary interventions in the private marketplace with, quite frankly, hideous conse-
quences. We see no-one prepared to take responsibility for the failings, and this is the great shame of this government. They are shameless in distancing themselves from all their policy failures. It is always someone else’s fault—it was the last government’s fault. The last government had the highest level of private health insurance participation. We had shorter waiting lists in our hospitals than there are now. That was another broken promise by Mr Rudd and his government. I wonder if the people of Australia remember that one: ‘We will take over the hospital system in 2009.’ They have not managed to achieve that. In fact they are washing their hands of it and doing the Pontius Pilate in saying: ‘No, it wasn’t us. It was the states. We now have to come to a reasonable agreement with them.’ I am sick of it and my constituents are sick of it. The Australian people are getting very tired of listening to the empty vessels in this government making all sorts of unsubstantiated claims and never bearing account for them.

We are going to hold them to account today by voting against these bills. This government said that they would not be messing with the Medicare levy surcharge. On 20 November 2007 the Prime Minister said:

Federal Labor will also maintain Lifetime Health Cover and the Medicare Levy Surcharge.

He went on:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

Clearly that is more nonsense because they have already introduced the bill. It has been rejected and now they are going to reintroduce it to change those rebates.

How can this government hold their head high? This is the great moral dilemma facing this government now. How can they backflip, twist, spin, somersault, pirouette—how do you want to describe it—flip-flop on a core election commitment and then have the audacity and the hide to go on public television and come into this chamber and the other place and say: ‘We are honouring our election commitments’? It is absolute nonsense but they hope that, if they speak for long enough and use enough long words, the public and the commentariat will get confused and will not actually know what they said.

The Australian people and the commentariat, the observers, those who are absolutely interested in politics and those who are just observers of it or even casual acquaintances with what goes on in this place, are waking up to the fact that we have the most dysfunctional government that I can recall in my lifetime. Of course there was one parallel, but I was only a boy, and we thank Sir John Kerr for his contribution to democracy on that occasion because he saved Australia from a terrible fate. We are about to have a very similar fate befall us under this government, which has completely lost control of its financial capacity. It has lost control of taxpayers’ money. It has even lost control of its own programs.

This government received warning after warning about the failure of its programs and about the dangers of some of its programs and it ignored those warnings. In fact it beggars belief that departments would receive warnings for a minister and not give them to him. They prepare warning after warning, and they get independent warnings about the dangers of some of the programs and the inherent flaws in them, yet they do not bring them to the minister’s attention. There is a grotesque failure of policy process somewhere. Who is going to wear the responsibil-
ity for it? According to the Rudd government ministers and to Mr Rudd, who endorses as first-rate the minister who has prevailed over that particular disaster, no-one is going to wear responsibility. It is a shameful day.

These bills exemplify once again the lack of substance, the bluster, the falsehoods, the misleading promises and the empty rhetoric that this government has come to typify. In fact, I think it actually represents a disdain in many ways for the Australian people. When it comes to an election the Australian people render their choices based on what politicians say and on their track record. Unfortunately in Mr Rudd’s case they did not have a great track record to assess. They had his track record in Queensland which was hushed up. I remember when Senator Joyce tried to table some documents regarding Mr Rudd’s contribution in the Heiner affair in Queensland. The Labor Party would not allow us to do that because they did not want Mr Rudd’s track record to come under scrutiny.

The Australian people believed in what Mr Rudd said because he was Kevin and he was from Queensland. We have discovered that Mr Rudd does not have the same integrity as many of my colleagues from Queensland. We have found that Mr Rudd was prepared to do anything and say anything and blame anyone just to get into power. When he got into power he did not know what to do. He honestly has not known what to do, so he has stumbled from one failure to another. He has presided over one policy failure to another, from one broken promise to another broken promise, and the Australian people are getting very tired of it. Some of the programs that, of course, Mr Rudd has implemented—and I have spoken about a couple of them—have been mired in abject failure, yet he then has the hide to try and blame the opposition, or the minor parties or the states. It is always the blame game. He is always going to blame someone else. I seem to recall some more rhetoric in the wind about ‘the buck will stop with me’. It is time to end the blame game, particularly in health.

Not content with failing to implement the programs he said he would, the Prime Minister now wants to implement policies that he said he would not. This is the very crux of this matter. Mr Rudd and his team have an ideological hatred of private health insurance. They want to get people out of private health insurance and onto the teat of government because that means there will be a bigger bureaucracy—bigger government with people reliant on that government. It is the wrong way to go, but that is what this legislation does. This is another stick—a stick which will beat families in this country. It is going to cost them a lot of money every single year, for what purpose? So that this government can continue to spend irresponsibly. Deep in your heart, Madam Acting Deputy President Hurley, you know I am right. You know I am right and the Australian people know I am right. We have never seen such an abject waste of money and such wanton expenditure with so little to show for it. I should now say, Mr Acting Deputy President McGauran, deep in your heart, you too know I am right.

This government is now struggling to make a positive agenda for the Australian people. It is clearly only seeking to prop up its own re-election. How can it do that? The government’s attitude is: ‘Let’s target those people who don’t support our ideology,’ meaning those who do not support big government. ‘Let’s target those people who want to get on with their own lives and want to take responsibility for themselves. Let’s target those people who have built Australia, let’s penalise and punish them. Why do we do it? So that we can take money into our coffers and hand it out to those we deem worthy.’
The Australian people are worthy of a fair go. They are worthy of being given incentives to do the right thing and when we have a hospital system which is so clearly struggling—and it is struggling—why would we be pursuing any sort of measure which will increase demand on the Australian hospital system? Make no mistake: these bills, which we are discussing now, and a bill which will come up later, are absolutely related. These bills are trying to pre-empt the consequences of their own policy, which they are going to introduce later today or perhaps later this week. It is time for this government to come clean with the Australian people. It is better to fess up and say, ‘We really haven’t got a clue what we’re doing. We’ve spent far too much money but now we’re in a big hole and we need to get ourselves out of it. Can you help us?’ Who knows? The coalition might help the government to try to rectify the mess.

The greatest help we could give the Australian people would be to be re-elected later this year because another term of the Rudd government means another three years of waste, of dysfunction, of ego and of hubris unforeseen—you cannot imagine how they strut the corridors of power in this place, strutting around thinking they are the masters of the universe. They are not the masters of the universe. They are servants of the Australian people and they are failing the Australian people at every single turn. It is time to restore some balance and harmony into this place. It is time to restore some balance and harmony among the Australian people so that those who need help will get it, but the government are not intent on helping anyone except themselves.

Senator CORMANN (Western Australia) (1.34 pm)—I have said it before and I say it again: the Rudd Labor government has been an absolute failure in the health portfolio. The Minister for Health and Ageing, Nicola Roxon, is a very lucky lady. There is so much incompetence in the Rudd Labor government right now with Minister Garrett and Minister Conroy and all the incompetence around that she is able to hide under this carpet of incompetence. If it were not for Minister Garrett and Minister Conroy and if it were not for some of the others who are performing disastrously in the administration of public policy, surely Minister Roxon would be under some very serious pressure.

Before the last election, the Rudd Labor government promised the world in health. They promised the world and they have delivered next to nothing. They overpromised; they have underdelivered; it was all talk and no action. Before the last election, we were told that only Labor had a plan to fix public hospitals, yet after the election did we see the implementation of any semblance of a plan? No, we did not. We got a 20-month review and even after that review made recommendations, we now have a review into the review and a series of photo opportunities around Australia for the Minister for Health and Ageing and the Prime Minister. There has been not one decision, just bureaucratic reviews into the never-never. No doubt, just as we now have the promise to take Japan to court in November over whaling, we will get an announcement in the next little while as to what Labor would do should the Australian people be unfortunate enough for Labor to be re-elected to government at the next election.

Mr Acting Deputy President, I put you on notice. You should take a very careful look at what comes out of the Rudd Labor government in the next few months. I would not be surprised if we get another promise and the Australian people are asked to take the government on trust moving forward. Our message to the Australian people is that you cannot trust a single thing that is being said on
health by the Rudd Labor government. With federalism on health we were promised that the buck would stop with the Prime Minister, but what have we seen? The states and territories have been giving the Rudd Labor government the run-around. Kevin Rudd is now using the states and territories as an excuse as to why they are not able to follow through on some of the premises they made before the last election.

We had the most emphatic promise from the Rudd Labor government that it would maintain the existing private health insurance policy framework. The Rudd Labor government told us and the Australian people that it would retain the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 45 per cent rebates for older Australians. Kevin Rudd must have thought this was a pretty important promise to make in order to win the election in 2007 because, four days before that election, on 20 November 2007, as the then Leader of the Opposition, he wrote a letter to the Australian Health Insurance Association and gave an absolutely ironclad commitment. He must have thought he needed to do that in order to win some votes. Why else would the Leader of the Opposition bother to write a letter to a gentleman called Dr Michael Armitage, the Chief Executive Officer of the Australian Health Insurance Association? If Kevin Rudd did not think it was important to win some votes and if he did not think the people of Australia thought it was important, why would he have bothered to write the letter four days before the last election? Of course he thought it was going to help him win votes and to conduct what we now know to be an absolute deception.

Nicola Roxon, the shadow minister for health and ageing, not to be outdone, confirmed the opposition’s commitment to the private health insurance rebate and then went a step further. She accused those of us who were questioning the sincerity of Labor’s commitment to the private health insurance rebate of running a scare campaign. She put out a press release in the lead-up to the election, on 26 September 2007, which stated:

... Federal Labor has made it crystal clear that we are committed to retaining all of the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue.

Then came the clincher:

The Howard government will do anything and say anything to get elected.

We know that it was the Rudd Labor opposition, now the Rudd Labor government, that was prepared to say and do anything in order to get elected. There has very clearly been a fraud committed on the Australian people, the voting public, across Australia.

The deception of Labor has continued in government. After the election of the Rudd Labor government, we thought we had better check that what it said before the election was indeed what was happening after the election. The officials sitting in the advisers’ box would well remember that at estimates after estimates we asked questions of the government, trying to find out whether it was committed to retaining the existing private health insurance rebates. As late as 24 February 2009, the Minister for Health and Ageing, Nicola Roxon, said that the government was ‘firmly committed’ to retaining existing private health insurance rebates. We found out that, while the minister was making that statement on the public record, officers of her department, at her instruction, were working up the proposal that we are debating in this chamber today. This is deception at its
worst. The government is taking the Australian people for mugs. This is bad public policy—and I will get to the argument about why it is bad public policy. However, what is really offensive about this legislation is the absolute brazenness of the Rudd Labor government in setting out in a premeditated way to deceive the Australian people.

We are debating this legislation the wrong way around. I understand why the government now wants to deal with the Orwellian named Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 [No. 2]. These bills are nothing more and nothing less than consequential bills to try to mitigate some of the impacts of what the government’s legislation is really about. What the government really wants to do is reduce or scrap the private health insurance rebate for millions of Australians. What the government really wants to do is run its ideological attack on private health insurance irrespective of the pressure this will put on public hospitals, irrespective of what it will do to our health system, irrespective of what it will mean in terms of fewer people having private health insurance and irrespective of what it will mean for private health insurance premiums moving forward. The objective that the government is pursuing is to reduce or scrap private health insurance rebates.

We are dealing here with an attempt by the government to stop those people who will see significant increases in the cost of their private health insurance as a direct result of this legislation from leaving private health insurance. When we were in government, we introduced a package of carrot-and-stick reforms to support Australians taking additional responsibility for their own healthcare needs by taking out private health insurance. The government wants to reduce the value of the carrot and to increase the cost of the stick. As Senator Fierravanti-Wells said, this legislation is nothing but an additional tax hike—something that the government never said before the last election that they would do.

This legislation comes on top of previous changes made by the government to private health insurance policy arrangements. Mr Acting Deputy President, you would remember that Labor made changes to the Medicare levy surcharge thresholds in its first budget, even though it said before the election and then confirmed after the election that it would not. In its first budget, it went ahead with changes to the Medicare levy surcharge thresholds. The Rudd Labor government’s initial proposals were for a reduction of about $960 million in expenditure on private health insurance rebates on the basis that it would not. According to the government’s own figures, that initial change was going to result in a $740 million saving over the forward estimates in spending on the private health insurance rebates. So the government already has to spend significantly less on the private health insurance rebate compared to
what it promised before the election and compared to what would have been the expected expenditure when it decided on making its commitment to retaining the existing rebates. Furthermore, by saving $740 million on not paying the rebate to those people who will leave private health insurance or those people who will not take it up, the government has already taken $2½ billion out of the health system as a result of about 500,000 fewer people having private health insurance.

We have got to remind ourselves at this point that, while this is going on, the government is doing nothing to fix public hospitals, other than having reviews that go for months and months and pursuing broken promises. The government is spending billions and billions of dollars recklessly, whether it is $2½ billion on pink batts or $14 billion on Julia Gillard memorial halls—you name it. Billions and billions of dollars of reckless spending and who is being asked to pay the price? It is people across Australia who need timely and affordable access to quality hospital care and people across Australia who are making a sacrifice every year by taking out private health insurance, by taking additional responsibility for their own healthcare needs. They are the people that this cold-hearted government wants to pay the price for its reckless spending and who is being asked to pay the price? It is people across Australia who need timely and affordable access to quality hospital care and people across Australia who are making a sacrifice every year by taking out private health insurance, by taking additional responsibility for their own healthcare needs. They are the people that this cold-hearted government wants to pay the price for its reckless spending and who is being asked to pay the price?

As I have mentioned, the effect of this package of bills very clearly will be that fewer people will have private health insurance. There will be upward pressure on the cost of private health insurance, which again will see more people leave. All of this will put additional pressure on our public hospital system, and of course we go back into this old-fashioned, Labor Party induced vicious circle in our health system. I just remind the chamber, as I have reminded it before, that the Labor Party have got form on this. When the Labor Party get into government, they attack people with private health insurance. In so doing, they put our health system out of balance. The policy challenge for us is to ensure we have got a health policy framework and a health system in which all Australians can have timely and affordable access to quality hospital care, and the best way to achieve it is through a well-balanced, mixed health system with both a strong and well-funded public system and a strong and well-supported private system. When Labor were last in government, they did exactly this sort of stuff. They pulled these sorts of stunts and the proportion of Australians with private health insurance went down from about 63 per cent to about 30 per cent before we were able to turn it around.

Labor today will tell you: ‘It has not happened. You said all these terrible things would happen last time.’ Never mind that it was Treasury estimates which predicted that 644,000 fewer people would be in private health insurance as a result of these changes. Never mind that these changes do not happen within 24 hours of legislation having being passed through this chamber, as much as Labor might like it to be otherwise. When we got into government in 1996, it took two or three years before our changes started to take effect too. What I am concerned about is that, if this Senate were to allow the Rudd Labor government to continue with these sorts of terrible broken promises, which will make it harder for Australians to afford private health insurance, then we will see very, very bad consequences for our health system moving forward—maybe not immediately, within 24 hours of passing the change, but
over time, because that is what happens with social policy changes.

Of course, we did propose a better alternative to this. We proposed to increase the excise on tobacco by $2.2 billion over the forward estimates, according to Treasury evidence at estimates, which is about $300 million more than the $1.9 billion the government is trying to save through this measure over the forward estimates. This happens to be consistent with one of the recommendations from the National Preventative Health Taskforce—another one of those reviews that the government has left in a cupboard somewhere, which it received at the end of June last year and which nothing has happened with since. It is one of those many reviews that the Rudd government is so good at instigating but without taking any action as a consequence. Has the government taken on board that very constructive suggestion that we have made? Of course not—silence.

This is not about saving $1.9 billion. If it were about saving money, the government would not have been out there wasting billions and billions of dollars on dangerous home insulation programs; they would not have wasted billions and billions of dollars on Julia Gillard memorial halls to replace school buildings that were perfectly functioning and perfectly okay. This is about an ideological war which the Labor Party has been pursuing for decades against people with private health insurance. It is about an ideological war against those Australians who take additional responsibility for their own healthcare needs. It is about wanting to put the health system out of balance. It is about destroying private health insurance; that is what this is all about. That is why the Rudd Labor government never even entertained the alternative that we put forward.

Here we are, with the first piece of legislation to come back after the House of Representatives passed legislation relating to the greatest moral challenge of our time, the flawed ETS, and we are dealing with this broken promise instead of dealing with the emissions trading scheme. Where is the emissions trading scheme on the list? It is way down, and I suspect that the Labor Party, in its caucus, is getting increasingly uncomfortable about the lack of popularity and the fact that people across Australia are starting to understand what a dog of a scheme the ETS is, that great big new tax which Labor wants to impose on everyone.

Why are we dealing with this now, even though the government already knows that it does not have the support of the Senate for it? The reason we are dealing with it is politics as the government just wants to collect another double dissolution trigger. This is not about health, this is not about doing the right thing by our health system and this is not about making sure the people across Australia can have timely and affordable access to quality hospital care. This is about the Rudd Labor government’s political strategy. It is about covering up that it is all talk and no action; it is about running away because it wants to try to get away from the impact of the emissions trading scheme. I am sure that right now behind the scenes in the Prime Minister’s office there are people—the hulldoors of the Prime Minister’s office—plotting and scheming how they can get their heads out of the noose as far as the emissions trading scheme is concerned.

We are dealing with a blatant broken promise. We are dealing with a bad, bad, bad public policy measure which will be bad for our health system. We are dealing with something that the Rudd Labor government promised emphatically before the last election it would not do. At the same time, the government has done absolutely nothing to
deal with the many challenges of our health system. I say it again—and I conclude on this point: before the last election the government promised the world in health. Only Labor, according to the Prime Minister, had a plan to fix public hospitals. Prime Minister, where is your plan? When are you going to start implementing it? When are you going to start making decisions that will actually improve things in our public hospitals rather than pursuing this blatant, offensive, broken promise which will make things worse in our health system, not better? We are all waiting to see it. When you finally get around to making a decision about the review you had better make sure that there is some tangible action—some real decisions—rather than yet another bureaucratic process on the never-never. The people of Australia were promised that there would be some tangible improvements to our health system. So far, all they have had will make things worse. It is time that we got some real action rather than talk in the health portfolio.

Senator IAN MACDONALD (Queensland) (1.54 pm)—I am pleased to join my colleagues in this debate on the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 [No. 2] to strenuously oppose this latest cash grab by the Rudd government. The Prime Minister, Mr Rudd, in a letter he wrote on 20 November 2007, just a few days before the last election, said to Dr Michael Armitage, the CEO of the Australian Health Insurance Association:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

That seemed to me to be a rock-solid guarantee, in writing, that Mr Rudd would not be doing what he is doing in this bill. I ask Senator Sherry, representing the government in this debate, what it is that allows Mr Rudd to make a rock-solid written promise like that and break it with impunity.

On the first day back in this sitting of parliament we are debating a broken promise, a broken commitment, by Mr Rudd. Instead, one would have thought we should have been debating the greatest moral challenge of our time. Mr Acting Deputy President, you will remember that Mr Rudd called his Carbon Pollution Reduction Scheme the greatest moral challenge of all time. Yet, if it is such a challenge, why are we not debating that this week? Why are we instead debating a broken commitment, a commitment made in writing by the Prime Minister just before the last election? I note in passing that the list of speakers is pretty short when it comes to the participation of Labor senators in this debate. I can well understand their reluctance and reticence to get involved in this debate. Which Labor senator would want to promote a bill that is a direct breaking of a written promise by their leader just a couple of days before the last federal election? I can well understand why Labor senators are running for cover in this debate. It seems incredible and improbable to me that, instead of debating the greatest moral challenge of our time, the Carbon Pollution Reduction Scheme, we are here today debating the breaking of a direct written commitment by Mr Rudd just before the last election.

Labor’s manifest inadequacies in health administration are many and varied. Wherever you look around the public policy area you can see Labor has failed in health as it has failed in economic management. During this debate I want to mention to senators an experience I have personally had in the way the Labor government has messed up pathol-
ogy tests. You will recall that in the last budget the government took $180 million off pathology tests. Senators may know that in 1996 I had open-heart surgery and had my aortic valve replaced with a plastic one. To keep my heart operating and to keep me alive, I have to keep my blood thin, which means I take Warfarin every day. To make sure the Warfarin is properly adjusted, I have regular pathology tests. For the last 13 years I have had a pathology test every three or four weeks at no charge. Now under the Rudd Labor government it is going to cost me $40 a time to stay alive. That is not too bad for me—perhaps I can afford it—but there are many of my constituents who simply cannot afford the $40 a time under Labor.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Broadband

Senator MINCHIN (2.00 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. I refer the minister to the fact that as of 31 October last year the NBN Co had a monthly wage bill of $1½ million for 46 employees, meaning that the average annual wage is around $391,000, or $40,000 more than that of the Prime Minister. Given that this government owned company which has no customers, no revenues and is entirely taxpayer funded now has some 112 employees, will the minister confirm that the monthly wage bill now exceeds no less than $3½ million per month?

Senator CONROY—I am glad that Senator Minchin is able to read out the answer to a question; we provided the information to him. If you are seeking—and I was not quite sure about what your question was seeking—the latest information, I am happy to get that for you. I do not have it handy, but I am happy to get for you any information once I have it.

Let me be very clear about the role of NBN: it is a start-up company that started from zero employees less than a year ago and has been working incredibly hard to deliver on the government’s policy agenda—that is, to deliver broadband to every Australian after the disgraceful state of broadband in this country left by those opposite after 11½ years. There were 18 failed broadband plans, and the last of those failed broadband plans in fact did not have a cost-benefit analysis attached to it. The OPEL project had no cost-benefit analysis behind it whatsoever; it was $1 billion given to one company after the goalposts were moved. Let us be very clear: there was no cost-benefit analysis and at the same time those opposite were actually engaged in requests for tender on a fibre process in the main capital cities. There was no cost-benefit analysis done before they started a process themselves. So, for those opposite to come in here and start attacking the employees of the National Broadband Network as if they are not doing anything, is grossly unfair and should be seen for what it is: an opposition bereft of a policy. (Time expired)

Senator MINCHIN—Mr President, I ask a supplementary question. The minister yesterday publicly confirmed that approximately 40 per cent of NBN Co’s employees were hired without interview and without the jobs being publicly advertised and were employed solely on word of mouth. Minister, how can such exorbitant salaries as $450,000 for Labor associate Mike Kaiser be justified when so many positions are not advertised and so many employees do not even have an interview before appointment?

Senator CONROY—I am very pleased that Senator Minchin is actually awake at Senate estimates when Mr Quigley gave him that information. Senator Minchin did say, ‘Go away and check it and come back,’ but Mr Quigley gave him that information at
As for the question of the rental in Melbourne, I have seen a newspaper report on that and I am happy to come back with any information that is relevant for Senator Minchin on that. But let me be clear: to suggest that the National Broadband Network is going to deliver no services is just untrue. (Time expired)

Opposition senators interjecting—

The PRESIDENT—Order! Time for debating is at the end of question time.

Economy

Senator HURLEY (2.06 pm)—My question is to the Assistant Treasurer, Senator Sherry. Can the Assistant Treasurer inform the Senate on what the latest economic indicators tell us about Australia’s emergence from the global recession? What has been the role of the Rudd government’s quick and decisive action in guiding Australia through the worst of the global financial crisis and onto the road to full recovery?

Senator SHERRY—The indicators continue to be positive for the Australian economy and for business and for jobs. Significantly, further improvement is likely, with last week’s NAB quarterly business survey finding business confidence strengthened further in the December quarter. It is now at the highest level in 15 years. This boost to business confidence comes off the back of the Rudd government’s economic stimulus and its underpinning of ongoing investment and job creation in the face of considerable economic challenges that confront our global economy. Business conditions also improved further in the December quarter. They are at their highest level since March 2008. The improvement was broad across most sectors, with finance, property services, residential construction and construction services performing the best. The independent OECD report released last week made it clear that fiscal and monetary stimulus in Australia...
shielded businesses and citizens from the initial impacts of the global recession. Employment in Australia in 2010 will be between—

*Senator Abetz interjecting—*

**Senator SHERRY**—Senator Abetz is of course interjecting, Mr President, as you know. He cannot find any reputable economic commentator to support the Liberal-National party’s opposition to the stimulus—he cannot find any. Today’s new vehicle sales figures released by the Bureau of Statistics are further proof of the success of the stimulus. Although the January 2010 seasonally adjusted estimate for sale of new vehicles decreased by 3.4 per cent compared to December 2009, this was expected because of the government’s small business and general business tax break, which concluded on 30 December—another part of the stimulus package. The impact of the stimulus tax break is shown in year-on-year figures. According to the ABS, the January 2010 seasonally adjusted estimate for motor vehicle sales increased by some 15.6 per cent. (Time expired)

**Senator HURLEY**—Mr President, I ask a supplementary question. How does Australia compare to the rest of the world in terms of economic performance through the worst global financial crisis in 75 years? What are the Rudd government’s plans for full recovery from the global recession and for continuing to keep Australia at the head of the pack?

**Senator SHERRY**—I was just referring to car sales. Of course, car sales in most other advanced economies fell off a cliff, and that did not happen in Australia. As a comparison, Australia is one of three of 33 advanced economies to avoid recession during the global financial crisis—just one of three. The IMF estimated the Australian economy grew by just under one per cent in 2009. That compares to a contraction of 3.2 per cent for other advanced economies. Other advanced economies, on average, went backwards over the last calendar year. Australia’s economy grew, and all we have from those opposite is criticism of the measures the government took to cushion the Australian economy. Australia, with 5.3 per cent unemployment, has the second lowest jobless rate behind Japan in the advanced economic world. Since September 2008, of all the major economies in the world, Australia has managed—(Time expired)

**Senator HURLEY**—Mr President, I ask a further supplementary question. Is the Assistant Treasurer aware of any alternatives to the Rudd government’s timely, targeted and temporary economic stimulus measures that have steered Australia through the worst of the global recession?

*Senator Abetz interjecting—*

**Senator SHERRY**—I do not know about pink batts, but I know about pink tutus! If you look at the alternative economic think tank of the Liberal-National party, we have the opposition Treasury spokesman, Mr Hockey. He is the one who waves around a magic wand and pink tutus. He was asked on the weekend about his leader, Mr Abbott. Mr Abbott is the one who thinks we should have had a stimulus package like New Zealand, but of course New Zealand has had five negative economic quarters. Then, of course, we have had Senator Joyce. He is an accountant but he does not understand billions or millions, and he has whipped up dangerous hysteria about Australia’s non-existent government debt problem. Mr Hockey summed it up by saying: ‘Real people making real decisions. That’s what we are.’ ‘We wear tutus when we’re explaining economic policy’—extreme statements and rolling out excuses later. The opposition are tutu-wearing dancers and their tutu—(Time expired)
Telecommunications

Senator FISHER (2.12 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Can the minister specifically explain how the $250 million rebate for commercial television broadcasters—that is, 33 per cent in 2010 and 50 per cent in 2011—was arrived at? Specifically, are the rebate figures directly related to local content costs incurred by those networks?

Senator CONROY—The government will protect Australian content on commercial television by offering licence fee rebates to broadcasters in 2010 and 2011. A rebate of 33 per cent will apply to licence fees payable on revenue earned the period 1 January to 31 December 2010 and a rebate of 50 per cent will apply to licence fees payable on revenue earned in the period 1 January to 31 December 2011. The rebates are just one part of a package of measures to address the structural changes facing free-to-air television at a time when media consumption habits are changing because of the rising use of the internet and as we make the switch to digital television. We make no apology for moving to protect Australian content in this environment. In the Digital dividend green paper, released in January, the government indicated its intention to clear 126 megahertz of spectrum currently used by free-to-air broadcasters for new services. This is a significant microeconomic reform.

Senator Fisher—Mr President, I raise a point of order on relevance. The question was: are the rebate figures directly related to local content costs incurred by the networks? Yes or no? So far the answer has been very boring—nothing new, Minister. Yes or no?

Senator Ludwig—On the point of order, Mr President. What we now have is a rephrasing of the question from the questioner. The minister has been specifically answering the question dealing with both the licence fee rebate and the issue about rebates for commercial broadcasters. The minister has been specifically dealing with the question that has been asked. But, of course, what we now have from the opposition is a rephrasing of the question with the question now put in the frame: will you answer yes or no? I ask, Mr President, respectfully, that you rule that out of order, because that part was not the original question and is a rephrasing of the original question.

The PRESIDENT—I believe that the minister is answering the question. The minister has 52 seconds remaining to add any further information for the questioner.

Senator CONROY—Thank you. This, as I said, is a significant microeconomic reform and, more importantly, one that those opposite when in government had the chance to deliver and failed to deliver. New communications services enabled by the spectrum release have the potential to significantly boost productivity. Moreover, the sale of this spectrum will generate substantial revenue for the Commonwealth. The government’s decision to offer a temporary rebate on licence fees recognises the unique pressures facing the free-to-air sector. Analysts have recognised that free-to-air television is undergoing a significant structural decline. I can go no further than quote Mr Rupert Murdoch, who told a News Corp shareholder meeting late last year that broadcast stations ‘can no longer be supported solely by advertising revenues’.

Senator FISHER—Mr President, I ask a supplementary question. That is, at best, ‘I’m not sure,’ or a no. Why then, Minister, did the announcement state:

… the government will protect Australian content on commercial television by offering a licence rebate to broadcasters in 2010 and 2011.
Senator CONROY—As I was just saying, Mr Rupert Murdoch—someone the opposition leader wants to like him—has made the statement when he told a News Corp shareholder meeting late last year that broadcast stations ‘can no longer be supported solely by advertising revenues’. Respected analyst Roger Colman noted last week:

Not only did profitability decline by half for most of the TV networks in fiscal ‘09, but more importantly, their relative share of advertising … has fallen 33 per cent since 2005.

In the face of this structural change and the arrival of the converged media environment, it is imperative that the government protects Australian content. Local content production is expensive. It costs around $800,000 to produce an hour of Underbelly or Packed to the Rafters. In contrast, it costs only $100,000 to buy an hour of Two and a Half Men. (Time expired)

Senator FISHER—Mr President, I ask a further supplementary question. ‘I don’t know; I’m not sure’—can someone please help me out of my ministerial misery? Minister, is media analyst Peter Cox right when he says:

I think the problem with the Government’s rebate of some $250 million to the free-to-air television stations is that it doesn’t seem to be supported by any economic logic from either the Minister or the Prime Minister.

Is he right, Minister?

Senator CONROY—I have already quoted Mr Rupert Murdoch pointing out the structural problem now faced by free-to-air television, but perhaps I could now quote from Chase Carey, chief operating officer of News Corp. He stated:

In broadcasting we have an ad supported business model that does not work.

So I do not know how much further we can go when experts in this sector like Mr Rupert Murdoch and his chief operating officer are saying, ‘The model is broken.’

The rebate is also in recognition of the current high level of licence fees in Australia compared to others countries, such as the US, UK, Canada and New Zealand. For example, in the UK, commercial broadcasters pay an average licence fee of 1.475 per cent; in Canada, 1.372 per cent; in New Zealand, 0.11 per cent; and in the US, 0.04 per cent. Compare that to Australia. Even after this cut we are still the most— (Time expired)

Afghanistan

Senator MARK BISHOP (2.20 pm)—My question is to the Minister for Defence, Senator Faulkner. Noting the amount of reporting on the International Security Assistance Force operation in Helmand province, can the minister update the Senate on this operation and its likely impact on the coalition mission? How is this operation different to those conducted in the past and what will be achieved as a result?

Senator FAULKNER—Operation Moshatarak, currently underway in central Helmand, is the practical implementation of General McChrystal’s new strategy, which places paramount importance on protecting the population, reversing the Taliban’s momentum, and creating the space to develop Afghan security and governance capacity. The coalition is working to separate insurgents from the population, support Afghan government plans to improve governance and develop central Helmand so that essential services can be reliably delivered at the local level. Once Afghan and ISAF troops gain control of the region, the Afghan government will move in quickly to establish civil authority and government support. Shuras, or community meetings, are being held to ensure local needs and concerns are understood and accommodated.
A team of Afghan officials, community workers and service providers, along with their equipment—which has been referred to by ISAF, in fact, as government-in-a-box—are ready to commence assistance in the Marjah area as the military phase concludes. This will allow the rapid provision of badly needed reconstruction and development efforts to this area. And I can say to the Senate and to Senator Bishop, who I know has a close interest in this, that this is where our success ultimately lies—that is, with the people of central Helmand feeling the benefit of security, better governance, justice and economic opportunities.

Senator MARK BISHOP—Mr President, I ask a supplementary question. Can the minister outline why Marjah is so significant for the coalition effort? Why will success in Marjah have such a significant impact on the Taliban?

Senator FAULKNER—Let me give three reasons in the brief time available to me. First, Helmand is a focus for insurgents who have obstructed efforts to improve security, governance and development. Second, it has been used by the insurgents as a command and control and logistics hub from which to mount operations elsewhere in the south. Of most concern is its importance to the Taliban as an area for the mass production of IEDs. And, third, it is central to the narcotics trade. Helmand province alone is reported to produce more than half of the world’s opium. Marjah is the heroin capital of Helmand, from where much of that illicit opium is trafficked.

Senator MARK BISHOP—Mr President, I have a further supplementary question. Minister, what effect will the crisis in the Dutch government likely have on coalition efforts in Afghanistan, and in particular Australian efforts in Oruzgan? If the Dutch withdraw their forces, who will take on leadership of Oruzgan province?

Senator FAULKNER—Mr President, the coalition government in the Netherlands has collapsed, as I am sure senators know, following disagreement between the two major parties about future military commitments in Afghanistan. It will be several months before a new government is in place. Given these developments, we anticipate the Dutch will proceed to relinquish leadership in Oruzgan and draw down their military forces from August this year. As I have previously said, Australia will not assume leadership in Oruzgan. The Dutch are close and valued partners of Australia in Oruzgan province, and we would welcome a continued Dutch commitment in Oruzgan. But I stress: this is a matter for the Dutch themselves. The ISAF leadership in Oruzgan province is a NATO responsibility and NATO is resolving this issue in continuing consultation with Australia.

Broadband

Senator RONALDSON (2.25 pm)—Mr President, my question is to the current Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Minister, when and how did you become aware that the taxpayer funded NBN Co was looking to hire a principal of government relations? Did you discuss with Mr Mike Kaiser the prospect of him working for NBN Co before or after you become aware that the company was looking for a highly paid government relations executive?

Senator CONROY—I think, just remembering the Senate estimates testimony, I described—

Senator Abetz—Just answer it truthfully!

Senator CONROY—I am just trying to remember what was said then because I want to—
Senator Abetz interjecting—

Senator CONROY—No, it is not a problem at all, Senator Abetz. I think Mr Quigley raised with me in a conversation that they were looking for—I am just trying to remember if I am able to identify a date.

Opposition senators interjecting—

Senator CONROY—No, I have many, many conversations with Mr Quigley, just like—

Opposition senators interjecting—

Senator CONROY—I am happy to come to that too. I am really happy to come to that. Senator Minchin proudly told the Senate and the Australian people that when it came to the appointment of John Short, he had had many conversations with Mr McGauchie and had no intention of repeating what they were about. But to go to the substance of Senator Ronaldson’s question: if he were to ask me which date, I am not sure I could remember a date. But as both Mr Quigley and I have said, he raised with me that they were looking for someone; I suggested Mr Kaiser’s name. Did I speak to Mr Kaiser first? No, I do not believe I did. I am happy to take that on notice and I am happy to correct that if that is not the case, but I do not actually believe I did.

Senator RONALDSON—Mr President, I ask a supplementary question. Of course, that was before the minister very carefully neglected to talk about ‘after’. Can we now assume, given that he intervened in the appointment, that he was also involved in discussions relating to Mr Kaiser’s exorbitant salary package? If not, did he raise his concerns with the company about the size of Mr Kaiser’s salary package given his intimate and clear role in Mr Kaiser’s appointment?

Senator CONROY—I thank the senator for his question. I think I have already answered the question about whether or not I knew about the salary. The answer is ‘no’. I understand it is a salary package that is very similar to the salary package that Senator Minchin was able to assist Mr John Short with at Telstra. Let us be very clear: it is entirely consistent with Telstra’s package for its government affairs adviser, the former telco adviser to John Howard, the former Prime Minister of Australia. I think the final part of your question was: did I raise my concerns about it? I only found out about it after. As I said, I had no further communications with Mr Quigley on this matter at all, and the first I knew about it was when they had made the appointment in the lead-up to the announcement. (Time expired)

Senator RONALDSON—Mr President, I ask a further supplementary question. Given clearly the minister spoke to Mr Kaiser after he became aware of this position, and given clearly that the minister has been involved in this process up to his eyeballs, is he now saying that it is appropriate for him to intervene in the processes of a company that he argues is at arm’s length from government?

Senator CONROY—Despite Senator Ronaldson’s clumsy attempt to put words in my mouth, as I said, the extent of my involvement has been publicly revealed and repeated here. That answers his question.

Forestry

Senator BOB BROWN (2.30 pm)—My question without notice is to the Minister representing the Minister for Agriculture, Fisheries and Forestry. In view of the revelations from Dr Alison Bleaney and Sydney scientist Marcus Scammell that eucalyptus nitens might be turning catchments of water in Tasmania into pesticide factories, when did the minister for forests, Mr Burke, first become aware of that toxicity and what action did he or will he take? Can the minister inform the Senate as to the amount of taxpayers’ money which has gone into the genetic modification program which has led to
the eucalyptus nitens producing the added flow-off of toxin?

Senator SHERRY—In respect of whether the minister, Mr Burke, is aware or not, I do not know. I will have to take that on notice because there is no reference in the brief provided to me by the minister. I will take that part of the question on notice. I can provide Senator Brown with some material that is relevant to the range of questions he asks. I am advised that there is no evidence to date that naturally-occurring toxins from eucalypt species have been identified as a problem in drinking water supplies in Australia. Also, the Australian government has endorsed the Australian drinking water guidelines to ensure the safety of drinking water supplies. These guidelines, developed as part of the National Water Quality Management Strategy, undergo periodic review, and a review is underway at the present time. That review is being overseen by the National Health and Medical Research Council’s Water Quality Advisory Committee, and advice on new and revised guidance is provided to a number of ministerial councils for endorsement, including to the Environment Protection and Heritage Council, which Minister Garrett chairs.

These reviews are intended to ensure that guidance on chemicals and other substances of concern that may be present in drinking water is regularly updated, and that new issues or threats to water quality are addressed quickly and efficiently. The minister, Mr Garrett, has asked his department to work with colleagues from the National Health and Medical Research Council to look into the matter of whether or not naturally occurring toxins from eucalypt species should be treated as an issue of concern in drinking water supplies. I will also take on notice the question about the funding matter. (Time expired)

Senator BOB BROWN—Mr President, I ask a supplementary question. Does the minister understand the difference between a flow-off from a natural ancient forest and the flow-off from a human induced and built plantation, and will the minister concede that flow-off from genetically altered and enhanced plantations cannot be described as natural? (Time expired)

Senator Abetz—Who supported the establishment of these plantations?

Senator SHERRY—I have to say that on occasions, though very rarely, Senator Abetz is of some help. He did refresh—

Senator Mark Bishop—Ask Godwin!

Senator SHERRY—I would not ask Mr Grech. On this occasion, Senator Abetz has been extraordinarily helpful. He does remind me of the history of the debate on the plantations in Tasmania. The Greens were very strong supporters of plantations in my home state of Tasmania.

Senator Bob Brown—Mr President, I rise on a point of order. You know the difficulty when Senator Abetz and Senator Sherry get together—

The PRESIDENT—that is not a point of order!

Senator Bob Brown—No, but what is a point of order is that there is 34 seconds left and I ask the minister whether he is claiming that plantation forests and their run-off are ‘natural’.

The PRESIDENT—I do draw the minister’s attention to the fact that he has 34 seconds remaining to address the question.

Senator SHERRY—As I have said, I do not have a brief from the minister, Mr Burke. I will take that aspect of the question on notice. As to the other matters that Senator Brown raised in his supplementary question, under the Tasmanian Regional Forestry
Agreement, the Tasmanian government has of course—(Time expired)

**Senator BOB BROWN**—Mr President, I ask a further supplementary question. I remark on the failure of the minister to answer either of the previous two questions. I ask him: does it not concern the government that the University of New South Wales toxicologist Christian Khalil has said that whatever agent is in the water is 100 per cent toxic to human skin, liver and lung cells. We are referring to water from the Georges River, which supplies the people of St Helens. Does it not worry the government that the same toxin—

**The PRESIDENT**—Senator Brown, your time has expired. I remind senators that supplementary questions are now limited to 30 seconds for the questioner.

**Senator SHERRY**—I am aware of the issue raised on Australian Story on the ABC on 15 February. I understand the second part of the story is to be aired tonight. I have already indicated that I am a representational minister and I do not have a brief from the minister, Mr Burke.

**Senator Bob Brown**—Well you should have—it is all over the media.

**Senator SHERRY**—I have been honest—the fact is I do not have that brief. With due respect, I think I am making a reasonable attempt to answer your question without a brief. I am being very honest and frank in the face of not having a brief, and am taking on notice those areas where I have indicated I will come back to you with an answer.

**Home Insulation Program**

**Senator CORMANN** (2.37 pm)—My question is to the Minister Assisting the Prime Minister for Government Service Delivery, Senator Arbib. As the minister responsible for stimulus plan work opportunities, when did the minister first become aware of the inadequate training and safety issues for workers involved in the ill-fated home insulation program?

**Senator ARBIB**—I thank the good senator for the question. In my role as, firstly, the parliamentary secretary for our government’s service delivery but also as the then Minister for Employment Participation, I have done everything possible, as has Minister Garrett and as has his department, to ensure that adequate safety arrangements have been in place for the home insulation program. These issues of training were identified from day one. It was clear that it was necessary for adequate training to be put in place and the minister responsible made a number of decisions throughout the term of the program to ensure that adequate safety arrangements were in place. In terms of the question of when I was aware that training was going to be necessary, it was from day one, because it was clear to anybody involved that this sector had been completely unregulated and that training was required for those workers who were moving into the sector. Can I also say how saddened I was that the program was forced to shut. This will result in the loss of many jobs. While those on the other side of the chamber, the Liberal Party and National Party senators, can skite about the home insulation package, I do not and will do everything possible to stand by those workers who have lost their jobs to ensure they have training, to ensure they—(Time expired)

**Opposition senators interjecting—**

**The PRESIDENT**—Order! The time for debating this is at the end of question time. I am waiting to call Senator Cormann.

**Senator CORMANN**—Mr President, I ask a supplementary question. Is it true that the minister, as the then Parliamentary Secretary for Government Service Delivery, attended weekly briefings on the development of the home insulation program? Did he
make himself aware of the contents of the risk assessment or risk register prepared by Minter Ellison, and if so when?

Senator ARBIB—Yes, I can confirm to the Senate that I was involved in meetings and I met regularly in my role with all departments and all ministerial officers involved in the rollout of the stimulus package. A line of communication was created between the Commonwealth and state governments and obviously the coordinator-general. In relation to the report, in the past week my office has checked its records and I can advise that neither I nor my staff had seen the report prior to my office receiving it on 12 February this year. I do not hide from the fact that I was present at discussions concerning risk in the home insulation program, along of course with Minister Garrett, along with his staff and along with his department. Of course, that would be the appropriate thing to do: manage risk, try to ensure that the program worked—(Time expired)

Senator CORMANN—Mr President, I ask a further supplementary question. What specific steps did the minister take to ensure that those workers installing insulation as part of the government’s rushed stimulus package had sufficient training to do the job safely?

Senator ARBIB—Throughout the entire process the government—Minister Garrett, his staff and his department—were 100 per cent committed to establishing and maintaining a robust compliance and audit program as well as managing the risks that go along with any program.

Opposition senators interjecting—

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

Senator ARBIB—In terms of what was done, there was an installer register for providers and that had the terms and conditions of registration including requirements for installer insurance, minimum skills and training competencies and, obviously, the program’s ordinance and compliance regime, the nationally accredited training package for insulation installers, the referencing of Australian standards and the Building Code of Australia in the program guidelines, the convening of regular industry consultative roundtables to monitor the program’s rollout and an adaptive approach so—

Opposition senators interjecting—

The PRESIDENT—Order! I know there is not much time left, but it is very difficult to hear the answer if people are constantly interjecting.

Senator ARBIB—an approach to be able to manage issues as they arise, and I know Minister Garrett has raised that on a number of occasions. (Time expired)

Health

Senator CAROL BROWN (2.43 pm)—My question is for the Minister representing the Minister for Health and Ageing, Senator Ludwig. Can the minister inform the Senate of the government’s achievements and plans in the health area? In particular, can the minister update the Senate on the government’s increased funding for public hospitals and outline how this is an improvement on past approaches?

Senator LUDWIG—I thank Senator Carol Brown for her question, and I note her particular interest in the government’s commitment to improving the health system. The Rudd government is investing more in our public hospitals than any previous Australian government. In the last two years the Rudd government has worked hard, rebuilding public hospitals after a decade of neglect by the former government and its health minister, who is today the Leader of the Opposition. Yet even while the Leader of the Opposition froze the number of GP training places when he was the relevant health minister,
and was ignoring the desperate need for more nurses, the Leader of the Opposition calls that decade of neglect ‘the good old days’ for our hospitals.

Let us think back over that last decade they were in government, 2007-08. Hospital admissions grew by a million and presentations for emergency departments grew by two million. But the extreme response from the Leader of the Opposition was to rip a billion dollars out of our health system, our public hospitals, to cap GP places and to blame the states for all the problems it would cause. On this side of the Senate we take a different view to that of the Leader of the Opposition. We do believe the health system needs reform and we do not believe that the Australian public can trust the Leader of the Opposition, who placed our health system at risk and ripped a billion dollars out of our public hospitals. What this government is working towards is building a world-class health system. Some of our key achievements, so far, include the government’s record $64 billion funding agreement for health and hospitals. This agreement was a 50 per cent increase on the previous government’s funding agreement. (Time expired)

Senator CAROL BROWN—Mr President, I ask a supplementary question. Can the minister explain to the Senate how the government’s health measures have been met by the community?

Senator LUDWIG—I thank Senator Carol Brown for her supplementary question. The community has been very supportive of our health reform aims but, in the process, we seem to meet nothing but obstruction from the extreme opposition, particularly in the Senate. For example, the problem of teenage drinking has been widely discussed, yet the opposition initially failed to support the government’s bill that would have attacked the problem of teen consumption of alcopops. There is also broad community support—for example, behind the recommendations of the Preventative Health Taskforce—yet the opposition has blocked the establishment of the national preventative health agency, a key reform to address the burden of chronic disease currently caused by obesity, tobacco and excessive consumption of alcohol. Reports such as this should be guiding the reform of a health system that is becoming unsustainable after 12 long years of neglect and inaction by the Howard government. (Time expired)

Senator CAROL BROWN—Mr President, I ask a further supplementary question. Can the minister outline for the Senate the government’s long-term plans to ensure high quality health care for an ageing population?

Senator LUDWIG—I thank Senator Carol Brown for her supplementary question. As the Intergenerational report says, from 2010 Australia’s population is ageing. Between now and 2050 the number of people aged between 65 and 84 is expected to more than double, and the number aged 85 and over is expected to more than quadruple. Our ageing population will result in substantial fiscal pressures from rising health costs. From 2009-10 to 2049-50 real health spending on those aged over 65 is expected to increase around sevenfold. The choice for the Australian people on health will be between Mr Rudd—as a safe pair of hands—who wanted to plan for these challenges, and plan for the future— (Time expired)

Home Insulation Program

Senator BIRMINGHAM (2.49 pm)—My question is to the Minister Assisting the Prime Minister for Government Service Delivery, Senator Arbib. Did the minister brief Minister Garrett, the Prime Minister or any other ministers about the risks of fire or electrocution, following the weekly meetings
that he attended involving the development of the home insulation program?

Senator ARBIB—The answer is: no, I did not, because those issues were never raised with me and were never raised at any of the meetings I was involved in. I have outlined my role: assisting all departments, all ministerial offices and all state governments in the coordination of the stimulus package. I was involved in meetings with advisers from all ministers’ offices that were involved. Every time advice was provided to the Minister for the Environment, Heritage and the Arts on issues and problems in relation to the implementation of that program, the minister acted and brought in tougher guidelines to try and weed out the shonks and weed out companies that were not playing by the rules. At the same time, he raised training and accreditation within the sector. Those on the opposite side can whinge and whine and skite all they like about it; they have opposed the stimulus. They have opposed the job-saving measures of these programs from day one. And that is why, today, they are here once again—after voting against it six times—showing their absolute contempt for working Australians and for jobs. And can I say again—

Opposition senators interjecting—

The PRESIDENT—Order! When we have order we will proceed.

Senator ARBIB—Can I say again, the government will do everything it can to stand by workers who lose their positions because of the change in the program. Two days ago I announced that the government would provide an extra $10 million to provide 2,000 training places out of the structural adjustment program, taking to 6,000 the number of training places available to workers in the insulation industry. At the same time as that—(Time expired)

Senator BIRMINGHAM—Mr President, I ask a supplementary question. Does the minister really expect the Senate to believe that, in attending weekly briefings from February 2009 about the implementation of the home insulation program, he never had issues of potential fire or electrocution raised in his presence? Can the minister confirm that statement he just made to the house? And was the minister told, as quoted in the Minter Ellison report, that the time available to develop and deliver the program in a properly controlled way may be inadequate? Did he—(Time expired)

Senator ARBIB—I can confirm that those issues were not raised in briefings to me. Again, I will say that the Minter Ellison report was not provided to my office until 12 February this year. The issues I was focused on were: ensuring that workers involved in the sector had the training that was required but also that fraud—

Senator Cormann—Have you ever talked to a worker?

Senator Brandis—You are a failure on your own terms!

The PRESIDENT—Order! Senator Cormann and Senator Brandis, it is disorderly to constantly interject.

Senator ARBIB—What I was concerned about was to ensure that shonks in the sector, shonks that would be attracted to this sort of a program, would have little support and that the government would take whatever action necessary to drive them out. Again, Minister Garrett has taken action. Time and time again—every time an issue has been raised with him—he has lifted the standards, lifted the compliance and lifted the auditing—

Honourable senators interjecting—

The PRESIDENT—Order! I remind senators that shouting across the chamber during question time is completely disorderly and, secondly, there is a time for debating these issues that is set aside at the end of
question time so that people can make comments on these issues.

Senator BIRMINGHAM—Mr President, I ask a further supplementary question. Minister Arbib, given Minister Garrett failed to read a report for some 10 months and you claim to have attended weekly briefings where issues of risk were never raised, and given the tragic loss of four lives, the damage to nearly 100 homes from fire and the risk now faced by tens of thousands of homeowners, will you concede that the actions taken by both you and Minister Garrett on the implementation of this scheme were manifestly inadequate?

Senator ARBIB—I will say again that Minister Garrett, whenever an issue was raised—whether it was about metal staples, whether it was about foil insulation, whether it was advice he received in terms of training—stepped in to increase the level of compliance, increase the level of auditing and increase the level of training provided. Obviously any workplace death—

'*Opposition senators interjecting—*

The PRESIDENT—Order! Senator ARBIB—Obviously we are very saddened by any death in the workplace, and obviously there were four deaths in relation to this program. At that time the minister stepped in and again raised the standards within the sector. So the minister has acted and he has done the job required. It is unfortunate that, in the end, the shonks—

'*Honourable senators interjecting—*

The PRESIDENT—Order! I remind senators that shouting across the chamber is completely disorderly.

Senator Ronaldson—So is telling untruths!

The PRESIDENT—I think you should withdraw that, Senator Ronaldson.

Senator Ronaldson—I withdraw it.
There will be no element of the Work Choices legislation in any set of policies that the Liberal Party puts to the Australian people this year.

Well, he has already contradicted his leader. Then Mr Hockey was out on Meet the Press. What did he say? He said:

We made some mistakes. WorkChoices, in the end, was a mistake. As it was in the beginning a mistake, when we took away the no-disadvantage test. WorkChoices is dead.

Senator Abetz interjecting—

Senator ARBIB—We would like to believe you, Senator Abetz, but we know that that is not the case. The Liberal Party was straight back out there. The Deputy Leader of the Opposition, Ms Bishop, started talking about penalty rates. What did she say? She said, ‘Bringing back inflexible working conditions such as the penalty rates regime is costing’ — (Time expired)

Senator ARBIB—Mr President, I ask a supplementary question. Can the minister outline the current protections and safety net conditions under the government’s new Fair Work system? In particular, what is the government’s position in relation to an appropriate safety net for workers?

Senator ARBIB—The government’s new Fair Work system is a simpler, fairer and more balanced system for the 21st century. It provides 10 minimum standards through the National Employment Standards. Coming back to comments made by the coalition in the last fortnight, Senator Abetz said in the last fortnight that Work Choices is dead. But I picked up in one of the local Tasmanian papers comments by Greg Barns, former Liberal staffer. What did he say about Senator Abetz? He said, ‘And the danger of hard right types like Senator Abetz is that they often disguise their true political intentions with comforting, vague words during an election campaign that are then used to their advantage to implement policy.’ He then referred to a speech that Senator Abetz gave in 1992 to the HR Nicholls Society, where he comforted unions that there would no changes. What did Senator Abetz say? He used political speak that left open the door in the event that a need to change things arose. (Time expired)

Senator MARSHALL—I ask an additional supplementary question. Can the minister update the Senate on any alternative position in relation to an appropriate safety net for workers?

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery) (3.02 pm)—The Howard government all but stopped awards. They stripped Australian workers of their workplace safety net. We know that; that is a fact. The extreme Work Choices system stripped workers of wages and conditions. It left millions of workers without protection from unfair dismissal. And now we see them at it again. The Leader of the Opposition is on record now as saying that he will remove unfair dismissal protection from approximately two million Australian workers. He will strip their penalty rates—unfinished business of the Liberal Party indeed. In his book, Battelines, Mr Abbott talks about unfinished business, and now we know what the unfinished business is: it is bringing back Work Choices.

I will go back to what Senator Abetz said in that speech, because it was a beauty! Apparently, Senator Abetz regaled his audience with the tale of how the state Liberals in that year during their election campaign had answered a question from the unions on industrial relations reform by saying that it had no intention of making changes and that any need for change that emerged would be subject to full consultation. We know how that worked out. (Time expired)
That the Senate take note of the answers given by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to questions without notice asked by the Leader of the Opposition in the Senate (Senator Minchin) and Senators Fisher and Ronaldson today relating to the proposed national broadband network and to the proposed commercial television rebate. Only in a government led by Mr Rudd could two ministers who have so clearly demonstrated their incompetence, carelessness and confusion continue in office. We all know now that Mr Garrett should not be in the position that he is in. But quickly Senator Conroy is overtaking Mr Garrett as the minister who should do Australia and his government a favour by resigning from office. Today we have had a very clear example of Senator Conroy’s unsuitableness for the job that he currently holds as the communications minister.

Can you imagine the minister, who of course employed Mr Quigley as the NBN chief, sidling up to Mr Quigley and saying: ‘Oh, look, there’s a mate of mine in the Labor Party in Queensland who might be good for the job of government relations person. I don’t know what you’re offering for the job, but perhaps you should have a talk to him’? Can you believe that Senator Conroy did not have any idea of what the salary might be when he recommended Mr Kaiser for the job? Certainly no sound or reasonable person could possibly believe what Senator Conroy has said about that.

In spite of Senator Conroy’s clarification after question time, it is incredible that a government with this sort of operation would allow 40 per cent of its jobs not to be advertised—not to be open to selection in the normal manner. As Senator Minchin pointed out with his question, this company is paying wages on average in the $350-$400,000 market, and the people being appointed are not being properly assessed, unless you class
membership of the Labor Party—membership of the upper echelons of the Labor regimes in Queensland and New South Wales—as a qualification for the job.

It interests me why a government company wholly set up by the government needs a government relations man at a $450,000 salary. The company is the government. Why does it need a government relations person? I would love Senator Conroy to explain that. In addition, not only has Senator Conroy failed with those insider jobs in NBN Co. but the NBN is grossly out of time. Nothing has happened apart from a sod turning up in Mount Isa that will mean nothing. The legislation that Senator Conroy told us was so critical to deal with before Christmas last year did not even reach the Senate chamber last year. We are in the third week of the Senate’s sitting this year and still we have no indication of when that bill will be brought before the Senate.

We then saw the scandal almost of Senator Conroy’s ski holiday in a flash resort in the United States, where he met with one of the major free-to-air television networks and not long after that, low and behold, there is a $250 million gift to those free-to-air TV companies. For all these reasons, one would think that Mr Rudd would have some concern, some real sense of risk, about the efficacy of this minister, as with Minister Garrett. It seems that the NBN saga goes from bad to worse. Senator Conroy promised us the implementation study before the end of February this year. We are waiting. We are getting close to the end of February. We learned just recently at Senate estimates that that study—which will explain everything, as Senator Conroy has said before—may not ever be made public. On all these grounds, Senator Conroy should do the right thing by his government and by Australia and resign.

Senator CAMERON (New South Wales) (3.10 pm)—I find it unbelievable that here we have the coalition raising the issues of incompetence, carelessness and confusion on the floor of this chamber in a debate to take note of answers at question time when we have the most incompetent, careless and confused economic spokesperson that we have ever seen in this place, appointed by the Leader of the Opposition, in Senator Barnaby Joyce. Do not come here talking about incompetence, carelessness and confusion. How about your leader handing over the reins of the public purse to the National Party? What an absolute joke.

Senator Parry—Mr Deputy President, a point of order on relevance: the question was clearly directed to answers given by Senator Conroy today. Senator Cameron is way, way off the mark.

Senator O’Brien—Mr Deputy President, on the point of order: firstly, it is the custom that debates do range widely on these questions in take note debates. Secondly, the argument put is an attack on the proposition put initially by Senator Macdonald and therefore relevance has been established. I understand there may be some sensitivity but, frankly, the questions raised in relation to competence of a minister can be answered in this debate by questioning, alternatively, the competence of a shadow minister.

The DEPUTY PRESIDENT—I have been listening very carefully to what Senator Cameron has been saying. I take your point, Senator O’Brien, that we do allow the debate to range quite widely. But, Senator Cameron, I remind you that we are taking note of answers given by Senator Conroy today and I will listen carefully as you continue. There is no point of order.

Senator CAMERON—Thank you. This is quite clearly part of the attack by the coalition on the government’s stimulus package—
a package that was put in place and of which NBN Co. is an integral part and a package that underpins 210,000 jobs in the Australian economy. NBN Co. is part of an initiative that will bring high-speed broadband to this country—high-speed broadband that the coalition could never deliver, high-speed broadband that is important for the productivity of this country and high-speed broadband that is being delivered by Senator Conroy and this government. The key issue here is whether we can deliver real improvements in productivity to this country and do it in a manner in which you were never able to in 11½ years of government. Your economic incompetence left this government a clean-up job of monumental proportions.

You failed on broadband, you failed on productivity, you failed on environmental issues and you failed to make sure this country was equipped to deal with the challenges of international competition and international downturns like we have had in the global financial crisis—a mob of failures across the chamber. You can change your leader, but you were a rabble before Christmas, you have a new leader now and you are still a rabble after Christmas. There is absolutely no way attacking NBN Co. is going to give you any credibility, because your credibility on economic performance is down the tubes.

Australians know that those opposite sat back for 11½ years and failed to deliver. They failed to deliver on the economy, they failed to deliver for young people and they failed to deliver for the future of this country. That is their record. And yet, when we are faced with the global financial crisis, and we take steps to make sure that we are in a position of strength for the future, including establishing broadband throughout this country, what do we get? We get carping about the wages of the executives of NBN Co. I never hear any carping from the other side when it is your big business mates taking $10 million a year out of their shareholders’ back pockets. I don’t hear any of this hypocrisy and argument then; it is all very quiet. Remember, you were also very quiet until your leader, Tony Abbott—

Senator O’Brien—Mr Abbott.

Senator CAMERON—Mr Abbott, sorry—had a meeting with Rupert Murdoch. Then we hear what is going on. It is all quiet on the Western Front from the coalition. Then along comes Rupert—knock, knock: ‘Mr Abbott, come and talk to me.’ And what do we get? The next day we are in here defending Mr Murdoch’s interests! Look after the big end of town. We know how you lot perform: look after your rich and powerful mates; don’t worry about the people in Tasmania who are going to get high-speed broadband for the first time—(Time expired)

Senator FISHER (South Australia) (3.17 pm)—I rise to take note of answers given in question time today by the Minister for Broadband, Communications and the Digital Economy, Senator Conroy—in particular, the minister’s failure to convince the Senate and the Australian people of the government’s capacity to deliver on its $43 billion promise to build a National Broadband Network. After all, why should we doubt Minister Conroy’s say so? Why should we and the Australian people doubt it, when all that the Rudd Labor government has done so far is bungle their spending programs? NBN round 1, worth some $4.7 billion—abandoned; $30 million wasted on a bungled tender process, $17 million of it from the public purse and $13 million of it from the private purse. NBN round 1: abandoned.

Then we have $2.7 billion spent on the home insulation program, which Minister Garrett, until last Friday, hailed as a success. Of course, last Friday Minister Garrett suspended the supposedly successful program. The home insulation program—HIP—
becomes decidedly un-hip: $2.7 billion on a now-suspended home insulation program. It was decidedly un-hip expenditure of Australian taxpayers’ money. And there was the $175 million proposed for the Green Loans Program. The Green Loans Program was rewritten.

So why should Australians have gained any confidence from Minister Conroy’s answers in this place today as to the government’s capacity to deliver on the $43 billion National Broadband Network, when NBN round 1, worth $4.7 billion, was abandoned; $2.7 billion on the home insulation program was suspended; and the $175 million Green Loans Program was rewritten? How on earth are the Australian people expected to have any confidence that the government will deliver on a $43 billion taxpayer spend? That is particularly so when, as Senator Macdonald reminded us, in estimates Senator Conroy failed to tell the Australian people that the government will release and make public the much-awaited implementation study for the National Broadband Network—the implementation study to which Minister Conroy has shot home the answers to life, the universe and everything.

Who is going to get what? When are they going to get it? How are they going to get it? How much will they have to pay for it? And now, what confidence can the Australian people have that the technology, once delivered, will not be outdated? After all, the recent results from Telstra show that Australians are moving more quickly than even Telstra could anticipate from fixed-line services and fixed-line broadband to something else. And yet we have a proposal from the government that no, in about eight to 10 years time they will deliver fixed broadband, in the main, when the rest of the world, including Australians, are voting with their hard lines and going mobile. As Alan Kohler said:

Telstra’s revenue from its copper network is collapsing faster than anyone expected, and faster than the company can make up …

Simon Molloy, analyst, commented in the *Australian Financial Review* last Friday:

You never know where the turning points are until they’ve gone past.

… … …

Communications users are voting with their dollars for mobility.

That means wireless.

So, Minister, please commit to making the implementation study public, for the sake of the Australian people’s belief in this government’s capacity to deliver anything substantial with respect to their promised $43 billion National Broadband Network, particularly in the face of the aborting of NBN round 1 and the suspension of the so-called home insulation program. *(Time expired)*

**Senator WORTLEY** (South Australia) *(3.22 pm)*—I rise to take note of answers provided by Minister Conroy in today’s question time, specifically in relation to the commercial television broadcaster licence fee rebate. The position that has been put by those opposite today makes one wonder whether they do not actually understand the pressures facing the Australian free-to-air television sector and the importance of the sector or whether, in reality, they just do not care.

The rationale for the commercial television broadcaster licence fee rebate in 2010 and 2011 is the protection of Australian content on commercial television. A rebate of 33 per cent will apply to licence fees payable on revenue earned during the period 1 January to 31 December 2010 and a rebate of 50 per cent will apply to licence fees payable on revenue earned during the period 1 January to 31 December 2011.

The government makes no apology for saying that it will protect Australian content
on commercial television. This will be done by offering licence fee rebates to broadcasters in 2010 and 2011. The rebate recognises the importance of the Australian content standard in ensuring TV audiences have strong levels of Australian programming. The rebate is also a recognition of the current level of licence fees in Australia compared with those in other countries such as the US, the UK and Canada and of the new technology and commercial challenges facing the sector, including the switch to digital television. This initiative builds on the government’s increase in funding to national broadcasters ABC and SBS in the 2009-10 budget to fund more Australian content. The Australian content standard requires commercial television broadcasters to produce and screen a certain percentage of Australian content, including 55 per cent of total transmission between 6 am and midnight seven days per week. It also provides for the production of Australian drama and children’s programming.

As Australia commences the switch to digital television this year, the commercial television broadcasters will play a key role in delivering the full suite of digital services across Australia. The rebates are just one part of a package of measures designed to address the structural changes facing free-to-air television at a time when media consumption habits are changing because of the rise of the internet and we are making the switch to digital television. The government’s decision to offer a temporary rebate on licence fees recognises the pressures facing free-to-air television broadcasters. Analysts have recognised that free-to-air television is undergoing a significant structural decline. In the face of structural changes and the arrival of the converged media environment, it is important that the government protect Australian content.

As the minister said today, local production is expensive; it costs around $800,000 to produce an hour of *Packed to the Rafters* or *Underbelly*. In contrast, it costs only around $100,000 to buy an hour of *Two and a Half Men*. PBL Media’s chief executive noted in today’s *Australian* newspaper that local production is expensive and that it can be turned on and turned off. He says:

We can definitely say the licence fee relief has contributed to Nine planning more confidently for more local entertainment and drama production this year and next and in 2011-12.

It will also ensure jobs for Australian actors. It is significant that in Australia we are providing for those skilled performers who will put their faces on Australian television.

Broadcasters will be required to meet their legislated local content quotas in order to receive the rebate. (Time expired)

**Senator Barnett** (Tasmania) (3.27 pm)—I rise to take note of answers from Senator Conroy. In doing so, I refer to Senator Conroy’s actions in January, when he had a personal holiday in Colorado. He said on the public record that it was a private holiday ‘which was fully paid for by me’; yet it was revealed in the media yesterday, thanks to the good investigative journalism of Ellen Whinnett at the Sunday *Herald Sun*, that Kerry Stokes, billionaire businessman and part owner of Channel 7, actually provided Senator Conroy with a free lift pass. Of what value that was, I do not know, but it was paid for by Mr Stokes. Of course, this was just a month before Senator Conroy, on behalf of the federal Labor government, announced a $250 million tax cut to the free-to-air television operators.

Let’s put it on the table, let’s come clean: let’s say exactly what happened, when it happened and why it happened. What was Mr Stokes trying to gain by offering this free pass and what was Senator Conroy doing in
accepting a gift of this nature in the ritzy resort in Colorado? These are questions that need to be answered, and Minister Conroy should come clean. We have already seen the example of Mike Kaiser’s $450,000 special deal as ‘government relations advisor’ for the rollout of the government’s new entity, NBN Co. In my view, it smacks of cronyism. It smacks of special deals; it smacks of special jobs for special mates.

This is the type of government we have in Australia today. It is not good enough. The public do not like it. So many promises have been made that have now been broken. We have seen so much waste of taxpayers’ money. The public are now starting to see through the spin and that there is no substance. This is the minister responsible for $30 million in a botched NBN rollout tender. The tender process went on for months and months and in the end had to be cancelled. Seventeen million dollars of that, of course, was directly in taxpayers’ money and the other $13-odd million was the tenderers putting in their best effort. The minister knew early on that the process was flawed but allowed it to continue, again abusing the process and abusing taxpayers’ money.

We have had the examples of GROCERYchoice, with nearly $10 million wasted, of the Fuelwatch debacle and of the NBN rollout tender debacle, with $30 million wasted. We have had promises like, ‘Let’s fix the public hospital system by 30 June 2009’—and what has happened? Nothing. No delivery on that promise. We have had the GP superclinics promised; they have not been delivered. The childcare places in schools have not been delivered. This is a government of empty promises. You have had the promise to cut back on consultancy fees. They are now at a record of over $1 billion over the two years of the government. They promised to cut it back $400 million. This government is a disgrace and the waste and mismanagement must stop.

On the NBN rollout in Tasmania, Senator Conroy said they were on time. What a joke! He was in Georgetown, Northern Tasmania in April last year with the full fanfare and the Premier announcing that broadband was to be rolled out in July 2009. They are one year late, and he is trying to make the case that they are on time. It is a joke. There is no business plan for Tasmania. They say it is an estimated $700 million, but they will not come clean. They are not answering questions I have on notice in the Senate demanding that they say who is paying for that $700 million—whether it is the state or federal government. We still do not know the cost to the user or the consumer. We do not know the take-up rate. There is a lack of consultation with businesses and local government on which towns will be benefited and which ones will be kept out. Ninety-five per cent of the aerial connections will be above ground. We have no contracts with the ISP; they were meant to be announced by March, so they have got eight days to do that; and there are no offers to the public. Really, the government have to come clean and advise the public or this is clearly more waste and mismanagement. *(Time expired)*

Question agreed to.

**PETITIONS**

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

**Farming**

To the Honourable President and members of the Senate in Parliament assembled:

The petition of the undersigned shows:

that there is dissatisfaction amongst farmers and farming communities that farm-gate prices for farm produce continues to decline, at times without adequate demonstration for the merits of that decline.

Your petitioners ask/request that the Senate:
calls upon the House of Representatives in the Federal Parliament to
(a) immediately establish a regulatory framework for transparency with farm-gate prices so that farmers have an opportunity to analyse a certain price given at farm-gate,
(b) cease and withdraw support from managed investment schemes and commit to a plan to support family farming and national food security.

by Senator Fielding (from 148 citizens)

Dampier Archipelago: World Heritage Listing

To the Honourable President and members of the Senate in Parliament assembled

The petition of the undersigned shows:

The petitioners support for World Heritage Listing of the Dampier Archipelago as shown in the underlying map and oppose the development of any further industrial infrastructure on any of the islands that make up the Dampier Archipelago that may impact on the National and World Heritage values of the place.

It is acknowledged that the Dampier Archipelago contains what is probably the largest assemblage of prehistoric rock engravings (petroglyphs) anywhere in the world and provides one of the few chronologies in the world of environmental and social change through the last ice age to the present.

In light of the above statement your petitioners request that the Senate:

Review all scientific data and expert advice on the scientific, cultural and heritage values of the rock art, standing stones and other components of the archaeology that exists on the islands of the Dampier Archipelago to test its value as a World Heritage nomination.

Investigate what activities the Federal Government has made or may undertake to encourage the State of Western Australia to nominate the area for World Heritage listing and make ensuing recommendations to the Federal Government to pursue such nomination.

Your petitioners therefore request that you give this matter earnest consideration, and your petitioners as in duty bound, will ever pray

by Senator Siewert (from 58 citizens)

NOTICES

Presentation

Senator Cormann to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) the Rudd Government has gone to extraordinary lengths to keep the amount of money left in the Education Services for Overseas Students (ESOS) Assurance Fund secret,
(ii) the Government refused to answer relevant questions during debate on the Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill 2009 and during Senate estimates,
(iii) Minister Carr intervened directly to prevent a Commonwealth official from answering the question about how much money was left in the ESOS Assurance Fund during Senate estimates,
(iv) Minister Carr eventually took the question on notice even though the official from the Department of Education, Employment and Workplace Relations had clearly stated that ‘We can answer that’,
(v) no information about the financial position of the ESOS Assurance Fund after 31 December 2008 has been made publicly available,
(vi) in 2008 the ESOS Assurance Fund lost $1.3 million and was left with only about $1.8 million in cash and cash equivalents,
(vii) successive closures of private training colleges throughout 2009 and early 2010 would have put the ESOS Assurance Fund under further financial pressure;

(b) considers the immediate release of the current financial position and the perform-
 ance of the fund throughout 2009 in the public interest; and
(c) orders that there be laid on the table, by 12pm on Wednesday, 24 February 2010:
(i) an up-to-date statement of accounts of the ESOS Assurance Fund, including the current balance of the fund as at 10 February 2010, and
(ii) all information and documents about all levies imposed on providers required to pay a contribution to the ESOS Assurance Fund during 2009 and 2010.

Senator Lundy to move on the next day of sitting:
That the Joint Committee of Public Accounts and Audit be authorised to hold public meetings during the sittings of the Senate, to take evidence for the committee’s inquiry into the review of Auditor-General’s reports, as follows:
(a) Wednesday, 10 March and 17 March 2010, from 11.30 am to 1.30 pm; and
(b) Thursday, 11 March 2010, from 9.30 am to 12.30 pm.

Senator Hurley to move on the next day of sitting:
That the time for the presentation of the report of the Economics Legislation Committee on the provisions of the Tax Laws Amendment (Confidentiality of Taxpayer Information) Bill 2009 be extended to 11 March 2010.

Senator Siewert to move on the next day of sitting:
That the time for the presentation of reports of the Community Affairs References Committee be extended as follows:
(a) impact of gene patents on the provision of healthcare in Australia—to 17 June 2010;
(b) hearing health in Australia—to 13 May 2010; and
(c) suicide in Australia—to 24 June 2010.

Senator Hanson-Young to move on the next day of sitting:
That the following bill be introduced: A Bill for an Act to amend the law relating to social security, veterans’ affairs and higher education in relation to scholarship payments, and for related purposes. Social Security and Other Legislation Amendment (Scholarship Payments) Bill 2010.

Senator Siewert to move on the next day of sitting:
That the Senate—
(a) notes the 170th anniversary of the signing of the Treaty of Waitangi between the Crown and Maori leaders in New Zealand;
(b) congratulates the first peoples of Aotearoa on the progress they have made in the recognition of their human rights and in closing the gap on health disadvantage;
(c) recalls that directions from the Crown to negotiate a similar treaty with Australia’s first peoples were never enacted by our colonial governors; and
(d) calls on the Australian Government to recognise the human rights of Indigenous Australians, to test via a referendum the inclusion of recognition of former occupation and sovereignty in the Australian Constitution, and to commence formally negotiating a treaty once a national representative body is elected.

Senator Ludwig to move on the next day of sitting:
That, for the purposes of paragraph 48(1)(a) of the Legislative Instruments Act 2003, the Senate rescinds its resolution of 10 September 2009 disallowing the Aviation Transport Security Amendment Regulations 2009 (No. 1), as contained in Select Legislative Instrument 2009 No. 24, and made under the Aviation Transport Security Act 2004.

Senator Bob Brown to move on 24 February 2010:
That the Senate—
(a) expresses its disappointment at the Chinese Government’s decision to uphold Liu Xiaobo’s sentence of 11 years in prison on the charge of ‘inciting subversion of state power’;
(b) notes that Mr Liu has peacefully worked for the establishment of political openness and accountability in China; and
(c) joins calls by the European Parliament and the Governments of the United States of America and Canada that Liu Xiaobo should not have been sentenced in the first place and should be released immediately.

Senator O'BRIEN (Tasmania) (3.33 pm)—On behalf of the Chair of the Regulations and Ordinances Committee, I give notice that 15 sitting days after today, Senator Wortley will move:


I seek leave to incorporate a short statement in Hansard.

Leave granted.

The statement read as follows—

A New Tax System (Family Assistance) (Administration) (Release of Protected Information) (DEEWR) Determination 2009 (No. 1)

This instrument specifies additional purposes relating to the Support for the Child Care. System Program for which protected information may be obtained, recorded, disclosed or otherwise used. The Committee has written to the Minister seeking information on consultation.

Withdrawal

Senator O'BRIEN (Tasmania) (3.33 pm)—Pursuant to notice given at the last day of sitting, on behalf of the Chair of the Regulations and Ordinances Committee I now withdraw business of the Senate notice of motion No. 1 standing in her name for 11 sitting days after today.
Broadband, Communications and the Digital Economy (Senator Conroy) for today, relating to the consideration of legislation, postponed till 17 March 2010.

General business notice of motion no. 527 standing in the name of Senator Xenophon for today, proposing the introduction of the Water Licence Moratorium Bill 2009, postponed till 9 March 2010.

General business notice of motion no. 694 standing in the name of the Leader of the Family First Party (Senator Fielding) for today, proposing the introduction of the Protection of Personal Information Bill 2010, postponed till 23 February 2010.

MATTERS OF PUBLIC IMPORTANCE

Bovine Spongiform Encephalopathy

The DEPUTY PRESIDENT—The President has received a letter from Senator Williams proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The dangers presented by the Rudd Government’s decision to allow the importation of beef products from countries that have had confirmed outbreaks of Bovine Spongiform Encephalopathy (mad cow disease).

I call upon those senators who approve of the proposed discussion to rise in their places.

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

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

Senator COLBECK (Tasmania) (3.36 pm)—It gives me a deal of pleasure to speak to this, although I have to say it gives me a deal of concern that we have to deal with an issue as serious as the government’s process of changing the protocols to allow beef imports from countries that have had mad cow disease. As we heard during question time and as we have heard over the last week or so, the manner in which the government goes about its process of dealing with reform and the inadequacies of that have been clearly demonstrated again through this process.

Right from the commencement of this process the government was asking industry to keep this a secret. The government did not want its constituency to know and it desperately did not want the opposition to know what was going on. In fact, it asked industry not to talk to the opposition about it and industry, disappointingly, was compliant. I think that it has lived to regret that because it has been proven since, through revelations during the Senate inquiry, that the industry was largely being led by the nose by the government on this.

It has been put to the parliament, the industry and the Australian people that this is an issue about food safety and the safety of Australia’s food supply. That is clearly a very serious and legitimate concern that all Australians should have. We heard a range of evidence during the Senate inquiry about the potential impacts—some concerns were raised as late as this morning—but what we really know about this is that it is about trade. We know that it has been driven by the Trade portfolio, we know that countries have been pushing Australia to change its protocols through the Trade portfolio for some period of time and we know that countries, particularly the United States, desperately want to take part of our market share—particularly markets like Japan and Korea.

Prior to the initial outbreak of BSE in the United States in 2003, Australia shared, by roughly one-third, the beef market in Japan. It was shared between Australia, the United States and the Japanese market itself. About one-third of the beef came from Australia, one-third came from the United States and one-third came from Japan. A little bit of it
came from New Zealand, which has a similar reputation to Australia. What happened when the BSE outbreak occurred was that 50 per cent of that market went to Australia, 50 per cent went to Japan and a little bit remained with New Zealand.

The performance of the industry representative groups through this process has been abysmal. The performance by the Cattle Council of Australia this morning was one of the worst I have seen at a parliamentary inquiry for a long time, and I have seen a lot of Senate inquiries in relation to the beef industry in my eight years here. The performance this morning was really very disappointing, but the performance of the government was too. As I have said, it has tried to keep this quiet. Nobody has seen the provisions yet. This measure is supposed to start on Monday. We still do not know what the protocols are going to be for importing beef into Australia. We were told this morning that, hopefully, we will find out this afternoon or perhaps tomorrow. Tell me: under what circumstance is that a reasonable period of time for this parliament to scrutinise it or for the industry itself to scrutinise it?

The government has gone to every possible measure that it could find to avoid putting this through a process that has scrutiny of the parliament. It is using a measure that does not go to the Senate and does not go to the House of Representatives. It cannot be disallowed by this parliament if it is proven that it is a problem, and yet industry leaders this morning said, ‘We just hope that the government will do what we have asked it to do.’ The industry has not seen the regulations. None of us have seen the regulations. We have asked; we asked this morning. The way that this has been managed is an absolute disgrace. This is all about creating the perception of equality in Australia’s primary produce with other countries and them attempting to attack our markets. That is what this is about.

Senator STERLE (Western Australia) (3.43 pm)—I wish to make a contribution to the debate today. Before I start, I just want to take Senator Colbeck to task on his accusation about an abysmal performance by the Cattle Council. I have to be really honest: the abysmal performance was from opposition senators on the attack—like hyenas hunting in a pack, screaming and carrying on. There was the calling of names and interjecting while witnesses were trying to give answers—not you, Senator Colbeck, but your colleague’s performance was damn disgraceful.

Opposition senators interjecting—

The DEPUTY PRESIDENT—Order! Senator Sterle, address the chair, please.

Senator STERLE—I will, Mr Deputy President. I apologise. Through the chair, I was certainly not aiming those accusations at Senator Colbeck, because Senator Colbeck does not stoop to such low performances in Senate hearings as some of Senator Colbeck’s colleagues are renowned for. The at-
tack on Mr Greg Brown from the Cattle Council was absolutely pathetic. We are talking about—

Opposition senators interjecting—

The DEPUTY PRESIDENT—Order! Senator Sterle will be heard in silence.

Senator Heffernan interjecting—

Senator STERLE—Got a guilty conscience, have you? You’ll get your turn.

The DEPUTY PRESIDENT—Order! Most of those interjecting on my left I see are on the speakers list, so I would ask them to wait until their turn comes.

Senator STERLE—As I was saying, when I asked Mr Greg Brown from the Cattle Council if he had been a producer for long, he said, ‘All his life.’ He is fourth generation. To suggest that Mr Brown or others representing the beef industry are going to destroy a multibillion dollar export industry I find abysmal. What we have had is an absolute scare campaign run by the opposition. There has been so much misinformation out there in the media. Every time we have a hearing or something, we see certain reporters from a certain paper in New South Wales called the Land and—lo and behold!—out echoes all the opposition senators’ comments and statements. The scare campaign is absolutely amazing.

Senator Nash interjecting—

Senator STERLE—If you have a problem with that—through you, Mr Deputy President—the chair of the committee, Senator Nash, will make her contribution later. We need to get back to the facts.

Back in 2001 the Australian government—the previous Howard government—introduced the blanket ban on the domestic sale of beef and beef products from any country that had a confirmed case of BSE. We know that. The policy was implemented with the best available science at the time. The science was conservative, to say the least, and the need for the policy to be reviewed was certainly acknowledged. Since 2001 the science has improved significantly and our understanding of BSE has developed enormously. It is now scientifically evident that BSE cannot—I repeat, cannot—be introduced into Australia simply through the importation of beef. This means that the risk to human and animal health can no longer be the reason to prevent the importation of beef. The Australian beef industry understood the new science and it, the industry, has urged the government to make the change in policy. The government went through a very rigorous and thorough consultation process—

Senator Heffernan—Bulldust! You’re joking!

Senator STERLE—including with key representatives of the Australian beef industry and the relevant major health organisations. It is very clear that the vast majority of the Australian beef industry support the change in policy—the vast majority.

Senator Heffernan—Three hundred out of 200,000 have been consulted!

The DEPUTY PRESIDENT—Senator Heffernan!

Senator STERLE—The Red Meat Advisory Council, known as RMAC, is the peak body for the Australian beef industry. RMAC has as its members the Australian Meat Industry Council, the Cattle Council of Australia, the Sheepmeat Council of Australia, the Australian Lot Feeders Association and the Australian Livestock Exporters Council. RMAC, the peak body, said: The Federal Government’s decision to modernise Australia’s import policy as it relates to beef and beef products is scientifically justifiable and supported by industry. They went on to say:
Until this change, Australia stood out from the international trading community as having an outdated policy developed at a time when scientific knowledge was significantly less than it is today. With the rigorous application of the new rules Australia will continue being recognised as a Negligible BSE Risk country and enjoying the level of trade this has traditionally brought.

There you have it. The peak industry body, RMAC, has put it on the record that they have written to relevant ministers supporting the policy change. They have also issued media releases and written pieces for the rural papers. The industry’s position represents the vast majority of the industry.

**Senator Heffernan**—Garbage!

**Senator STERLE**—There is one very small body that does not represent many people.

*Opposition senators interjecting—*

**Senator STERLE**—Through you, Mr Deputy President, those on the other side of the chamber will have their turn here and they will continue the mistruths and the mis-representations and say how they are the gatekeepers to everything rural and agricultural in Australia. I find it amazing: about the only time the coalition come together is when they are going to attack a government policy. I would like to be in the party room and hear what really goes on in there. As I said, the peak bodies were consulted.

**Senator Heffernan interjecting—**

**The DEPUTY PRESIDENT**—Order! Senator Heffernan, I see you are on the speakers list. You will have a chance to make all of your points, hopefully without interruption. Senator Sterle should be allowed to make his contribution without interruption as well.

**Senator STERLE**—Australia’s Chief Medical Officer, Professor Jim Bishop, was also consulted. In summary, Professor Mathews concluded that there was a theoretical and negligible risk to human health.

I did table this at the hearing today—the Australian Red Cross Blood Service has put out a press release. It is also satisfied that the change in policy will not impact on Australia’s blood supply. In a media release the Red Cross has rejected claims that blood donations could be hindered by the government’s decision to allow imports of beef from countries previously affected by mad cow disease. This policy change does not mean that we will open the floodgates—far from it—to beef imports from any country wishing to export their beef to Australia. Under this new policy, beef from other countries must still meet country-by-country science based risk
assessment processes. This includes, as necessary, in-country inspections to verify other countries’ risk mitigation systems.

Senator Heffernan—No import risk analysis, mate!

Senator STERLE—The government is not changing its policy towards the importation of live cattle, hence this is not a viable pathway for introducing BSE into Australia. It is important that I say this: BSE is not a contagious disease, and its only significant route of transmission is through feeding cattle meat and bone meal produced from BSE infected cattle. Australia has a ban on the importation of this risk material. We also have a ban on Australian cattle domestically being fed bone meal. There is therefore no viable pathway for Australian cattle to contract BSE from safe imported fresh beef.

Despite the opposition’s claims, the policy change from 1 March—next Monday—does not mean that beef from other countries will start arriving the following day. We have to make that very, very clear; some mistruths have been put out that at one minute past 12 the gates would be opened.

Senator Heffernan—We know all that!

Senator STERLE—Senator Heffernan interjects. Why put out mistruths that the floodgates are going to open at one minute past 12? That is how untruthful, devious and deceitful this argument has become. What is does mean is that countries must then undergo a rigorous process—

Senator Heffernan—No import risk analysis is required!

Senator STERLE—to meet the high standard that is set by Food Standards Australia New Zealand.

Senator Heffernan—No import risk analysis required!
BSE, all Australian beef would come off the shelves—a blanket ban with no exceptions. If that did happen, imagine what that would do to jobs in rural Australia. Imagine what it would do to our beef industry. The beef industry called on the government to guard against this sort of calamity. The policy change protects Australian farmers and it protects Australian jobs; it protects Australian beef. Now that they are in opposition, that lot over there are running the classic scare campaign: disregarding the science and disregarding the facts. It does not suit them to have the science or the facts. It does not suit them to work in conjunction with the industry.

Senator XENOPHON (South Australia) (3.56 pm)—In Australia, we are in the lucky position of being able to control what imports we allow into our country. Our position as an island means we have a natural barrier protecting our livestock and crops from pests and diseases that affect other countries—that is, unless they slip past our quarantine protection or we make a decision to risk it. And this is about making a decision of needlessly risking such a vital industry and our health. We know that BSE causes variant Creutzfeldt-Jakob disease in humans. We know that outbreaks of BSE cause serious and sometimes permanent damage to the beef industries of affected countries. And we know that, so far, Australia is one of the few countries in the world to remain BSE free.

I strongly believe that people have the right to make informed choices about the food they are consuming. This is evident in the bills I have put to the Senate in relation to food-labelling laws in conjunction with my colleagues Senator Joyce and Senator Bob Brown. Currently, under the Food Standards Code, beef products can only be exported to Australia if they are from animals that are BSE free. Under the new standards, countries will be able to export beef products to Australia if they are assessed as having appropriate controls in place to ensure that the products exported are BSE free. This means that countries previously banned from exporting beef products to Australia because of their BSE status will now be able to. But consumers will not know what products come from which countries. Under current labelling laws, they cannot even reliably know which ones are Australian. And we know we have the farcical and, I think, dangerous position where a meat pie, for instance, could be categorised as being made in Australia because of the substantial transformation rule, where over 50 per cent of the value of the product is made in Australia—it could be the packaging or the pastry—but 100 per cent of the meat could come from a BSE affected country and we would be none the wiser under our current food-labelling laws.

We should not be relying on other countries to do the right thing. We should be actively and aggressively protecting our country and our beef industry and, above all, the health of our citizens. Let us put this in perspective: if you want to donate blood to the Red Cross and you lived in the UK for more than six months between 1980 and 1996, you cannot because of the risk posed by BSE. I know that a former president of the South Australian medical association, Dr Andrew Lavender, is in that category and he said so publicly. He has been quite vocal because he has seen what happened in the UK and he does not want it to happen here in Australia. In fact, you are deferred—that means banned—from donating blood for good. But the government feels it is safe to allow beef imports from BSE affected countries. As we saw with the equine influenza, just because we have never had the disease here, it does not mean it cannot happen. And it certainly does not mean we should take a chance. I think the fundamental question here is: what
is more important—a free market or a safe market? I know which side I am on, and my colleagues in the coalition and the Australian Greens are on that side as well.

Senator BACK (Western Australia) (4.00 pm)—It gives me absolutely no pleasure at all to speak on bovine spongiform encephalopathy. As a veterinarian for most of my career working in the livestock industries, I am absolutely amazed and aghast to think that we are even confronting this question. More importantly, the fact is that we will not be debating this matter in the Senate and the reason is simply that there is no capacity for the Senate to scrutinise it. Because there is no legislation, there are no regulations. This new arrangement will come in on 1 March and this place has no capacity to assess it. The Rural and Regional Affairs and Transport References Committee was told by the Department of Agriculture, Fisheries and Forestry today, in a submission, that the updated policy announced on 20 October does not require a change to the Food Standards Code or to control measures. Therefore, there is no amendment to any act or subordinate legislation required to bring this into place. I think this is a perversion of the parliamentary process. We have seven days and we simply do not have any capacity to act.

Why have we been so concerned about this for as long as we have—since it was announced, spuriously, on 20 October? The reasons are twofold: the protection of the community, which is our role, and the protection of beef producers. One would have thought that in a circumstance like this there would have been certain measures put into place. There have not been. They are not yet evident to us. Let me advise the Senate that at this time Australia is free of BSE or, more particularly, under a change that none of us knew about, we went from being free to being at negligible risk. We have now been told, with this change of policy in a week’s time, that the risk will not change. I am at a loss to know how the risk will not change when in fact we are now going to allow and invite beef to come in from countries that have had BSE. In that particular event I would have thought we should go and have a look at it and ask what will the protocols be that Food Standards Australia New Zealand will impose. This announcement was made on 20 October by ministers for health, agriculture and trade—four months ago. As of this moment, as of the third public meeting which the committee had this morning, we still do not know what those protocols are going to be.

Secondly, we have no guarantee that there will be a trace-back system. Again for the benefit of the Senate, we in Australia, alone in the world, expended considerable sums of money with an enormous amount of angst and disagreement some years ago to have a national livestock identification system so that in the event of any untoward disease or other factor we could go back to the farm of origin and immediately determine where that particular disease originated. Let me give you a quick analogy—the case of foot-and-mouth disease in the UK. Imagine the enormous effect on security requirements had they been able when the UK first had foot-and-mouth disease to go straight back to the farm of origin and detect and determine where it had come from. The problem would have been nowhere near as great. Similarly, with BSE in the United Kingdom, again there was no trace-back. So Australia says that is fine, we must not under free trade and other restrictions and legislation impose on other countries that which we do not impose on ourselves. And that is fair—but do you think we could get a guarantee out of government that we will impose those same restrictions on countries who want to import into Australia? The answer, unfortunately, is no.
First of all I was told that there would be an equivalence, so I asked the President of the Cattle Council of Australia this morning whether he knew of any system equivalent to that that Australia has, and he assured me that he did not. I then went to the Red Meat Advisory Council, commented upon by my colleague Senator Sterle. What he did not say was that there were three factors upon which the council would give their support. The first was good science—and I ask where is the good science at this moment to be able to examine beef offshore and be able to guarantee that a consignment of beef is free of BSE? I will tell you the answer: we do not have the science of that testing. The science is not there. Secondly, he said that there had to be a trace-back system at least equivalent to that in Australia. We have already been told publicly and today that we will not be requiring that. The third criterion by RMAC and others concerns the whole question of protocols. Seven days out, and we do not know the protocols. This is a nonsense.

So we go to the industry itself, the producers. A point I have made before and will labour again is that five or six years ago we had similar changes in the pig industry when the vast majority of pig meat consumed in Australia was produced here. At Christmas last year, 75 per cent of all pig meat consumed on Australian Christmas tables was imported. I am inviting producer groups and others to tell me how different they think the situation will be for the Australian beef industry if this change is made. I cannot get any answer out of them. We are an island. We can protect ourselves from and we can contain that which comes in. Regrettably, many of the countries who will be importers under these changed conditions cannot. For example, we have the American-Mexican border. We may have all the faith in the world in inspectors in the United States but how do we know that meat has not come across the border from Mexico, where there is no BSE status at all, into the United States, where there is a controlled status, and then into Australia? Remember, we do not have the science of the testing to be able to deal with this. The final point is secrecy—why was there secrecy?

Senator NASH (New South Wales) (4.07 pm)—I rise, in following my colleagues, to outline our concerns about the relaxation of the importation of beef from countries that have had BSE or, as people would more commonly know it, mad cow disease. Firstly, I take exception to Senator Sterle’s comment about the comments coming from this side being scaremongering. It is anything but scaremongering. We are actually trying to get the facts of this out into the community, out into the public arena, so people can know what is going on. There is no parliamentary oversight of these changes—absolutely none—and there is no legislation and there are no regulations required, which means that the Parliament of Australia has no ability to have any input into the decision to make these changes. It is a decision of Minister Burke alone. It is about time that people around Australia had the opportunity to hear what is actually going on. This has been brushed under the carpet. As my good colleague Senator Back has just asked in his comments, why the secrecy? This has only started to come out because my colleagues Senator Heffernan, Senator Back and I, as a committee chair—and Senator Colbeck, Senator Williams and other very interested coalition senators—know that this should not be going ahead. If it were not for us the Australian people would not even know that these changes were going to come in on 1 March.

We are being told that there is negligible risk of an outbreak of mad cow disease if the importation rules are relaxed. The people that I am talking to about this are not at all
comfortable with ‘negligible risk’ because ‘negligible’ means that there is a risk. I do not think anybody wants to walk into a restaurant with a sign out the front saying ‘Negligible risk of getting mad cow here’. That might sound a bit extreme but nobody can tell us otherwise. Nobody can look us in the face and say, ‘This will not occur. We will absolutely guarantee that we will not get mad cow disease in Australia.’ Under these changes they simply cannot do that. They absolutely cannot do that. This is being done purely on the health impacts. There is no import risk analysis whatsoever on the impact on the beef industry, absolutely none, and we are being told that that is fine and that is okay because there will be a negligible risk and there will not be a problem at all. That is just rubbish. It is not right and it should not be going ahead. This disease has a dormant period of 40 years. How can we possibly know that we can really say, ‘Yes, this is safe and this is fantastic’? It is just not right. This has been rushed; there has been undue haste.

We have the reputation of being a clean, green exporting nation. Why on earth would we risk that? We are being told by industry bodies that it is about the risk of trade retaliation if we do not move to the same level playing field, because the science now says that it is okay. That might be their view but there is still this risk attached to it. It is interesting that we have been told during the process that our trading partners have been pushing for years to try to get access to our market because they feel they are being unfairly precluded. Yet on the other hand at the same time we are being told that there is really not going to be any great increase at all in the importation of beef into this country. Doesn’t that then lead to this question: if our trading partners are so keen to get access to our market, why do they want to do that if they are not planning on supplying it? There must be a very good reason. I would imagine, as Senator Colbeck said before me, that it has something to do with the markets that we already hold. Interestingly, it was put forward this morning by MLA that indeed when this was announced there were concerns from Japan about our existing markets. We already export into Japan. What is this going to do in terms of creating a risk for our existing markets in places like Japan? If all of a sudden we now have relaxation of the rules that are going to allow imports from the US, for example, into Australia, what does that say about our standing in terms of our clean, green, top of the range—top of the level, if you like—status as an exporter? I would ask this: what is going to be the reaction of those countries if there is an outbreak after this all happens—and we hope it does not go ahead—in the US? What does that then do to our exporting relationship with Japan? Is it going to put us in the same basket as the US because we have been letting their beef come into this country? Of course it is.

This whole argument that the science is now okay simply does not wash. It absolutely does not wash. We know that the protocols have not even been drawn up yet. Those very guidelines that are the only things that are going to determine how, why and when countries that have had mad cow disease can send beef here are not even finalised—and this is starting on Monday morning. While we might not have beef coming in through the doors on Monday morning, their ability to apply to export absolutely starts on Monday morning and we do not even have the protocols. We do not have anything in place that says by what measure they are going to be allowed to do this. This is an absolute farce. The minister should simply be changing his mind, along with that of the departments, right now in the best interests of Australia.
Senator MILNE (Tasmania) (4.13 pm)—
I wish to make a few brief remarks in relation to this matter of public importance. The Greens have long been supporters of the precautionary principle that ought to be applied when it comes to the natural environment or human health. What is going on here is we are abandoning the precautionary principle in favour of a calculated risk. We have no risk at the moment because there is no importation, but we are moving to a calculation by which we are taking some action which will have negligible risk—but that has very little to do with this argument. The only argument that we have here is to do with the World Trade Organisation, and that is what I want to focus on today. The fact of the matter is that the old doctrine of free trade under the WTO is just riven with hypocrisy, with court cases and with bullying of all sorts. The reality is the rest of the world has moved on and Australia is clinging to an absolutely religious view about free trade which has gone out the window in Europe all over the place. I was in Copenhagen at the end of last year and I can tell you, Mr Acting Deputy President, that the big issue in Europe is food and energy security. The Europeans are locking up Europe as fast as they can in terms of being self-sufficient in food and self-sufficient in energy, because they can see the way that the world is going. They will find all manner of ways by which to continue to subsidise their own growers to maintain their own food security regardless of what the WTO might have to say or what anyone else might have to say.

We have been fighting exactly the same fight time and time again, whether it is salmon from Canada, apples from New Zealand, bananas from the Philippines or, now, whether it is beef from BSE countries. We will fight it over and over again. The simple reason is that, if we want to export our product into other markets on the basis of negligible risk, they want to export their product into Australian markets on the basis of negligible risk. If we want to say ‘No risk’ to them, they will say ‘No risk’ to us and therefore reject our product. This is all this is about. It is a fight about the WTO rules and whether you apply the free trade rules to maximum benefit to the home country. That is what is going on here.

If there is no import risk assessment, how do you know what the real risk is to the beef industry here? If there is no traceability, that is inexcusable—and at this stage I understand that is the case. There are no protocols in place as yet. I can tell you why there is secrecy. It is because the Australian community would hate it if they knew this was going on. They were terrified by the BSE outbreak in the UK. There is nothing more frightening than the concept of getting mad cow disease and it being in the population. That is why the community did not want it, will not want it and will not like it. The government wanted to change it to satisfy the WTO rules because of the negligible risk requirements, but they did not want the community to know because the community would not want it and the community would want the precautionary principle and say, ‘Why would we want to do something like that when we are safe in Australia, when we still have a beef industry?’

We know that, with globalisation, globalisation of trade and multinational corporations, what we will get here is a massive import of carcasses. And what is going to happen to our own beef industry in the long term? Let us get real about who is going to be producing beef, who is going to know what is on their table and how you are going to know what you are eating and where it comes from. That is a big concern out there in the community now. It is why people are going to farmers’ markets. People are shifting. They want local, seasonal, fresh, re-
Regional products. They are getting more and more suspicious of what is being imported, the lack of controls and the lack of labelling laws. I think the government has really made a serious mistake here—but so has the coalition. You cannot cling to free trade, to the WTO, and then complain about these outcomes, because they are consequential of a belief in the WTO free trade system.

Senator O'BRIEN (Tasmania) (4.17 pm)—In some respects, I could not agree more with Senator Milne on this matter of public importance on the importation of beef products, because there is a bit of a two-faced approach to this question from the coalition. Having been in this place during the years that my party was in opposition, and having been part of the committee process that examined this matter, I have been party to examining issues on the importation of salmon, apples and pork—those issues which have troubled Australian farmers where there has been an argument put by Australian farmers and their representatives that the importation of those products would pose a risk to their industries because the importation of those products was increasing the risk of the introduction of a particular disease.

Senator O'BRIEN—Senator Heffernan interjecting—

Senator O'BRIEN—Senator Heffernan interjects again, but I listened to other senators in silence. If he is going to behave here the way that he behaves in the committees and disgrace himself, let that be on his head. For many years the coalition in government—and now the Labor Party—supported an appropriate level of protection which does not involve zero risk. The reason we do that is that if we have that issue for one product we have to have it for all. The examination of the risk assessment and the challenge to our risk assessment process on the importation of Canadian salmon failed because we did not apply the same standard—

Senator Heffernan—There was no import risk analysis!

Senator O'BRIEN—and this was under your government, Senator Heffernan. Would you put a stopper in it and behave properly? If the chair is not going to assist me, then I will have to take it up—

The ACTING DEPUTY PRESIDENT (Senator Trood)—Senator Heffernan, you will have your moment to speak in 10 minutes.

Senator Heffernan—I am just pointing out there was no import risk analysis.

The ACTING DEPUTY PRESIDENT—Senator Heffernan, it is disorderly to interrupt, as you know.

Senator O'BRIEN—With salmon, we lost a challenge at the WTO. Whilst we were concerned about the introduction of particular fish diseases with salmon, the Canadians and New Zealanders were all keen to point out that we did not apply the same standards to other products, and we lost that case. Salmon can be imported to this country now, and some is. We have had various propositions put for the importation of pork and they have been resisted by industry on the basis of identifiable animal diseases coming from that product. The position of this government on foot-and-mouth disease remains that, if there is an outbreak which poses a serious risk, we will not allow meat from a country where that outbreak exists to enter this country.

The evidence has been unclear for some time about the chances of introducing BSE by means of the introduction of animal meat. There are parts of an animal that are a greater importation risk than others, and I am not going to touch upon that. Suffice to say that if one can exclude those parts of the animal then the chance of introduction of the material which might carry the disease is reduced. The second thing we know from the science
is that if we do not feed animal products to animals then the chance of introducing BSE to animals is basically nonexistent. For the last 13 years we have had a rule applying around the country which prohibits the feeding of animal product or blood and bone, or anything connected to animal waste, to animals such as cows, sheep, goats and the like. The reality is that we have had in place a protocol going back years to effectively minimise any chance of any such disease being introduced.

What are we faced with here? The process which was followed in coming to this decision was full and detailed, and the safety of the Australian people and our food supply, as well as animal health, were utmost considerations. A comprehensive range of meat industry and health stakeholders were consulted. An independent expert, Professor John Mathews—an eminent scientist with 40 years experience who has had a longstanding interest in this issue—provided a report that indicated that the risks to human health of a change in policy were negligible, provided the appropriate risk mitigation strategies were in place. The report was peer reviewed and endorsed by expert scientists under the National Health and Medical Research Council. The three lead departments—Agriculture, Fisheries and Forestry; Health and Ageing; and Foreign Affairs and Trade—have worked closely together to ensure that all aspects of the change have been carefully dealt with.

Some questions have arisen as to whether the appropriate risk assessment for beef import purposes will be carried out. Food Standards Australia New Zealand has indicated that it will finalise its protocols before 1 March 2010 and has confirmed it will consult with industry in the development of those protocols. The Red Meat Advisory Council will act as the contact point for those consultations. Food Standards will undertake rigorous assessments, on a country-by-country basis, of countries that wish to export fresh beef products to Australia. In addressing fully the human health issues through the FSANZ food safety risk assessment process, the animal health issues related to BSE will also be appropriately dealt with.

The two ways that BSE could flow to animals are addressed in this process. The first way, through live animal imports, is not an issue because we are not allowing live animal imports into this country—so that is not a way that the disease could be introduced. The second way, through cattle eating fresh beef, as I indicated earlier, will not be an issue either, because no imported beef cuts or bone meal or canned meat are or can be fed to Australian cattle. That ban has existed, as I said, for 13 years. So there is no viable pathway for Australian animals to contact BSE from safe imported fresh beef. Therefore a separate import risk analysis process for animal diseases is not necessary, and that is the reason one has not been carried out. Aside from having met the requirements of a rigorous BSE assessment, any country wishing to export beef to Australia will need to meet all other quarantine requirements related to fresh beef imports, including the strict import conditions for animal diseases such as foot-and-mouth disease. In other words, any arrangements in relation to this BSE matter will not allow a country to skirt around other issues that are raised in relation to the introduction of these—

Senator Heffernan—How do you do that without an import risk analysis?

Senator O'Brien—I just explained, Senator Heffernan. Perhaps you were not listening because you do not want to listen. The fact of the matter is that Senator Heffernan has been running a scare campaign. He has been behaving in what I consider is a
most inappropriate fashion at committee hearings. He has been harassing witnesses, interjecting and trying to put pressure on people because he does not agree with this decision. It is his right not to agree with it, but I think he should behave a bit better than he is today.

I want to talk about some of the evidence we have had. I think everyone has got the right to come along to a Senate committee and give evidence and put their point of view. I have supported the process of Senate committees examining issues all the time I have been in this place, and I continue to do so. I do not support parties coming along and using the process to spread alarmist or untrue information. One of the matters which I raised with Senator Heffernan during a hearing was a proposition which was put by a representative of the Australian Beef Association. They were trying to, in effect, whip up a bit of a fear campaign that somehow we were about to be deluged with US beef if this decision went ahead. The proposition was put that somehow you only had to look at the price of beef in the US compared to the price paid here to see that, if we allowed this decision, suddenly we would be getting steaks out of US feedlots and they would be replacing Australian steaks. Prices were quoted. Mr Bellinger said, at a hearing on Friday, 5 February:

Choice-grade sirloin in the United States is currently selling for $13.86 a kilogram. In Australia it is selling from anywhere between $30 and $50 a kilogram at retail.

Point No. 1 is that ‘choice’ grade, under the USDA, is the second-grade steak and ‘select’ is the top grade. He gave us the prices for the top grade Australian steak as a comparison with choice grade. Point No. 2 is that, on searching the web that very day and looking at prices available on the web for the product that he mentioned, I could not get any price within a bull’s roar of the $13.86 a kilo that he was talking about. I could for a pound, but I could not for a kilo. In other words, I suspect—and I will give him the benefit of the doubt; he might have just made a mistake—that he quoted incorrectly the figure of the price per pound for USDA choice-quality sirloin steaks, that he misinterpreted it and put it on the record as $13.86. The fact of the matter is—you only have to do your own research—for anyone buying anything but ultrabulk cuts, the price comparison that Mr Bellinger gave to the committee is utterly wrong. It is part of the scare campaign that some people are seeking to mount. I guess, with their moment in the sun, they like to make the best they can of it and, if they exaggerate a bit or if they make a mistake, well, who is to know? Frankly, I think it is incumbent on people representing organisations that want standing in the community to get their facts right.

That point highlights one of the problems that we have had with this debate. There has been an attempt to scare people about this issue. There has been an attempt by the coalition to forget the fact that, all the time they were in government, they supported the principles that underpin the decision this government has made. Now they are in opposition it is their chance to try and make hay while sun shines, to forget about all the principles they had for 12 years in government and to run as if they do not support a limited-risk regime in terms of quarantine. They did for the 12 years they were in government. Frankly, it is something which we have to be part of because we export a lot more food than we will ever import. We export 378,000 tonnes, give or take a bit, to the United States. It is a market we could not afford to lose. I would not like to be in a position to have to say—if this government had not acted—that we might lose some or all of that market because we did not obey the rules.
That is what is being proposed to the government. \textit{(Time expired)}

\textbf{Senator HEFFERNAN} (New South Wales) (4.30 pm)—It is not hard to tell that there is no-one—not a single solitary soul—in the government in this parliament who lives and makes a living in the bush. This is the biggest ambush by a government of an agricultural industry in Australia’s history. It is a whole-of-government decision driven by the trade department. That is what I am informed by the bureaucrats and the ministerial staff. Simon Crean is very angry. He has been to America, as has Minister Burke. They put the hard word on them. They have come back here and said: ‘We’ll swear the industry to secrecy. We’ll sign them up to no discussions.’ We were given evidence this morning that their consultation process was three meetings with about 300 people out of 200,000 levy payers in Australia. That was the biggest. There have been 37-odd pieces of correspondence putting pressure on the government from Canada and the United States. There has been no scrutiny by parliament. If we had not raised it in that committee we would not be having this debate today. The 200,000 cattle growers—the levy payers—of Australia should sack RMAC and the Cattle Council, because they have absolutely distracted, destroyed and betrayed the industry. It is a disgrace.

Why there is no IRA, I do not know. We cannot even get the bureaucrats, let alone ministerial staff or the government, to tell us whether there ever has been an import risk analysis on the importation of beef into Australia. I believe there has been. No-one can tell us. The bureaucrats say: ‘I’ve only been in the job five years. You’d have to go and ask someone else.’ DAFF says to go and ask DOHA; DOHA says to go and ask Austrade. They have no idea; they are dodging the truth. Just so people know, we heard evidence today from the CJD Support Group that, sadly, if you are a person who has surgery for CJD in a hospital there is no way to sterilise the instruments. They have to destroy the instruments that they use on you because they cannot sterilise them.

So here we are, after no grower consultation and absolutely no scrutiny by parliament. There has been no import risk analysis. There are no protocols in place at this point. The government said, ‘We’re going to kick it off on Monday, and we’ll know before then what the protocols are.’ Both the Cattle Council and the MLA said, ‘They’ve talked to us about what the protocols might be, but we haven’t seen them yet.’ The government are not going to let the industry see them; they are not going to let the rural and regional references committee look at them; they are not going to test them for human failure, when the committee that I proudly sit on has tested the protocols for apples, pears, fish, bananas and lots of other things that you might think of. All of those things we have tested and gloriously the government ticked off on them.

And we were as big a critic of our government as we have been of this government in terms of the import of beef from Brazil, where the bureaucrats said, ‘She’s right’ to the government. ‘Bring her in, because there are foot-and-mouth disease-free zones in Brazil.’ The OIE says, ‘We’ve got a bit of paper here that says it’s okay, because there is a tick in that box and that box.’ But there was no such thing.

There is no answer to the fact that there is no traceability. There is no equivalence—do not ask me why. Australia’s cattle growers should go and tell the Cattle Council and their representatives to go and get another job. The Cattle Council said, ‘We really don’t want to worry about national status or herd status; we only want to worry about animal status.’ Unfortunately, there can be no
such thing as a BSE-free herd, because there is no live BSE test. The only time that you know the cow has the disease is when you kill it. So here we have an industry that is saying: ‘We won’t worry about an import risk analysis, because it takes too long. The process takes two years.’

We have moved from the precautionary principle to risk analysis. The way that they did that was very tricky. This government did not tell anyone. It did not tell the Australian public. It did not tell the growers that we were going to change our status. But by agreeing to move Australia’s status from ‘free’ to ‘negligible risk’ they moved from the precautionary principle to risk analysis.

We have been betrayed. There is absolutely no way that Australia should be going through this process, because at the present time anyone who is a cattle grower—and unfortunately there is no-one on the other side who has any idea about this—is under siege now. They talk about what happened back in the 1990s when only 35 tonnes came in and the dollar was at 48 US cents, not near parity. They are saying that not much will come in. That is what they said about pork.

There has been no answer given to us. There has been no defence made. And nor do we have any way under the free trade agreement to compete with the $100 tonne subsidy per beast in a feedlot in America, because of the grain subsidy. There is no way that we can compete when labour in Australia—the people who work in the feedlot industry—costs three times as much. We cannot do anything about the fact that the average return for an American cattle person in their market over there is 50 per cent more than that of an Australian. We cannot do anything about the fact that the supermarket consumer pays 40 per cent less. There is no way that we can do anything about that.

We have been absolutely ambushed. Australian cattle producers are, in real terms, receiving less money now than they have received in the last 40 years except for the period of the 1972 to 1974 cattle crash. Australia’s cattle producers are getting $1.65 in the Wagga saleyards today for export beef. It is a joke. This is another impost. The one thing that we had in the marketplace was our clean, green and free status. And this gives that away. This is not about how much beef is coming into Australia. Those gooses on the other side do not care, because they have been stirred up through the free trade agreement. This is about us losing market share in Korea and Japan, because we are now saying to the Americans and the Canadians, ‘We’ll surrender to your status, so if you get another reactor, Australian producers will not have a premium in the market.’ They will say to the Koreans: ‘The Australians take our beef. They are negligible. Therefore, you should take it.’ We will lose market share. This is a disgrace. Australian consumers should rise up in anger and tell the government to go to hell.

The ACTING DEPUTY PRESIDENT (Senator Trood)—Order! The time for the debate has expired.

MINISTERIAL STATEMENTS
Burma
Economy
India
Indigenous Affairs

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.37 pm)—I present ministerial statements as follows:

- Current developments in Burma (made in the House of Representatives on 8 February 2010)
Exit from the government guarantee of large deposits and wholesale funding (made in the House of Representatives on 8 February 2010)

Australia’s relationship with India (made in the House of Representatives on 9 February 2010)

Closing the gap between Indigenous and non-Indigenous Australians, together with the Prime Minister’s report 2010 (made in the House of Representatives on 11 February 2010).

Senator SCULLION (Northern Territory) (4.37 pm)—I move:

That the Senate take note of the statement on Closing the gap between Indigenous and non-Indigenous Australians, together with the Prime Minister’s report 2010.

I seek leave to speak briefly to the statement Closing the gap, presented to the House of Representatives on 11 February 2010.

Leave granted.

Senator SCULLION—First, I acknowledge the Prime Minister’s statement on Closing the gap. I think it is a very important statement and I certainly commend the Prime Minister on his good intentions. I also commend the Minister for Families, Housing, Community Services and Indigenous Affairs, Ms Macklin, on the work she has done on closing the gap and particularly acknowledge all the staff who have been working in her department to ensure that the targets are met and that the Australian people have a range of measures with which to measure the promises and the work from both sides of parliament in this very important matter.

I caution the Prime Minister, however, on a couple of issues. As part of the apology the Prime Minister very clearly indicated that on the very first day of parliament its very first business would be to consider the Closing the gap report. As part of the apology, a symbolic gesture was made that we thought it before any other business of parliament. Unfortunately for the Prime Minister, and I am not sure exactly of the reasons, on both first days of parliament after the apology he failed to do exactly that thing. It was not considered on the first day of parliament; it was a week later or a few days later. I urge the Prime Minister on the next occasion to meet the requirements of the apology and, even if it is only symbolic, ensure that the Australian people understand that this parliament—not this government but this parliament—considers the Closing the gap report as a priority on the very first day it sits.

I also acknowledge the work of ex-Prime Minister John Howard and Mal Brough, the former Minister for Families, Community Services and Indigenous Affairs. In effect, many of the programs we are looking at in the Closing the gap report and many of the statistics refer back to the fantastic work that was done by those two men. I also acknowledge Noel Pearson, Warren Mundine, Galarrwuy Unupingu and so many other Indigenous leaders who have provided a lot of leadership in this matter, particularly the way they have indicated that communities and individuals must also take up their own responsibilities and that it cannot be left entirely to government. It has been fantastic to see the leadership they have provided in that regard.

I will go quickly to some of the targets that have been set. We now have some clear targets that had been laid out in closing the gap. A very important and significant one is life expectancy. There used to be a 17-year differential in the life expectancy of somebody in mainstream Australia compared with an Indigenous Australian—of course a terrible gap. I understand that the gap is now 11.5 and 9.7 per cent for males and females respectively. I think everybody acknowledges the sudden drop in that number is not due to
anything wonderful we have done but due to the way the measurements are taken and to the far more sophisticated application of those.

If we set intergenerational targets, if we say, ‘We will achieve this in an intergenerational sense,’ that is terrific, but what is a generation? You cannot say, ‘We’ll have a look at it in a generation’s time,’ because it is simply not going to get the consideration it needs. So it is very important to break that down. If you break it down, you will find that it is a 2.3-year gap in 10 years time. So in five years time—which is a good indication—it should be a bit over a year. In 2013, when we look at the life expectancy of Indigenous Australians, the gap should have closed by at least a year. We cannot just leave these targets out there. We have to be able to hold all parliaments and all governments to account on this matter.

The figures on infant mortality have been tremendous. I think infant mortality is getting a lot better. Again, we have to look at the trend line, at least in 2013, and then make whatever adjustments we think necessary. But all indications are that we are going to meet that target. On early childhood education, again there is a concerning trend: a nine per cent differential in metropolitan areas, a 16 per cent differential in provincial areas and a 31 per cent difference in remote and regional areas. I suspect that this is simply about the allocation of resources. It is very hard to get an early childhood education if there are simply no facilities there. In many of the places I visit in my own electorate of the Northern Territory and as I move around Australia, there is a complete difference in the amenities providing for early childhood education. That is one of the fundamental differentials that need to be filled.

When these things are measured, it is said that this is a measurement of enrolment. Tragically, I suspect that the circumstances are in fact far worse. It is not hard to measure enrolment on a given day when everybody runs around and asks, ‘Is your kid enrolled?’ Enrolment is fantastic, but the real target and the real measure is attendance. You can be enrolled, but enrolment does not give you an education. The only thing that gives you an education is attendance. We urge the government, if it is tweaking the report, to include attendance. That would be a very important change. The standards attained on literacy and numeracy reflect about a 30 per cent gap, but the gap gets wider as soon as you get away from urbanised Australia and wider again from provincial. Again, I suspect that that says a lot about the level of amenities, whether it be the teaching staff or the infrastructure of the schools themselves.

But as I travel around Australia the biggest problem with reading, writing and numeracy that I see is attendance. I would never have learned those fishing down the creek—which is why the local police officer and I had a very close relationship, when I was going to school! Most people in the business would agree that the problem in terms of reading, writing and numeracy is simply about attendance: you cannot learn if you are not at school.

On the issue of halving the gap for Indigenous students in year 12: there is now a 50 per cent gap in attainment levels. I was in Wadeye last week. There are a huge number of people who should be at year 12 who are simply not at school. Why? Because there is no school. A boarding school was promised by the current government. It was going to be built in 2009 in Wadeye. Well, I was there on Friday—and nothing has started at all. That gap is not going to close unless you get a bit fair dinkum.

On halving the gap on employment outcomes: we have something like a 21 per cent
gap. That is on average. I am quite sure that in rural and regional Australia it would be a lot worse. Saying you will address all of these issues is terrific. As I said, I commend the Prime Minister for having the best intentions. But best intentions are a bit like good blokes—the pubs are full of them. Best intentions are simply not enough.

Tragically, we have seen a series of disasters in these programs on which Closing the Gap so much relies. SIHIP has delivered two houses in two years—with $43 million invested in consultancies. I understand the issue was that we have to engage with Aboriginal people to see what sort of houses they want. I actually went and saw the first two houses open—terrific houses. I asked the Aboriginal people: ‘Are you pretty happy with these houses?’ They said, ‘Well, we actually wanted one with a breezeway, with outside access for a toilet for visitors’—and they went through everything they wanted. They said, ‘They’re just building the same ones they’ve always built.’ So I cannot see that $43 million being much of an investment.

We have heard now of refurbishments in Ali Curung. They consider refurbishments the fact that a bloke has a new stove, a few stainless steel rails, a sink and a fan—and, the taxpayers out there will be overjoyed to hear, it cost $75,000 per house. I am sure it is going to average out, but I tell you what: we will want to be spending on a lot more houses to make that effective. This was all part of the apology. It is absolutely fundamental, whether it is for health or any of the outcomes that we want, to ensure that people have a roof over their heads.

On employment, I think we need to have special considerations for Indigenous people in terms of some of the breaching provisions. There is no doubt about that. The reason is not their ethnicity; it is simply that they come from a very disadvantaged demographic, with very low socioeconomic backgrounds, and many times have very low levels of opportunity. But we need to treat them equally as Australians. Without these breaching provisions I can see us simply having two demographics—one that is levered into work and one that is not. Again, good intentions are simply not enough. These programs need to be run far more effectively if we are going to close the gap. Sadly, I can see us, this time next year, at the beginning of parliament, having a look at a series of data sets that show we are not closing the gap fast enough—and that is simply not good enough. Again, I commend the Prime Minister, but there is far more work to be done.

Senator IAN MACDONALD (Queensland) (4.48 pm)—I rise to speak on the motion moved by my colleague relating to the report Closing the gap between Indigenous and non-Indigenous Australians. Mr Acting Deputy President, you have just heard from someone who really understands the difficulties for Indigenous Australians. We are very fortunate in the coalition to have someone of Senator Scullion’s calibre and knowledge as our spokesman on Indigenous affairs. I want to contribute—ever so briefly, I might add, for my colleagues’ benefit—to the motion taking note of the Prime Minister’s statement on Closing the Gap, just to highlight again the problems of Indigenous people in Cape York. Over many years those Indigenous people, through long struggle, have achieved ownership of a lot of the lands in Cape York, and they have big plans for those lands. But the Queensland government have come along with this ridiculous Wild Rivers legislation: legislation that was brought into play in Queensland in a grubby deal between the Queensland Labor Party government and the Queensland Greens political party to lock up the so-called wild rivers. That has meant, in many instances, that
the plans and visions that the Indigenous people of Cape York had for their own future—a future not relying on government handouts but dealing with their own lands and making wealth, jobs and self-fulfilment from their lands—have been shattered by the Queensland Labor government’s wild rivers legislation.

I was delighted to stand by Tony Abbott, the Leader of the Opposition, when one of his first announcements as leader was to indicate that he was going to take the fairly bold, very courageous move of overturning Queensland state legislation with federal legislation to effectively nullify the Queensland government’s wild rivers legislation. Why did he do this? It was not out of any particular animosity to the Queensland government—although, I might say, most Queenslanders these days, according to the opinion polls, have a great animosity to the current Queensland government. That was not Mr Abbott’s reasoning. He was doing that because he is a guy who, like Senator Scullion, has actually lived amongst Indigenous peoples. For several years past now, Mr Abbott has been up in Cape York—not with a media contingent, not for a photo opportunity, as the Prime Minister is so good at, but up there actually acting as a teacher’s aide for a couple of weeks in an Indigenous community. He has a feel for them. He has spoken to Indigenous leaders like Noel Pearson, who are just ropable, absolutely furious, at this Queensland government legislation. He has spoken to other Indigenous leaders—Deon Creek was among several who attended Mr Abbott’s announcement in Cairns—of his intention to try to overturn the Queensland government’s wild rivers legislation. All the Indigenous leaders that we have spoken to are totally incensed by the Queensland government’s action in depriving them of a future. That is why I am so glad that Mr Abbott has introduced that private member’s bill.

I am saddened that Mr Rudd has not, in his statement today, wholeheartedly endorsed Mr Abbott’s legislation. I had hoped he might say, ‘I’ll take over Mr Abbott’s legislation and introduce it myself.’ That would have been acceptable, because I know Mr Abbott does not want the glory of doing this; he just wants something done for Indigenous people. He wants to close the gap with practical action—not with words, great statements, huge media opportunities and hoopla. He actually wants to get in and do things that will assist. I am not saying the Labor Party deliberately go out to make things worse for Indigenous people. But they have no understanding. They are skilled in thoughts from the ivory towers, one might say, in all the textbook things that could be done to help Indigenous people. None of it works. You need to get out on the ground, as Senator Scullion does, and talk to the communities at Wadeye to understand what the housing problems really are.

Expectations have been built up by Mr Rudd which, as Senator Scullion was saying, will never be delivered on because the Rudd government are incapable of delivering any program on time, effectively and on budget. They are brilliant at the spin. They are brilliant at the promises. But, when it comes to delivering on the ground, they are completely hopeless. I only regret that Mr Rudd has not taken on more of the initiatives that Mal Brough started, and which Senator Scullion often talks about, in doing something positive and proper for our Indigenous brothers in Australia.

Whilst I welcome Mr Rudd’s statement, I regret that it is simply another Ruddism, it is all talk and no action—it sounds good, he
will get a headline tomorrow and then, as usual with Mr Rudd, he will do nothing about it. Hopefully by this time next year there will be a new government that will be making statements about Indigenous people that actually mean something and practically advance their lot. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Burma

Senator LUDLAM (Western Australia) (4.55 pm)—by leave—I move:

That the Senate take note of the statement on current developments in Burma.

I rise to make some very brief remarks on the ministerial statement that was tabled by the Minister for Foreign Affairs on 8 February relating to current developments in Burma. A little bit of time has elapsed since then.

Firstly, I would like to congratulate the government on quite substantially increasing our foreign aid budget to Burma. According to the minister’s speech, it will rise over the next three years to about $50 million annually, which is an increase of approximately 67 per cent. As the minister gives due recognition in his speech, foreign aid from Australia—and also from other countries who traditionally stand with Australia in foreign aid in the region—to Burma is actually less than a 10th of that received by Cambodia and a 16th of that received by Laos. This aid is for a country with some of the most horrific maternal mortality and child health statistics in the world—if there is a country with worse statistics, in our region at least, I certainly have not heard of it—so it is entirely appropriate for this increase in our aid budget to occur.

I made some comments the last time I spoke on these issues around making sure that Australia’s aid budget goes to credible non-government organisations. We already know that our aid to Burma is going to such organisations, and they work incredibly hard under difficult circumstances. Credit should go to our people with AusAID but also to the aid agencies that we fund, who work under very difficult circumstances.

My main plea of the government the last time I spoke on this was that the government make sure that a much larger proportion of funding makes its way up into the border areas, where, effectively, a war is going on. This war has forced hundreds of thousands of people across the border, and people are in extremely tenuous circumstances on both sides of the border. It would really be a credit to Australia, and to the credible non-government organisations, including the Thailand Burma Border Consortium, if we made sure that some of our aid budget—or certainly a much larger proportion—made its way to those groups.

I want to pick up on some of the other comments that the minister made in his statement. In October 2007, following the most recent bout of extreme violence against pro-democracy campaigners in Burma, Australia tightened up its sanctions slightly. The minister lists them as travel, defence and financial sanctions, saying they ‘have the common purpose of exerting pressure on Burma’s military regime’. Last year, when one of the world’s most famous political prisoners, Daw Aung San Suu Kyi, was granted an audience with our consular representatives in Rangoon, they had to explain to her why Australia’s sanctions regime was so much looser than that of the United States or the United Kingdom.

From questions in estimates last year, I know that the government was at that time considering whether or not to tighten our sanctions regime. They appear to have decided at this stage not to bother. That is enormously problematic, particularly in the case of the investment that occurs. Senators will
no doubt be aware that there is roughly $50 million in two-way trade between Australia and Burma. While that does not sound like much, and it is not much in terms of Australia’s accounts, it is quite a significant flow of funding in and out of Burma given the extreme financial sanctions which have been applied by other countries and given the fact that this regime is extremely cash-strapped—so much so, people have told us, that the regime occasionally has to abandon military campaigns in the border areas because it simply does not have the resources to keep troops in the field. So financial sanctions do have an impact, and they are something that we should take a much closer look at.

It is a source of shame to me, coming from Perth, to have to acknowledge that there is a company, Twinza Oil, which is based in Perth and has investments in west Perth, that paid around $11 million or $12 million for a licence to take out oil and gas concessions and that they had to do this in partnership with the Burmese regime because it is not possible to do business in that country otherwise. One of the reasons that it is long past time for a rethink of our sanctions regime is that companies based in Australia can go into partnership with this vicious regime to sign up to oil and gas deals to further strengthen and legitimise the regime. This is not just political or diplomatic legitimacy; it also means hard currency, because the $11 million or $12 million that that agreement represents is really a down payment on what has been estimated on the basis of today's market at US$5.36 billion worth of crude oil, should the resource in the ground be proved up to that value.

It is not possible to calculate at this stage how much that would be worth to the regime, but, to put those figures in context, the fact is that this company, which I will speak of in a moment and which needs to be put on Australia’s financial sanctions list, earns about $1 billion annually from oil and gas projects, and that represents 40 per cent of the country’s annual budget. An Australian outfit’s proposing to sign up to a deal which could be worth $5.3 billion in total represents a very substantial potential flow of resources to the Burmese government when Australia should really be moving in precisely the opposite direction.

It would be very simple measure for the Australian government to simply tighten our sanctions regime and do it now, well in advance of any proposed elections that the regime may or may not hold in Burma. I certainly have not heard a satisfactory explanation from the government—and this is what we are after—as to why the Myanmar Oil and Gas Enterprise, MOGE, is not on Australia’s financial sanctions list. Many other companies are, and with good reason. But, without signing up to a deal with this particular company, you cannot get into the Burmese oil and gas business, and we now have the embarrassment of this company in Perth doing exactly that—signing up in partnership with MOGE and setting us up in future for enormous flows of international revenues to the Burmese regime.

It is time for the government to rethink this. We are spending taxpayers’ money on foreign aid, and that is absolutely deserved and very important, but we have to make sure that we are doing everything we can to cut off the flow of financial resources to this regime, and I think most Australians would have supported the Minister for Foreign Affairs if he had stood up and said, ‘We have been having a rethink of our targeted financial sanctions regime and decided that Australian investment will be frozen from this day forward.’ I am still looking forward to that announcement. I think it is entirely indefensible that we are continually trading with this nation, which is effectively an outlaw nation and an outlaw regime. We should be
doing everything that we can within our power to support people in that country. Aung San Suu Kyi has said on many occasions, ‘Please use your freedom to promote ours.’ I think this chamber and this parliament has the opportunity to do that at a time of its choosing.

Question agreed to.

**DOCUMENTS**

**Tabling**

The **ACTING DEPUTY PRESIDENT** (Senator Marshall)—Pursuant to standing orders 38 and 166, I present documents listed on today’s Order of Business at item 11 which were presented to the President, Deputy President and temporary chairs of committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised.

The list read as follows—

(a) **Committee report**
Parliamentary Standing Committee on Public Works—Report—Unauthorised disclosure of committee proceedings and evidence (received 9 February 2010)

(b) **Government document**
Department of the Environment, Water, Heritage and the Arts—Risk assessment of the insulation components under the energy efficient homes package—report by Minter Ellison Consulting (received 19 February 2010)

(c) **Letters of advice relating to Senate orders**
1. Letter of advice relating to lists of departmental and agency appointments/vacancies:
   - Resources, Energy and Tourism portfolio agencies (received 5 February 2010)
2. Letters of advice relating to lists of departmental and agency grants:
   - Resources, Energy and Tourism portfolio agencies (received 5 February 2010)
   - Australia Business Arts Foundation (received 8 February 2010)
   - Innovation, Industry, Science and Research portfolio agencies—Correction (received 9 February 2010)
   - Department of Foreign Affairs and Trade [separate letters] (received 15 February 2010)

**Risk Register and Management Plan**

Senator BIRMINGHAM (South Australia) (5.03 pm)—by leave—I move:

That the Senate take note of the document.

This document, tabled out of session on Friday last week, is indeed a very clear example of the government’s mismanagement of its Home Insulation Program; in fact, no clearer example could one find. In reading this document, it becomes transparently clear that almost everything predicted by its authors, Minter Ellison, has come true. All the flaws in the government’s Home Insulation Program, which Minister Garrett failed to recognise and adequately act on early enough, were identified. In fact, they were identified and given to the government on 9 April last year. That is before four young Australians lost their lives installing insulation, before 93 Australian homes suffered fire damage because of this insulation program and before tens of thousands of other homes that were identified as possibly at risk were put at risk. All the warnings were contained in this report to the government that the minister miraculously never looked at. From 9 April last year until 11 February this year, he never looked at the report. That is what the minister says. But we know that his department told the Senate inquiry into this matter earlier today that it had briefed him continuously. We know that his department provided him with a briefing on this risk management plan in late April last year. We know that he was told of the risks and the issues in April last year, so, even if he had never seen this report until February and even if its contents had never been specifically quoted to him, we know by the admission of his own depart-
mental officials in a Senate inquiry earlier today that he was briefed on this in late April last year—again, before deaths occurred and before houses were damaged.

This document was not the only one flagging these warnings to the minister; there was another document that the government did not think to table last week. Despite the order of the Senate and despite the request for these documents to be tabled, there was another document produced by Minter Ellison, the same authors, that the government did not think to table. That document is called the Risk Register and Management Plan, and it was delivered by Minter Ellison at 2 pm on 9 April 2009. It is little wonder that the government did not want to release this document voluntarily last week, because this document shows not only that all the risks were there but also that some recommendations were made to slow down the implementation of this program. Those recommendations, which are specifically named in this document, were not acted upon.

Let's look at a couple of them. In relation to procurement and licensing, Minter Ellison said that there was a need for the entire program duration to be determined and fulfilled by 1 July under the government's policy. However, they identified that that was unachievable. They suggested that the residual risk for rushing through procurement and licensing arrangements was not tolerable. There is a column in the document: 'Is the residual risk value tolerable—yes or no?' In response to this issue the answer is no. That is what Minter Ellison advised the government. Instead, they suggested the government should extend the rebate scheme to 30 September 2009 and consider a possible hybrid model. Did the government do either of those things? No, they did not. They charged ahead instead, recklessly implementing this scheme despite the fact that risks were identified in multiple reports provided by Minter Ellison and despite the fact that those risks went to the safety of installers and the safety of Australian families. This reckless abandon when it comes to the safety of Australians means that Minister Garrett and the Rudd government stand condemned for their failure to heed the advice that was given to them.

We know through evidence that has come out over the last couple of weeks that the government received at least 19 explicit warnings from industry, state governments and stakeholders about the risks that their
Home Insulation Program posed—the risks to installers and the risks to homeowners, the risks of electrocution and the risks of fire. They received 19 explicit warnings. But here we have two government documents commissioned and paid for by the department of the environment which, for some strange reason, were kept secret from the minister and that demonstrate the government were warned about the risks. What is more, they were given some recommendations as to how to mitigate those risks. Of particular importance was the recommendation to slow things down and recognise that they were going too fast, and that, as a consequence of going too fast, they would put lives at risk and leave this program not only seeing tens of millions, if not hundreds of millions, of dollars wasted but also seeing Australian homeowners and insulation installers putting their lives on the line as a result of Minister Garrett’s mismanagement.

It is fail, fail, fail for Minister Garrett on all counts in the management of his portfolio. We now have a Green Loans Program that does not have a loans component, we have thousands of assessors under the Green Loans Program finding themselves out of work and we have a Home Insulation Program that has been cancelled for the time being, leaving thousands of installers without the opportunity of work until some alternative is put in place. Many of them are reputable installers who have been doing the job safely and adequately, not just for months but for years and decades. They all find themselves left out in the cold. The government has let down homeowners, installers and the Australian community. Minister Garrett has failed to heed advice on multiple occasions and has failed to heed advice contained in reports commissioned by his own department. It has been acknowledged by his department that they briefed him regularly and that the departmental secretary briefed him on a weekly basis, and yet he seems to have never managed to take the appropriate action. Cancelling the program last week does not absolve Minister Garrett of all responsibility for his past decisions—far from it. Minister Garrett needs to be held accountable for every decision that he has taken or, more importantly, failed to take in the life of this program. That is where the buck needs to stop—with Minister Garrett.

Also, whilst we are looking at where the buck may stop, Minister Arbib, after his performance in question time today, has some questions to answer because it was identified in those Minter Ellison reports that he was at weekly meetings. Whilst he told the Senate today that he was never told of the risks of fire or the risks of electrocution, it beggars belief, quite frankly, that he attended weekly meetings and did not hear of those risks. Somehow he claims that he delivered on all of the safety components. Mr Acting Deputy President Marshall, please explain to me how it is that, if he was never told of the risks of fire and electrocution, he could deliver on all of those safety components. Something does not add up in what Minister Arbib said. He stands as condemned as Minister Garrett.

Senator BARNETT (Tasmania) (5.14 pm)—I stand to speak to the Minter Ellison report that was tabled last Friday in the parliament—in fact, tabled way too late. The minister ended up being forced to table this document, knowing full well that this is a critically important document in this whole housing insulation program fiasco. Surely, the Rudd Labor government has a duty of care to the Australian people. Does it have a duty of care to Australian families; does it have a duty of care to the businesses affected; does it have a duty of care to the people that will lose their jobs, quite probably in the thousands, as a result of its dilatory behaviour—as a result of what I would say is
either gross neglect or reckless indifference? Or is the government deliberately hiding the truth? This document was tabled on Friday, but it was tabled without the risk register, which we obtained, excruciatingly. As a result of question after question this morning with the department, we have finally obtained the risk register and management plan, which was part of this Minter Ellison consulting report delivered to the government in early April 2009. Why did it take so long?

We had the Department of the Environment, Water, Heritage and the Arts submission to our Senate committee—of which I am a member, ably chaired by the Senator Mary Jo Fisher, and of which Senator Birmingham and others are members—and we had to ask again and again to get the information onto the table. That should not be required. The submission made no reference to the Minter Ellison report, nor did it make reference to a whole range of other things. But we have learned a good deal today. It appears that Minister Garrett knew about this at the time—in April last year. We were advised of weekly meetings and monthly meetings with all the relevant people, including people from the Department of the Prime Minister and Cabinet. They were aware of the risks that were facing the Australian people as a result of the rushed implementation of this housing insulation program that the government cobbled together in quick time.

The sad thing is that the government is now faced with four deaths—it is very tragic and sad to note that—and today we found that the number of house fires has increased to 93 house fires as at today. What about those families affected, not to mention the people whose homes are now at risk of fire as a result of this dodgy dealing and as a result of a failed government program? We have been advised this morning that, based on an audit report, 7.6 per cent of homes—some 80,000—are at risk of fire and have a safety risk. In terms of those with substandard or non-compliant installation, we are advised that it is some 16 per cent. That is over 160,000 homes throughout Australia—in every state and territory, in every nook and cranny—that are at risk.

Those figures for Tasmania on a population share basis are approximately 2,000 homes at risk of fire and some 4,000 homes with substandard or non-compliant insulation. That is not good enough. I have put the department on notice to be more specific and to provide the exact details, and I hope that those answers can come through very swiftly indeed. These are peoples’ families we are dealing with. You have already got the foil issue, where an audit is being undertaken by the government. Based on current arrangements—on the review and the audit of the last three months—it is going to take some 12 years before that audit is complete and those people can be confident that their house is not electrified. That is just absurd.

I see that the minister has put out a statement this afternoon where he says:

In addition to the existing electrical safety inspection program for foil insulation, the Government will expand its pro-active and targeted, risk based audit and inspection program to 15 per cent of homes with non-foil insulation installed under Home Insulation Program which may have safety risks.

It goes on to say that the program:

… will focus on households where there are significant concerns about safety.

They talk about rolling out a hotline—I do not know how you roll out a hotline—from Wednesday this week.

Senator Fisher—Part of the NBN, no doubt!

Senator Barnett—Probably part of the NBN. We know what a fiasco and a disaster that has been, Senator Fisher. They say that ‘inspections will occur over time’, but
there is no time line. Is it 12 years, 12 months, two months, 12 days? How long is it going to be before Australian families can be confident that their own homes are safe? Minister Garrett, you should hang your head in shame as a result of this botched housing insulation program. It is a great shame.

What about the businesses affected? What about the workers who are going to lose or have already lost their jobs? I spoke to Peter Banjanin of Sunshine Coast Insulation Pty Ltd on the weekend, who, sadly, had to sack his 11 employees over the weekend. He tells me he has stock valued at $150,000 to $200,000 in his business on his premises. He asked me, ‘What am I going to do with it?’ What does Minister Garrett say about that? I asked the department this morning if there would be any compensation available for those businesses that are responsible—that are doing the right thing, did the right thing and met all the requirements, including the safety standards. What is up with them? I was also advised that last Friday the government’s own website was unavailable. There was some sort of meltdown last Friday. Whether that is correct or not, we will need to find out, but that is the advice I received from that gentleman. Clearly this is a dud program and the government must stand accountable.

In terms of the cost, waste and mismanagement of this $2.45 billion program, it knows no bounds. We have asked questions in the Senate committee on imports. Of course, this program was designed to strengthen the Australian economy. We know that a very significant percentage of the insulation has had to be imported from overseas, whether it be the US or China. We were advised last Wednesday in Melbourne that between 30 per cent and 40 per cent of the insulation was non-compliant. The department says that it is about 16 per cent, or 160,000 homes with substandard insulation. The fact is that it is not good enough.

I asked questions this morning about the Australian Communications and Media Authority and the Do Not Call Register. ACMA has apparently had complaints more than double in the past three months as a result of the Housing Insulation Program, so we need to get to the bottom of that and I have asked for a briefing on it. They should come clean and reveal this information now. We should not need to wait. What about the response to the Australian Competition and Consumer Commission? It apparently took several months to respond to the department of the environment’s first letter of 9 May to the ACCC asking for details of those people who may be breaching either the Trade Practices Act or some fair-trading legislation. What about the three businesses that are currently being investigated by the Australian Federal Police? What is happening to them? We asked questions this morning about the audit for those homes that have been affected, the 80,000 that have a safety risk and the 160,000 or thereabouts that have substandard insulation. All we could hear were words, not action; we need action and we need it fast because there are so many people affected.

We heard about the various reports. We have not only the Minter Ellison report but also an Ernst and Young report, a PricewaterhouseCoopers report and a KPMG report—numerous consultants and experts have been appointed to give the department advice. We want to get to the bottom of it and we would like to know what exactly the cost is to the taxpayer for all of this, and a breakdown of those costs. There is apparently an MOU with the state and territory fair-trading organisations. We would like to see that. I know they have been active, including in Tasmania. So there is a lot more to go on this, but the fact is that the Australian people have been let down big time and this
government has a duty of care to all of those affected. \(\text{(Time expired)}\)

Senator FISHER (South Australia) (5.26 pm)—I rise to speak in relation to the Minter Ellison risk assessment. I share with my colleagues the concerns that were only exacerbated by the Senate Environment, Communications and the Arts References Committee hearing this morning into the Home Insulation Program. We have confirmed, as my colleagues have indicated, that Minister Garrett’s department commissioned a risk assessment from Minter Ellison that was delivered to Minister Garrett’s department in April last year. And yet we are led to believe that the minister did not see that risk assessment in full until as recently as 11 days ago.

Through the committee process today we discovered that the risk assessment that has been made public is some 20 pages in length, some 10 months late and bereft of a date. It did not have a covering letter; it came without a date. We had to question the department this morning to work out when the department received it and what went with it. And, yes, we learnt today that what went with it was not a covering letter—presumably there was a bill from Minter Ellison at quite some cost to the taxpayer—but a ‘risk register’. The 20-page risk assessment document itself was tabled late on Friday afternoon. Of course, that was 10 months too late and, conveniently, contemporaneous with the announcement that Minister Garrett’s so-called successful program was so successful that he was shutting it down. But at that time we were not told that the risk assessment was accompanied by a risk register. So when we asked the department this morning where the rest of the 20-page document was, we finally got told, ‘Oh, yes, there’s a risk register that goes with it.’ There was a risk register that went with it to the department back in April last year. ‘But,’ said the department, ‘it’s a live document.’ It, together with the Minter Ellison risk assessment and the risk register, were ‘embedded’—in the words of Mr Forbes of the department—in the department’s processes for managing the risks and managing the Home Insulation Program, as if embedding it somehow puts to bed the concerns about the very risks identified in this report. The department’s secretary, Ms Kruk, reassured the committee, ‘Why would you expect a minister to see a risk assessment when we, as his department, take the risk assessment into account and when we, as his department, as indicated by my colleague, Mr Forbes, embedded those concerns and dealt with them along the way?’ It is as if embedding them puts them to bed and they no longer need to be worried about it.

I ask why Minister Garrett told ABC News radio today:
I only sought that full report—
I am not sure still what the minister meant by ‘full’—
when we were asked about it—
presumably by the opposition—
and it was provided to my office very recently.
He then went on to say:
That is correct. I only saw the full Minter Ellison report and read it in its totality last week.

How can the minister expect Australians to have confidence in his ability to deliver a Home Insulation Program—HIP—which is becoming decidedly un-hip with each and every day? How can the Australian people have confidence in his ability to deliver the HIP when he said what he did on ABC News radio this morning? He said:
Any government department that is embarking on the delivery of a new program will go through a risk assessment process. That is standard practice, and as it should be. On the basis of that work they will provide advice to the minister et cetera.
Why on earth didn’t Minister Garrett ask for a copy of that advice? Why on earth didn’t he ask how it was progressing and if he could see it? And why on earth didn’t he want to see or ask to see the risk register that went with the risk assessment?

I might venture to suggest a reason why, and that would be that the document provided by the department this afternoon, following this morning’s hearing, includes not only the recommendations that were not heeded, as referred to by my colleague Senator Birmingham, but also an extra column entitled ‘Inherent risk quantification’. And do you know what is in that column? The bucks—the cost of what happens if the inherent risk is not addressed. The bucks are quantified. The buck needs to stop with the government and the buck needs to stop with the minister. Bearing in mind these figures were speculation back in April last year, if you go through and add up the figures of inherent risk qualification in the risk register provided by Minter Ellison, you get a grand total of costs, on my reading—I would love to be proven wrong—of anything from $245 million up to $835 million. This is the cost of failing to address the risks inherent in Minter Ellison risk assessment.

Those risks included, for example and most significantly, administrative costs occasioned by, for example, delays in delivery—we have had those; nondelivery—we have heard the stories about that; fraud—I think we have heard about a bit of that; and loss of industry support for the program—well, unfortunately that must be so from an industry largely full of reputable players who find the industry and their image so tarnished by this so-called hip but decidedly un-hip program. So, all of those inherent risks are quantified by the Minter Ellison risk register and for all of those inherent risks quantified by the Minter Ellison risk register—administrative costs, delays in delivery, nondelivery, fraud and loss of industry support for the program—we have $500,000 in administrative costs. If you add up the underside, the cheapest administrative costs up to the most expensive costs of not addressing the risks inherent, as referred to by Minter Ellison, you get costs ranging from $245 million on my calculation to some $835 million. That is as of April last year—the best guess estimate of Minter Ellison, according to what we have, as of April last year.

What has happened since then? I think things have got worse, not better. It is not unreasonable to speculate that, if the upper end of that cost were to, say, double from some $835 million, all of a sudden you have $1.7 billion. And what was supposed to be the outlay of this program in the beginning? It was $2.7 billion. That is not much off par—and this is for a program which was set up not only to create jobs, many of which were lost as of Friday last week, but also to stimulate the economy. So a program that was supposed to inject money into the economy could very quickly be backing money right out of it, on the say-so of the very firm commissioned by Minister Garrett’s own department to warn of the risks inherent in the program and the costs of failing to address those risks. Rather than injecting money into the economy, this program risks backing money out of the economy. Minister Garrett and Prime Minister Rudd could have found that out had they bothered to ask—but they did not.

The department this morning would have had us believe that it was no big deal that the minister did not seek a copy of this report; it was really just routine. According to Secretary Kruk, effectively the risk assessment and the risk register are now out of date because they are live documents. Then why on earth bother to give them to the minister at all, and why bother to give them to him only 11 or 12 days ago, some 10 months after the
jolly document came into existence in the first place? *(Time expired)*

Question agreed to.

DELEGATION REPORTS
Parliamentary Delegation to the United States of America

The ACTING DEPUTY PRESIDENT (Senator Marshall) (5.34 pm)—I present the report of the Australian parliamentary delegation to the United States of America, which took place from 26 September to 11 October 2009.

AUDITOR-GENERAL’S REPORTS
Report No. 22 of 2009-10

The ACTING DEPUTY PRESIDENT (Senator Marshall)—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 22 of 2009-10: Performance audit: Geoscience Australia.

PARLIAMENTARY PRIVILEGE

The ACTING DEPUTY PRESIDENT (Senator Marshall) (5.35 pm)—I table advice from the Clerk and related correspondence on the subject of a criminal case in the Northern Territory in which subpoenas had been issued for senators to give evidence on a sitting day. The error has now been rectified. Senators may give evidence voluntarily but, under the Parliamentary Privileges Act 1987, they are immune from compulsory attendance at a court or tribunal on or near sitting days, the rationale being that a senator’s first duty is to the Senate.

AUSTRALIAN SOLOMONS GOLD LTD

Return to Order

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.36 pm)—I table documents relating to the order for the production of documents concerning landholder agreements with Australian Solomons Gold Ltd.

COMMITTEES

Foreign Affairs, Defence and Trade Committee: Joint Report

Senator McEWEN (South Australia) (5.36 pm)—On behalf of Senator Forshaw, I present the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade on the Defence Subcommittee visit to East Timor.

Public Works Committee Report

Senator McLUCAS (Queensland) (5.36 pm)—On behalf of the Parliamentary Standing Committee on Public Works, I present the 73rd annual report of the committee, and seek leave to move a motion in relation to the report.

Leave granted.

Senator McLUCAS—I move:

That the Senate take note of the report.

The Public Works Committee is required under its act to report annually to parliament, and I am pleased to present this report of the committee’s proceedings during 2009. The committee had a busy year in 2009, investigating 14 proposals with a combined total cost of $3.3 billion. There was one proposal withdrawn from the committee’s consideration, and it is discussed in the report. There are some particular features of the committee’s work in 2009 that I would like to note.

The committee undertook an inquiry into a Defence project in Tarin Kowt, in Afghanistan, where members of the Australian Defence Force are currently deployed. This is the first time in the history of the committee that the committee has considered works proposed for an operational deployment, and I think this demonstrates the capacity of the committee to undertake inquiries into sensitive projects. The committee would particularly like to thank the Department of Defence...
for its assistance in making this inquiry so successful.

At numerous times in 2009, the committee has had to ask agencies to resubmit further confidential cost estimates. The committee, as you would understand, Mr Acting Deputy President, must have sufficient information to be confident that projects have been accurately costed and that they will be completed without cost overruns. Incomplete costings can cause significant delays in the inquiry process, and the committee looks forward to improved project costings in 2010. I encourage agencies to contact the secretariat of the Public Works Committee for advice about how to make a presentation and also for advice about the level of detail that is required by our committee to properly assess proposals. Public Works Committee scrutiny is recognised by many of the agencies which regularly present to us as a valuable tool to ensure that the planning for major capital projects is accurate and well thought through.

The committee was also notified of 78 medium works in 2009, with a total cost of $425 million. The committee also implemented a new process of publication for medium works under an agreement with the finance minister. The project title, agency name and date of notification of all medium works are published on the committee’s website. This is an important measure to increase accountability and transparency.

Finally, I would like to thank senators and members for their work in 2009. I commend the report to the Senate.

Question agreed to.

Treaties Committee

Report

Senator ADAMS (Western Australia) (5.40 pm)—On behalf of Senator McGauran, the Deputy Chair of the Joint Standing Committee on Treaties, I present the 109th report of the committee on the treaty tabled on 2 February 2010, tabled in the House of Representatives on 11 February 2010.

Environment, Communications and the Arts References Committee

Membership

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.41 pm)—by leave—I move:

That Senator Birmingham replace Senator Boswell on the Environment, Communications and the Arts References Committee for the committee’s inquiry into the Energy Efficient Homes Package, and Senator Boswell be appointed as a participating member of the committee.

Question agreed to.

CRIMES LEGISLATION AMENDMENT (SERIOUS AND ORGANISED CRIME) BILL 2010

CRIMES LEGISLATION AMENDMENT (SERIOUS AND ORGANISED CRIME) BILL (No. 2) 2010

Returned from the House of Representatives

Message received from the House of Representatives returning the bills without amendments.

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 2) 2009

NATIONAL HEALTH SECURITY AMENDMENT (BACKGROUND CHECKING) BILL 2009

TAX LAWS AMENDMENT (2009 MEASURES No. 6) BILL 2009

First Reading

Bills received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.43 pm)—These bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall
move a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.44 pm)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

International Tax Agreements Amendment Bill (No. 2) 2009

Today I introduce the Bill to give the force of law to a new tax treaty with New Zealand, a second Protocol to the tax treaty with Belgium, and an Agreement on the allocation of taxing rights over certain income with Jersey.

Tax treaties facilitate trade and investment by reducing barriers caused by double taxation. The extremely close and significant economic relationship between Australia and New Zealand increases the importance of maintaining up to date tax arrangements between both countries. The new tax treaty, signed in Paris on 26 June 2009, strengthens and enhances this relationship.

The treaty updates and modernises the bilateral tax arrangements between Australia and New Zealand. The Bill will insert the text of the new treaty into the International Tax Agreements Act 1953 and repeal the existing treaty.

The treaty updates and modernises the bilateral tax arrangements between Australia and New Zealand. The Bill will insert the text of the new treaty into the International Tax Agreements Act 1953 and repeal the existing treaty.

Responding to the needs of both Australian and New Zealand taxpayers, the new treaty comprehensively updates the existing tax treaty arrangements with New Zealand. Key outcomes from the treaty include:

- reduced withholding taxes on certain intercorporate dividends, and their complete removal on others;
- the removal of withholding tax on interest payments made to unrelated financial institutions or to the Australian and New Zealand governments;
- lower royalty withholding tax;
- the extension of treaty benefits to Australian managed investment trusts;
- the cross recognition of the tax exempt status of pensions in both Australia and New Zealand; and
- a short-term secondment provision which will preclude individuals from being caught up in the other country's tax system when they are seconded to that other country for less than 90 days.

Integrity provisions in the treaty will ensure that the reduced withholding tax rates are only available to those genuinely entitled to them. In addition, as New Zealand does not have a comprehensive capital gains tax, the treaty allows Australia to tax capital gains derived by Australian residents who relocate to New Zealand for up to six years after they cease to be an Australian resident, thereby preventing the double non-taxation of such capital gains.

The treaty will enter into force following the last notification that both countries have completed their domestic requirements which, in the case of Australia, includes enactment of this Bill.

The Bill will also amend the definition of 'dual listed company arrangement' in the income tax law to align it with the corresponding provision in the treaty with New Zealand.

The Government is committed to the implementation of international standards of tax transparency. The second Protocol to the tax treaty with Belgium upgrades the exchange of information provisions in the tax treaty between Australia and Belgium by enhancing the ability of the Belgian and Australian tax authorities to exchange taxpayer information, and to exchange on a wider range of taxes.

In particular, the new provisions provide that neither tax administration can refuse to provide information solely because they do not require the information for their own domestic purposes, or
because the information is held by a bank or similar institution.

The Government is a global leader in combating cross-border tax evasion. The enhanced provisions with Belgium are an important tool in Australia’s efforts in this regard, by increasing the probability of detection when taxpayers participate in abusive tax arrangements.

The Tax Information Exchange Agreement, together with the Agreement for the allocation of certain taxing rights, signed with Jersey earlier this year are further evidence of the Government’s commitment in this area.

The Bill gives effect to the Agreement on the allocation of taxing rights between Australia and Jersey, which will help prevent double taxation of certain cross-border income derived by individuals who are residents of Australia or Jersey. The Agreement also provides an administrative mechanism to help resolve transfer pricing disputes that may arise between taxpayers and the revenue authorities of Australia or Jersey.

The Joint Standing Committee on Treaties has considered, and recommended that binding treaty action be taken, in respect of all three treaties.

Full details of the amendments brought forward in the Bill are contained in the explanatory memorandum.

National Health Security Amendment (Background Checking) Bill 2009

This Bill amends the National Health Security Act 2007 to enhance Australia’s capacity to secure certain biological agents that could be used as weapons. Such a biological agent is also known as a security sensitive biological agent, or SSBA, and includes the agents of diseases such as anthrax, smallpox and the plague.

The regulatory scheme for SSBA currently includes stringent requirements relating to the notification of the type and location of SSBA in Australia, along with standards that must be met by organisations handling SSBA. These standards relate to matters such as the secure handling, disposal and movement of SSBA, along with background checking requirements for relevant personnel.

The Bill I am introducing today enhances the SSBA regulatory scheme by enabling me to determine that background checking of persons who handle or dispose of SSBA, is conducted by the Australian Background Checking Service, otherwise known as AusCheck, of the Attorney-General’s Department.

The proposed amendment to the Act is consistent with the report of the Senate Standing Committee on Legal and Constitutional Affairs which has recommended that a principal Act authorise the establishment of a background checking scheme that is to be conducted by AusCheck.

Given the importance of background checking to the SSBA regulatory scheme, I have ensured that the proposed change has been subject to extensive consultation with experts. This has included consultation on the need for background checking and that it should be conducted by AusCheck. The Department of Health and Ageing has consulted with agencies responsible for obtaining and assessing information about the risks and threats posed by biological agents (such as ASIO), public health laboratories, state and territory government agencies and other experts in SSBA.

AusCheck will coordinate the background checks that will consist of an assessment of a person’s criminal history and security checks against a set of disqualification criteria. The details of the SSBA background checking scheme will be set out in the SSBA Standards and the AusCheck regulations. Those details will also be subject to further consultation.

I am confident that the Bill before us appropriately enhances the security of the existing regulatory scheme for SSBA, ensuring that we continue to deliver on our international commitments and the national imperative to actively improve our capacity to maintain adequate controls on biological agents. This builds on the Rudd Government’s continuing commitment to protect all Australians from potential threats.

Tax Laws Amendment (2009 Measures No. 6) Bill 2009

This Bill amends various taxation laws to implement a range of improvements to Australia’s tax laws.
This Bill typifies the busy work ethic of the Rudd Labor Government. In this case through another instalment in finalising a raft of outstanding taxation issues in the period before the Government considers the recommendations of Australia’s Future Tax System. Some of these issues were inherited from the previous Government.

Schedule 1 abolishes the exception to capital gains tax events E1 and E2, widely known as the ‘trust cloning’ exception. This is consistent with the policy principle of taxing capital gains that arise where there is a change in ownership of an asset.

Schedule 1 also provides a limited capital gains tax roll-over for the transfer of assets between fixed trusts with the same beneficiaries, each of which has the same interests in each trust. This will ensure that capital gains tax considerations are not an undue impediment to the restructure of those trusts, whilst ensuring that subsequent changes to the manner and extent to which beneficiaries can benefit from the trusts are subject to appropriate tax consequences.

Schedule 2 removes significant income tax impediments to mergers between complying superannuation funds. These amendments will permit eligible entities to roll-over capital losses and revenue losses under the merger, and to transfer previously realised capital losses and revenue losses.

The loss relief will be available for complying superannuation funds that merge with another complying superannuation fund with five or more members. The loss relief will preserve the offsetting value of the losses, thereby removing a potential barrier to superannuation fund consolidation.

This measure will assist in maintaining a robust and efficient superannuation sector. The measure has a limited period of application from 24 December 2008 until 30 June 2011.

Schedule 3 amends the Income Tax Assessment Act 1997 to clarify the circumstances in which income derived by life insurance companies in respect of immediate annuity business qualifies as non-assessable non-exempt income.

The annuity conditions that must be satisfied for an annuity policy to qualify for exemption have been rewritten to make the law clearer and to clarify the circumstances in which they apply. These changes have been sought by business groups and apply from 1 July 2000.

The amendments also ensure that the annuity conditions do not apply to immediate annuity policies that provide for superannuation income streams.

This ensures that life insurance companies are taxed on superannuation income stream business in the same way as all other superannuation income stream providers. These changes apply from the 2007-08 income year.

Schedule 4 amends the list of deductible gift recipients (DGRs) in the Income Tax Assessment Act 1997. Taxpayers can claim income tax deductions for certain gifts to organisations with DGR status. DGR status will assist the listed organisations to attract public support for their activities.

This Schedule adds two new organisations to the Act, namely the Green Institute and the United States Studies Centre. It also changes the name of one organisation currently listed in the Act from ‘Dymocks Literacy Foundation Limited’ to ‘Dymocks Children’s Charities Limited’.

Schedule 5 exempts from income tax the income recovery subsidy payment for the north western Queensland floods of January and February 2009.

This payment was available to Australian resident employees, small business persons and farmers over 16 years of age who could demonstrate they experienced a loss of income as a direct result of the north west Queensland floods in January/February 2009.

Eligible recipients must also have demonstrated that they derived an income or resided in the affected area within a designated time period. The payment was a Newstart-like payment designed to provide immediate financial assistance to disaster victims.

Schedule 6 clarifies the excise law to ensure that imported high strength spirits blended with domestically produced high strength spirits are free of duty under the concessional spirits scheme, with effect from the date of Royal Assent.

These spirits are generally not intended for consumption as an alcoholic beverage and the pro-
posed changes will allow current practice to continue.

Full details of the measures in this Bill are contained in the explanatory memorandum.

Debate (on motion by Senator Carr) adjourned.

Ordered that the bills be listed on the Notice Paper as three separate orders of the day.

CARBON POLLUTION REDUCTION SCHEME BILL 2010
CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2010
AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2010
CARBON POLLUTION REDUCTION SCHEME (CHARGES—CUSTOMS) BILL 2010
CARBON POLLUTION REDUCTION SCHEME (CHARGES—EXCISE) BILL 2010
CARBON POLLUTION REDUCTION SCHEME (CHARGES—GENERAL) BILL 2010
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2010
CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) (CONSEQUENTIAL AMENDMENTS) BILL 2010
EXCISE TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2010
CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2010
CARBON POLLUTION REDUCTION SCHEME AMENDMENT (HOUSEHOLD ASSISTANCE) BILL 2010

First Reading
Bills received from the House of Representatives.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.44 pm)—I move:

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

Senator PARRY (Tasmania—Manager of Opposition Business in the Senate) (5.45 pm)—The coalition will be asking that the question be put separately on the first procedural element of that motion that these bills may proceed without formalities. I wish to speak very briefly to that procedural motion. The opposition was consistent when the Carbon Pollution Reduction Scheme suite of legislation was last introduced. We wanted the bills put separately at that time. We are seeking that the same happen again. We believe that, like the first two times we asked for this, the bills are of a complex nature—they are certainly of a contentious nature—and we wish them to be put separately in order of the magnitude of the legislation before the Senate.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (5.47 pm)—I understand that under the standing orders there is an automatic division of these questions. Therefore, the only issue for the opposition is, presumably, a pursuit of its case. I am getting further advice as to whether or not there will be divisions on this issue. It is clear that the opposition’s position on these questions is quite spurious. It is not as if they do not know the contents of these bills. It is not as if they do not know the intent of the government. It is not as if they do not know their own minds because they have already declared their position on all of these questions.
These bills give effect to the amendments to the previous set of bills that were dealt with in the Senate. Those amendments have been put into legislative form. The amendments entered into by the Liberal Party in December—the Liberal Party as it was in December under the leadership of the former Leader of the Opposition, Mr Turnbull—give effect to the agreement and commitment made after wide consultation on those matters. What we have here is a position where the opposition is effectively seeking to repudiate those previous arrangements. The long and the short of it is that the previous decision the opposition took on these matters should now not be followed through in this chamber. It cannot be said that this is because of the complexities of the bills. Purely and simply, this is a political stratagem being pursued by the opposition to give effect to the political statements that Mr Abbott has made repeatedly that the opposition does not support action on climate change and it will be opposing the bill. We understand that.

The effect of this is to formally recognise the opposition’s view that it should defeat these bills. But they are not going to be straight with us and say that this is clearly the position they are going to put. They are going to provide every possible tactical instrument they have to frustrate consideration of these measures. I think the opposition should be honest with this chamber. They are not going to vote against these bills. They are going to seek to have these bills defeated and they will clearly vote against them. But to go through this device, this ruse, which is so unusual in the Senate, is clearly a measure of the hypocrisy of the Leader of the Opposition. He says he wants to be the straight shooter. He says he wants to be the plain man’s politician. What we have here are old-fashioned Liberal Party tricksters up to it again. They do not want to state their position, as clearly as they have publicly, in this chamber. They ought to just vote against the bills. We will be dividing on this measure. I am not going to waste the time of the chamber. We will be dividing on this question, and we will be calling you the hypocrites and frauds that you are.

Question put:
That the bills may proceed without formalities.

The Senate divided. [5.56 pm]

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

Ayes............ 35
Noes............ 35
Majority........ 0

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

NOES
Abetz, E.  Adams, J.  *
Back, C.J.  Barnett, G.
Bernardi, C.  Birmingham, S.
Boswell, R.L.D.  Boyce, S.
Brandis, G.H.  Bushby, D.C.
Cash, M.C.  Colbeck, R.
Coonan, H.L.  Cormann, M.H.P.
Eggleston, A.  Ferguson, A.B.
Fielding, S.  Fifield, M.P.
Humphries, G.  Fierravanti-Wells, C.
Joyce, B.  Fisher, M.J.
Katter, J.O.  Johnston, D.
Macdonald, I.
In Committee

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (6.04 pm)—I move:

That the committee does not insist on its amendments to which the House of Representatives has disagreed.

This is an important piece of legislation that seeks to ensure confidence in this critical industry and to give certainty to providers and students. The ESOS amendment bill will ensure that all education and training providers currently registered on the Commonwealth Register of Institutions and Courses for Overseas Students, or CRICOS, re-register under new and stronger criteria by 31 December 2010. The original intention of the amendment bill was to provide an interim response to concerns about disreputable providers and agents pending the outcome of a comprehensive review of the legislation.

It is not the government’s preference to load up this bill and cause unnecessary delays with additional amendments that may or may not pre-empt the findings of that review.

The first amendment that was moved by the shadow minister for employment participation, apprenticeships and training relates to a risk management approach to re-registration. This same amendment was rejected by the House of Representatives last year because the relevant minister, through MCEECDYA and the Joint Council of International Education had already agreed to the development of such an approach in September 2009.

The details of a national risk management approach to registration are now being finalised by the Joint Committee on International Education. The benefit of this arrangement is that risk criteria can be refined through agreement as the approach is tested throughout the implementation of reregistration. So, while the amendment is not needed, the government will support it as worded in order to
facilitate the passage of this legislation on the understanding that the approach does not need to be specified in regulations.

The Deputy Prime Minister, Julia Gillard, has given careful consideration to the amendments on refunding certain consequential costs. The government maintains the view that this is ill considered in terms of the potential financial burden on future governments. While it is the case that some students, through no fault of their own, are left out of pocket when a provider closes, they are not left high and dry. The government has confidence in the comprehensive consumer protection framework that has worked well to date in placing students in alternative courses and refunding their fees in a timely way. No other country in the world offers such a guarantee. This is the one that has been attracting students to study in this country.

Students affected by closures are readily given an extension on their visas and have not had restrictions on their working while they are awaiting alternative arrangements. The alternative arrangements for those under the age of 18 years are organised by Australian governments as a matter of priority. While it is acknowledged that the consumer protection system is working hard at the moment, due to the unprecedented numbers of displaced students as a result of a combination of factors affecting segments of the industry, a major issue under examination under the ESOS review and being finalised by the Hon. Bruce Baird has been to help sustain the assurance, in the face of significant demand, that the government will increase industry contributions, including a special levy. The government will commit an additional $5.1 million to provide additional support to the solvency of the fund.

Even so, with nearly half a million overseas students, to add any consequential costs may well test the capacity of the insurance fund to its limits and require further significant taxpayer contributions. It has not been made clear what was intended by the amendments that were moved in this chamber and what consequential costs will be reasonable or realistic. While it will be argued that the amendment is only to enable the minister to make regulations specifying consequential costs, it will create, if accepted by the government, expectations on future potential costs, including living costs, travel agent fees, health insurance costs and a number of other costs that I have outlined to the chamber on previous occasions. It carries with it expectations that domestic students might also wish to pursue.

The Education (Overseas Students) Act established a framework for consumer protection for overseas students studying in this country. As I have indicated, it has a unique set of arrangements which guarantee that students will receive support for the education they have paid for or will receive a refund of their course money. There are three elements to the consumer protection arrangements. Firstly, the provider carries primary responsibility in the event of a college collapse. If that fails, students may next be offered a suitable alternative place under the Tuition Assurance Scheme, which is run by industries on behalf of bodies such as the Australian Council for Private Education and Training, ACPET; English Australia; and the Western Australian Private Education and Training Industry Association.

The fund is managed by PricewaterhouseCoopers under contract to the Secretary of the Department of Employment, Education and Workplace Relations. Industry money is managed at arm’s length from government—a position that this government has maintained—and recent discussions at Senate estimates committee hearing seem to have overlooked that proposition. The fund
was established in 2000 with a $1 million start amount provided by the government. Ongoing costs to the funds are met by contributions from providers of courses to overseas students based on a percentage of their overseas student income. The majority of contributions are from private providers of English language vocational education and training.

If, within any funding year, the fund manager considers that funds that are available on hand are insufficient to meet the expected liabilities, the fund manager is able to suggest an additional special levy on industry. This was done late last year, with the industry making payments totalling approximately $1 million. The regulating of contributions for 2010 provided to the fund by providers is due in March of this year. Given the student college closures of funds expected to make payments to students relating to the closures in the near future, the current balance of the fund is $3,356,292. Since the fund was established in 2000, the total call on funds has been $5.3 million—$4 million in 2008 and $1.3 million in 2009. I urge the Senate to deal with these matters in a speedy fashion. This is important legislation, and the industry is looking to us to provide the assurance that is needed to maintain confidence and to ensure that students get the protections they are entitled to.

Senator CORMANN (Western Australia) (6.13 pm)—On behalf of the coalition, I am pleased to note that the government, despite all the rigmarole in this chamber when we were debating the coalition’s amendments on enshrining risk management into the Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill 2009, has seen fit to support what is a very sensible amendment and, of course, an amendment which will further strengthen this legislation. We agree with the minister that this is an important piece of legislation, and it is a piece of legislation that should have been dealt with some time ago. We are pleased to see that the government is now moving swiftly to get this legislation through the parliament.

In relation to the amendment which was supported by the Senate after it had been moved by Senators Xenophon and Hanson-Young, we take the view that the government is making alarmist and unsubstantiated claims about the potential harm of those amendments. We do not think that what the government is saying is accurate. We think the government is yet again jumping up and down without having the facts substantiate their statements. However, whilst we do not agree with these claims, it is important, as the minister has said, that this legislation gets passed. We on this side do want to see the re-registration process proceed as swiftly as possible.

Mr Baird, who is chairing a review of the Education Services for Overseas Students Act on behalf of the government, contacted me, at the request of the government, last week or the week before. He assured me, and assured the opposition through me, that his review has seriously considered the issue that is canvassed by the amendment that was put forward by Senators Xenophon and Hanson-Young and that, in his review and in the recommendations he will make, those issues will be addressed. We will look with interest at how the government responds to the review, when it is finally tabled.

In relation to the ESOS Assurance Fund, the minister has finally provided us with the current financial position of the ESOS fund and has finally provided some of the detail that has been asked for for some time. Clearly, the minister got some advice from Deputy Prime Minister Gillard as to how he ought to address this. I have to commend the Deputy Prime Minister on the way in which
she handled this legislation when it went back to the House of Representatives, and on the way she has clearly given instructions to Minister Carr as to how he should approach things in the chamber today—because, quite frankly, the way this legislation was dealt with when we last discussed it in this chamber was quite disgraceful.

But the way the questions around the ESOS Assurance Fund were dealt with during estimates was even more disgraceful. The minister has now brought up the issue of the ESOS Assurance Fund. We asked a very simple question during Senate estimates: how much money is left in the ESOS Assurance Fund? Given the imposition on that fund as a result of successive closures of private training colleges, we thought it was a reasonable question. Given that the most recent publicly available information went to 31 December 2008, during which year the fund lost about $1.3 million, we thought it was a reasonable question. Furthermore, the officer who was responsible for the ESOS Assurance Fund, from the Department of Education, Employment and Workplace Relations, started off by saying, ‘We can answer that,’ before saying a few things to put that answer into context. But what happened? Minister Carr, consistent with the attitude he had taken during the debate in the Senate chamber on this legislation, jumped out of his chair and ran around the other side of the table to prevent the officer at the table from answering the question. That was completely bizarre. The officer did not refer the question to a superior officer. The officer was clearly not concerned about providing that information. But, for some reason, Senator Carr was desperate to keep that information secret. I am pleased to see that, again, he has been overruled by the Deputy Prime Minister, who is taking a much more conciliatory and constructive approach to these matters.

With those few comments, and having noted our great pleasure and satisfaction that the government has accepted our amendment, and having put into context the reasons why we will support the proposition that the chamber should not insist on the other two amendments, I call on the government to take very swift action to go through the re-registration process, based on a proper risk management approach, and to start addressing some of the other, more fundamental issues in a more strategic way.

**Senator XENOPHON** (South Australia) (6.19 pm)—Can I indicate that I am disappointed that the government is not supporting the amendment that I and my colleague Senator Hanson-Young moved. It is an amendment that seeks to give greater assurance and greater protection to Australia’s third-biggest export industry, and I am disappointed it has been rejected by the government. Let us put this in context: we have seen a drop of between 40 and 50 per cent in applications coming from South Asian countries, particularly India, according to the Australian Council for Private Education and Training, and there are forecasts of an overall 10 per cent drop in international students coming to Australia. You have to ask the question: to what extent is that due to what has occurred with the collapse of colleges? I commend the government for going down the path of strengthening regulation—all those things are laudable. But this amendment was about strengthening this legislation, not taking away from it, and I think we need to put into context what was said by the government, here and in the other place, as to the reasons why it should not be supported.

Overall, the overseas education sector is a $16 billion-a-year industry. Sadly, more and more reports are emerging about substandard education services, hence this bill. That is where there is common ground. There are
questionable practices by providers and migration agents, and last year we saw a number of private colleges close down, including, more recently—earlier this year—a college whose closure affected hundreds of students—

Senator Hanson-Young—Thousands.

Senator XENOPHON—Sorry, I have been corrected: thousands. I think there were 2,000 students recently, and overall—Senator Hanson-Young can correct me on this—there have been thousands of students who have—

Senator Cormann—2,300, two weeks ago.

Senator XENOPHON—Senator Cormann says there were 2,300, two weeks ago. We are looking at literally thousands of students who have been left high and dry as a result of dodgy colleges collapsing. These are students who have been promised, and who have paid for, a high-quality education, who have nowhere to go. Some were able to be placed in suitable alternative courses. Those who were not were repaid their course moneys, either directly from their education provider or out of the ESOS Assurance Fund.

But, as I stated when this bill was debated three weeks ago, I support the government in its efforts to require re-registration of providers so as to ensure that education is their main focus, and I support the coalition’s move—which has been picked up by the government—to take a risk management approach. That is laudable as well. But these measures are designed to give greater assurance to the overseas education sector. That is the nub of the amendment that I moved with Senator Hanson-Young.

This amendment gives the minister the discretion to include, as part of the ESOS Act, certain consequential costs that could be refunded to students when a college collapses, either from the education provider or via the assurance fund, in addition to course moneys. I have to stress that this is a discretionary power. The government in its responses here in the Senate and in the House has failed to acknowledge that it is a discretionary power. I am not, as the government would suggest, encouraging a bottomless pit of money to be paid out to students. It is entirely discretionary. What I and Senator Hanson-Young have been seeking is for the minister to be able to, at his or her discretion, define certain consequential costs—which can be capped by the minister, again at the minister’s discretion—that should be paid to overseas students in the event of a college collapse in addition to course monies, either by the course provider or out of the ESOS Assurance Fund, which is contributed to annually by education providers for instances such as these.

Yes, consequential costs may well include migration agent costs, or a percentage of those, if the minister determines under his or her discretion that they should be refunded. They may include initial travel costs, or a percentage of those. They may include other costs, such as the cost of books which the students no longer require as a result of the college closure. It would all be at the minister’s discretion—what the items were and what the overall cap would be.

I take the point noted in the letter I received from the Deputy Prime Minister, in response to the amendments moved in the Senate, that these expenses are ‘not normally considered education-related nor reimbursed to domestic students’. However, given the extent to which some of these overseas students’ families go to have their children come to Australia to study—which we encourage them to do—an overseas student finding that the course they and/or their family have paid thousands of dollars for has been unexpectedly shut down is surely an exceptional circumstance. We hear stories of
families in India mortgaging their homes to send their children to study here and of mothers and fathers working three jobs to send their children to Australia to study. These families save for years to afford the high-quality education our colleges supposedly provide, but sadly we have seen a number of cases where thousands of students have been left in the lurch.

I concede the government’s point that Australian families face similar financial hardship but I think it is important to note that what this amendment is ultimately seeking to do is to give greater assurance to this sector. Without doubt, the colleges that have collapsed have disproportionately—overwhelmingly—impacted on overseas students. It is a way to say to the overseas student sector—which, let’s face it, has copped a battering in recent months—’Let us support you; let us encourage you to come to Australia to study.’ The government offered—I believe quite appropriately—assurance to the financial sector when it introduced bank funding guarantees; this amendment seeks to do the same for our overseas education sector.

Over the past few weeks, my office has spoken with a number of student groups. They have all indicated their support for this amendment and spoken of the difference they believe this measure would make to the sector. It would make a difference financially, for individuals, if the minister used her discretion in the future to refund certain consequential costs, and it would also mean a lot for the industry broadly in terms of offering assurance to potential overseas students.

Ultimately, what needs to be addressed is the broader issue facing our overseas education sector. If the government truly feels it is regulating this industry well enough, it should have no concerns about certain consequential costs being refunded to students—no costs would need to be refunded if the industry was properly regulated in the first place. I think that guarantee, that assurance, as to consequential costs would send a very strong signal to overseas students that are thinking of coming here to study. In the meantime, this amendment gives intending overseas students the comfort of knowing that, if they choose to come to Australia and then unfortunately the college they have chosen collapses, we will assist them as much as possible with their financial hardship—within reason and completely at the minister’s discretion.

I look forward to the Baird review into these matters. It is my view that we ought to insist on this amendment—contrary to the government’s position. I think that ultimately we need to do more for our overseas students, and this will be an opportunity lost if it is not supported.

**Senator HANSON-YOUNG** (South Australia) (6.26 pm)—I will be brief, as Senator Xenophon put the argument very well in terms of why the government should accept this amendment and debunked the claims within the Deputy Prime Minister’s letter and also the statements made by Senator Carr in this chamber today and some three weeks ago when we first discussed the issue.

This was about trying to give students the confidence that we do have a robust international education sector that would look after them. The claims that this would be a bottomless pit of money are simply not true. Senator Xenophon has pointed specifically to the clause which refers to the discretion of the minister. That has not been accurately interpreted by the government, at least as evidenced in their comments in relation to it.

Obviously the opposition are not going to insist on this amendment. I understand why we need to get this piece of legislation
through, but I think it is very important for us to remember that this is only dealing with one small part of the crisis within the international education sector. As an election looms closer and closer, we need to start seeing here in the parliament legislation that deals with the bigger issues in the international education sector, because the re-registration of some of these colleges by 31 December is not in itself going to fix the problem. We need to see the government respond to the Baird review as soon as it is released in March. We need to see the government respond to the Senate inquiry as soon as it is introduced a private member’s bill to introduce an ombudsman precisely because I do not believe the government are responding to these issues as fast as they could be.

I am disappointed that the government is not supporting this amendment. Obviously, Senator Xenophon and the Greens will insist on it.

The TEMPORARY CHAIRMAN (Senator Troeth)—The question is that the committee does not insist on its amendments to which the House of Representatives has disagreed.

The Senate divided. [6.33 pm]
(The Acting Deputy President—Senator JM Troeth)

Ayes………….. 33
Noes………….. 7
Majority…….. 26
AYES

Brown, C.L. Cameron, D.N.
Carr, K.J. Cash, M.C.
Colbeck, R. Collins, J.
Cormann, M.H.P. Crossin, P.M.
Farrell, D.E. Feeney, D.
Fierravanti-Wells, C. Furner, M.L.
Hogg, J.J. Harley, A.
Lundy, K.A. Marshall, G.
McEwen, A. McLucas, J.E.
Moore, C. O’Brien, K.W.K. *
Parry, S. Payne, M.A.
Pratt, L.C. Stephens, U.
Sterle, G. Troeth, J.M.
Wortley, D.

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

* denotes teller

Question agreed to.
Resolution reported; report adopted.

Sitting suspended from 6.36 pm to 7.30 pm

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE) BILL 2009 [No. 2]

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE—FRINGE BENEFITS) BILL 2009 [No. 2]

Second Reading

Debate resumed.

Senator IAN MACDONALD (Queensland) (7.30 pm)—In the five minutes I had before question time interrupted this debate, I was expressing some amazement that the great moral challenge of the century, the Carbon Pollution Reduction Scheme Bill 2010, had not been put first on the program today and that we were instead dealing with the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2], a bill that highlighted a broken
promise by Mr Rudd. I quoted from Mr Rudd’s now quite famous letter of 20 November where he gave a rock-solid written guarantee that he would retain the existing private health rebates which this bill is all about knocking off, in direct contravention of Mr Rudd’s rock-solid written guarantee.

I then made the comment that Mr Rudd and his party have been very poor managers of the whole health debate. We know that Mr Rudd said the buck stops with him and promised that, by a date just recently passed, he would have all the hospitals in Australia fixed and that otherwise he would take them over. Of course, it was just another example of Mr Rudd’s good spin before an election that people believed, and, as we have come to expect with Mr Rudd, it did not work.

I also mentioned how Labor’s knocking off $180 million in the last budget from the pathology support through Medicare had impacted upon me personally as someone who has had open-heart surgery and has a plastic valve in his heart to keep him alive. Some might hope that, with these pathology cuts, perhaps I will not be here! To keep myself alive I have to keep my blood thin; to keep my blood thin I have to be permanently on warfarin; and to make sure that it is kept at the same level I am supposed every three or four weeks to go and get a pathology test. I have been doing that now for 13 years. It only takes a second to get out the blood and make sure that it is somewhere between 2.5 and 3.5, and that will keep me alive by keeping the blood flowing through my heart. It is essential that it be done—that is, it is essential from my point of view because I want to stay alive.

Yet I went along to my pathologist the other day and they said, ‘I hate to tell you this, Ian, but this is going to cost you $40.’ I said, ‘It can’t cost me $40; I’ve been doing it for 13 years and it hasn’t cost me a cent.’ They said, ‘Mr Rudd’s knocked so much off this that the pathologists are now not subsi-dised in the way they used to be, so they are recovering their costs from their patients.’ I tell that story because I am one of those—although we are relatively poorly paid as politicians—who can still afford that. But there are many Australians who simply could not afford the $40. I am not talking about pensioners and people on welfare benefits; I am talking about ordinary Australians in employment. If they have to pay $40 a month just to check to keep themselves alive, it becomes very unfair on those who simply do not have the money to pay for it.

That is the sort of thing that Mr Rudd does. He wants to save $180 million, but he is spending $43 billion. We just wasted $20 million on Senator Conroy’s request for tender in the National Broadband Network. It did not achieve a thing. It was just wasted. Was it $20 million? I think it might even have been more than that.

Senator Conroy—Seventeen million.

Senator IAN MACDONALD—It was $17 million. That is okay! Thanks, Senator Conroy. Only $17 million was absolutely wasted and it did not achieve a thing. If Mr Rudd wants to save some money, he should get rid of Senator Conroy. We could have saved $17 million and we could save ourselves a fair share of the $43 billion that is allegedly going to be spent on this NBN once Senator Conroy sorts out Telstra. Or so he thinks; I know who will end up sorting out whom, because we know that prior to the election Senator Conroy and Telstra were very, very close—almost as if they were holding hands. Remember where you got your $4.7 billion from, Senator Conroy.

The ACTING DEPUTY PRESIDENT (Senator Moore)—Senator Macdonald, I should not have to remind you that you
should not address senators across the chamber in that way.

Senator IAN MACDONALD—I should not, either.

The ACTING DEPUTY PRESIDENT—I should not have to remind you, Senator Macdonald.

Senator IAN MACDONALD—No. It is Senator Conroy’s interjecting that is encouraging me to respond, unfortunately. There are so many ways that the pink batts scheme has now become a national scandal. If we wanted to save $180 million from pathology, why didn’t we think of that before we embarked upon the complete waste of money that this batts scheme is going to be? It is not just that that is a complete waste of money; it is the millions and millions of dollars that are going to be needed to put right what Mr Garrett has bungled with that program.

I do digress. We are so passionate about opposing this new tax by Mr Rudd because it will again put increased pressure on public hospitals. Any of us who have had to deal with public hospitals know how difficult it is, currently, to get in. Fortunately, I have private health insurance. I, as all of us do, continue to get complaints from constituents—ordinary people—who have some horrific stories about the queues at hospitals and very ill patients sitting in corridors and, worse still, in ambulances, until a bed is free. It is atrocious. This bill will put more people into that public hospital system and it will cause even greater problems. I know that Mr Rudd and the Labor Party hate private health insurance. It is a great shame. It is a bit of the old class warfare. It is so wrongly directed. We have to encourage people to look after themselves and save a little bit to get private health insurance. We do not need to do what is being proposed here and make it more difficult for people to achieve good health care in Australia.

We oppose this for the right reasons and on sound economic and health principles. We also oppose this because it was a direct promise—a direct, written guarantee—given a few days before the last election to swing votes. How can Mr Rudd, with any credibility, have us in the Senate tonight again debating a bill that is a direct contradiction of his written promise on this issue? I would hope that Labor senators who have an interest in good health care and honesty will cross the floor and join with us in rejecting this bill yet again and give real encouragement to the health system rather than try to demolish it as Mr Rudd appears to be doing.

Senator FIFIELD (Victoria) (7.39 pm)—At the outset, I would like to share a story with you, Madam Acting Deputy President Moore. I was talking to a primary school teacher a little while back. She told me about a homework project that she had set her students. The project was for students to go home and ask their parents what two plus two equals. She told me about three students in particular. The first student went home and asked her father, who was an economist, what two plus two equals. He said, ‘Darling, for two plus two the answer is within the range of three to six, with a probability that the answer is four.’ The second student went home and asked her father, who was an accountant, what two plus two equals. The accountant said, ‘Darling, that’s easy. The answer is four.’ The third student went home and asked her father, who was a politician, ‘Dad, what does two plus two equal?’ The politician parent answered, ‘Darling, that depends. What do you want the answer to be?’ That was very much Prime Minister Rudd’s approach at the last election: tell the public what you think they want to hear, tell interest groups what you think they want to hear, tell industry groups what you think they want to hear and, in this case, tell health insurers what you think they want to hear and
tell holders of private health insurance what you think they want to hear.

The Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] before this chamber is the legislative embodiment of a lie. It is the legislative enactment of Labor hypocrisy. Before the last election Peter Garrett, that well-known paragon of public sector virtue and capacity, indicated the government’s approach to election commitments. He indicated what the Labor Party’s approach would be to honouring election commitments. I recall, as all senators would, that radio host Steve Price asked Mr Garrett if Labor’s promises could be believed. Mr Garrett replied, as we would remember: ‘When we get in we’ll just change it all.’ He was right. The coalition at that time elected to believe Mr Garrett rather than Mr Rudd in terms of how Labor would operate in government. That is why we asked the then Labor opposition time and again in this chamber, in the other place, in debates, on radio and on TV: will Labor commit to not altering the private health insurance rebate in any way, shape or form? Every time we posed that question, Labor confirmed that there would be no change to the private health insurance rebate. Labor laughed at the very suggestion—how could we possibly ask that; this was new Labor, economically conservative. Labor were in fact now lovers of private health insurance.

Mr Rudd even sent what you might call a policy love letter to the Australian Health Insurance Association. It was a truly charming letter. It was a declaration of love; it was a declaration that psychologists would call unconditional positive regard; it was a declaration of policy, fidelity and commitment. It was a letter which you would have been absolutely delighted to receive as head of an industry association. I will quote from it. It was directed to Dr Michael Armitage, Chief Executive of the Australian Health Insurance Association. In the letter the current Prime Minister, then Leader of the Opposition, said:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

That was a lie. Mr Rudd goes on. As if that was not reassurance enough, he says:

Labor will maintain the existing framework for regulating private health insurance …

That was a lie. Mr Rudd goes on, because he appreciated that this was a great concern to the private health insurance industry, a great concern to Australians who hold private health insurance. He knew that this was a matter of serious concern—this was a matter upon which thousands of Australians, if not tens of thousands, if not more, would determine their vote. He says in the letter:

I trust this allays your concerns.

The purpose of this letter was to allay the concerns of the private health insurance industry, to allay the concerns of Australians who held private health insurance and to allay the concerns of Australians for whom this is a very important matter—to allay the concerns of Australians who may well have determined their vote on this issue. Mr Rudd continues in this letter:

Federal Labor values its relationship with the private health insurance sector and we look forward to this continuing regardless of the election outcome on November 24.

We know the election outcome and, sadly, federal Labor did not continue to value that relationship after it took office. The positive relationship is no longer there. Labor did what Mr Garrett predicted. Mr Garrett predicted, ‘Once we get in, we’ll just change it
all’—and that is exactly what happened. We know that the government introduced legislation into the parliament to means-test the private health insurance rebate and the parliament rejected that legislation upon its first introduction. It was a broken promise. The parliament was acutely aware of the fact that the government was seeking to break a solemn election promise. The parliament held Labor to its commitment and it quite rightly defeated the bill. On this side of the chamber we did so not just for reasons of keeping faith with the Australian people, which is important—after all, the coalition committed to the Australian people that we would not change the rebate, and we could hardly go back on that; apart from keeping faith with the Australian people there are also extremely good public policy reasons for defeating this legislation and for defending current arrangements.

On this side of the chamber we believe in a mixed health system and we believe in choice. We believe in a strong public system and we believe in a strong private system. We believe in a strong private system because it frees up capacity in public hospitals and because it takes pressure off public hospitals. We know that if this attempt to break a problem is successful, if this attempt to means-test the rebate is successful, people will give up private health insurance. It stands to follow: if you make private health insurance more expensive, some people will give it up and others who might have taken it up will not. And as the pool of people in private health insurance shrinks, fewer people paying premiums will mean higher premiums, which means more people will give it up, premiums will further increase and so it goes. This means as a matter of inexorable logic that there will be more people in the public health system, more people seeking to avail themselves of limited resources. It is a recipe for damage to both the public and the private health sectors. It is clear that Labor hate private health insurance so much that they are prepared to damage the public hospital system in the ideological crusade against the private health system and against choice.

Those on the other side of the chamber are not so silly as to not know that this is bad policy. Those opposite know this is bad policy. Those opposite also know that this is an attempt to break an election promise. Because of those two reasons, which those opposite are acutely aware of, the government needs a cover. The cover for this legislation is that it is all really a part of budget repair. Labor put the budget into deficit, which is another broken promise, and the solution for that broken promise of putting the budget into deficit is apparently to break another promise.

On this side of the chamber we do not actually believe that it is our responsibility to pay off Labor debt. That is the government’s responsibility. They are the government; they are responsible; they ran up the debt; it is their job to pay it down. It is not our job to find the solutions to the problems that they cause—unless, however, we are elected to government, in which case we will again do what we always do: clean up Labor’s mess. But that is not our job from this side of the chamber. Labor’s mismanagement of the budget is not a reason for the coalition to break a commitment that it gave to the Australian people on private health insurance. Budget repair is a false premise for this legislation.

The other part of Labor’s strategy in relation to this legislation is a threat of thoughts—the same threat that the government tried with the ETS. Labor are dropping hints about a double dissolution election on the private health insurance rebate. If you read the newspapers over the last week or so
you would see that there are a number of journalists who have been briefed to write that a double dissolution election on the private health insurance rebate is a possibility and the government is actively thinking about it. The PM has also played a more direct role in relation to putting that furphy out there. The Prime Minister on Sunrise on 19 February, when asked about the private health insurance rebate and the timing of the election, said:

Now, as for election timing, what form an election takes, well let’s wait and see.

Very coy. He continues:

My intention, as I’ve said many, many times is for our Government to serve its full term. But let’s just see how this one unfolds.

I have bated breath, I am shivering in terror at the prospect of a double dissolution election on the private health insurance rebate—a double dissolution election on a broken promise. Bring it on! Make our day! Have a double dissolution election on the basis of the private health insurance rebate means test, a breach of a solemn election promise. If the Prime Minister is trying to spook us into supporting this legislation because he thinks we are scared of an election, he had better think again. We are not scared of an election. We are in opposition. The only way for an opposition to get back into government is through an election. As far as we are concerned, the more elections the better, the sooner the better. Bring it on! We would love to fight an election on the private health insurance rebate.

The timing of the reintroduction of this legislation is curious for another reason. We know for all of last year that the greatest moral challenge facing the world was climate change and the need for an emissions trading scheme. There was not a moment to lose. We could not wait another week; we could not wait another month; we could not wait to vote on the ETS legislation until after Copenhagen, let alone after Christmas—there was not a moment to lose. This parliament had to decide; this parliament had to pass the ETS legislation to save the world. We were told that time and again. There was no rationale as to why we could not wait until after Copenhagen or wait to see what the rest of the world might do. We had to get on with it—we had to pass it—and the very first thing the government was going to do after parliament returned, on the very first day of parliament this year, was reintroduce it. It was going to get it through the House as quickly as possible, without a moment to lose. But then, at the earliest available opportunity, when the Senate resumed, the government forgot about that. Now the most pressing matter facing the nation is a means test of the private health insurance rebate and we, the Australian public and the press gallery are meant to sit back and say, ‘Okay, fine, we recognise it now: the private health insurance rebate, yes—great moral challenge.’

This legislation, to means test for the private health insurance rebate, is a great moral challenge, but it is a great moral challenge for those opposite. The moral challenge is for them to honour their election commitment, solemnly given at the last election. This is perhaps the most breathtaking and cynical hypocrisy I have seen in this place. I have never seen so much hand wringing over any piece of legislation as I have seen over the ETS—never. And it had to be put to this parliament and passed through this parliament as quickly as possible. And what happens? We are not going to debate it this week: not for one day, not for one hour, not even for a minute this week are we going to be substantively debating the ETS legislation. No, we are going to be debating a means test on the private health insurance rebate.
You will forgive us if we get a little confused sometimes on this side of the chamber about what constitutes a real and genuine priority, because this government has had so many No. 1 priorities—everything is a priority; everything is a great moral challenge; everything is a test of our great political morality on this side of the chamber. Nothing is ever just a straightforward policy debate, with the parliament debating the relative merits of a piece of legislation. No. With this government every piece of legislation is a great test of the integrity and morality of this side of the chamber. What rot. What utter, utter bunkum. This government is seeking to break an election commitment that it was asked about time and again at the last election. It was asked: would it guarantee that it would not alter the private health insurance rebate in any way, shape or form? And we were mocked when we asked that.

We know Labor well. We know that you do not listen to what Labor say; you look at what they do. We know Labor will seek to break this election commitment. We on this side of the chamber are going to honour the faith of the Australian people. We undertook to defend private health insurance; we are going to do exactly that. We are going to vote against this legislation. This legislation should be defeated, and it is my hope that it is.

Senator WILLIAMS (New South Wales) (7.58 pm)—I want to follow on from my colleague Senator Fifield and talk about the promise both the Prime Minister and the current Minister for Health and Ageing made to Australians prior to the November 2007 election. Once again, we face a broken promise. Let us have a look at the promise that was made to the Australian people. The media release was titled ‘Liberal Scare Campaign on Private Health Insurance Rebates—Federal Labor to Retain Rebates’. It goes on to say:

On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

... ...

The Liberals continue to try to scare people into thinking Labor will take away the rebates.

This is absolutely untrue.

That was a quote from Minister Roxon in September 2007, prior to the election. Australians are getting quite familiar with broken promises from this government. We had the promise to put downward pressure on grocery prices, and what did we see? A website called GROCERYchoice, and a waste of $10 million—a total farce. We saw the promise to put downward pressure on fuel prices. We have not seen that either, especially with world oil prices at US$70 a barrel and higher. We have seen a promise to be economic conservatives, and in this current financial year alone I think the federal government will borrow $52 billion. That is not very conservative. We have seen the big promise to fix our hospitals by mid-2009 and, if not, they will take them over and the buck will stop with the government.

All this fairer private health insurance legislation is going to do is to put more pressure on our public hospitals. How many will leave private health insurance because of this legislation? Let me quote some figures. The Australian Health Insurance Association, the industry group representing health insurers, argues that as a result of these changes significant numbers—up to one million—will abandon or downgrade their cover, and this will lead to rises in private health insurance premiums as health insurers seek to recoup higher costs. It is as simple as that. What we are doing is putting a tax on private health insurance. As John Laws often used to say on the radio when I would be out in the sheep
yards drenching sheep or in the shearing shed or whatever, the more you tax something the less you have of it—a good saying. Here is a situation where the government is simply going to tax private health insurance more. Forget about the promises to the Australian people prior to the election—they are going to change the rules now. They do not care about what they said to the Australian people prior to the election, like with many issues; they are going to put in this means test and increase the tax on private health insurance.

The Australian Private Hospitals Association argues that Treasury estimates that 99.7 per cent of people will retain their private health insurance as a result of this measure cannot be trusted, due to the complexity of the proposed arrangements. They are saying those figures cannot be trusted. So, the more we tax people for private health insurance, the more that people will leave private health insurance. That will simply put more pressure on an already overloaded public health system. I was talking recently to doctors in Inverell, the magnificent country town I am fortunate enough to live in. We have got doctors running their surgeries there in the local community who are pulling their services out of the local hospital. Why? Because they are simply working too hard. They have every day in their surgery booked up seeing patients, then they get a call to accident-emergency at the hospital, then they cannot service their patients in their surgery. Then they are working late into the nights and on the weekends, so they are withdrawing their services because they are simply being burnt out.

Now we risk seeing so many leaving or downgrading their private health insurance because of this legislation, and that will simply put more pressure on our public health system, our public hospitals, and place more work on these already overloaded, overbur-}


dened doctors along with nurses, many of whom have to work double shifts when other nurses call in sick. Budgets are also getting burnt out because there are too many desks and not enough beds, with the level of bureaucracy in the health system in New South Wales. What the government is doing here will add more pressure to those hospitals. This is simple stupidity. It will achieve nothing. The only thing it will do is tell the Australian people that Prime Minister Rudd and Minister Roxon cannot keep their word—they cannot be trusted. They gave a guarantee to the Australian people and now they are going back on their word. That is a simple fact—no argument anywhere; that it is the fact of it. All the quotes are there.

As I have said, this is a tax on health. And, when this tax comes into effect, where is the money going to go? Mr Rudd has said that the money is needed for health reform. But Minister Roxon has said that the money will be used for e-health. Then she said the money would be for new medicines. Then Treasurer Swan put a spanner in the works by saying the money would be used to pay for the increase in the age pension. How confusing is it when we have the Prime Minister, the Treasurer and the health minister all giving a different view on where this money, this saving, is going to go. Then we have the exaggerated spin that the health system is going to cost the country up to $100 billion by the year 2050. It is a wonder they did not do the forward estimates out to perhaps the next century—it might have been $200 billion, and that could be used in the media as political spin. It is simply farcical to say what it is going to cost by 2050. I am sure there will be a lot of changes in budgets and all sorts of things by then, unless the government really believes it will still be in government by 2050. With broken promises like these and many others, it will be lucky to be in government come the year 2011.
In summary, the real problem here is that, when you take away the incentive for people to participate in private health insurance, more are going to drop out. The big problem we have then is that those who stay with private health insurance are going to have to pay more. There will simply be fewer people paying the bills for our private health insurance companies. They have their fixed costs all the time; those who remain with the system will have to pay more. So all you are doing is passing on the cost. The 30 per cent rebate was a fair rebate system put in by the previous government to encourage people to join private health insurance. For every dollar they saved, they actually contributed two dollars or more to the health system. That is what happens with the system as it stands now. But the government wants to change that. Now they are arguing about where the money that they intend to save is going to go. Surely the Senate has an obligation to keep people in this place honest. The Senate’s job is to make sure that the Prime Minister and Health Minister Roxon keep their word. They cannot simply lie to the Australian people before an election and change their minds after the election and go back on their word. Is it any wonder that people become cynical about politicians when you have these core promises and then great backflips when they simply change their minds?

The changes to the private health insurance rebate are the latest phase in Labor’s unrelenting war against private health insurance. Labor hates private health insurance. The coalition introduced an open-ended private health insurance rebate because for every rebated dollar a privately insured person contributes two more dollars to our health system as a whole. We all know the cost of health is huge. No matter where you go in Australia, the biggest issue that people are concerned about is health, whether it be a hospital system, our aged-care facilities or whatever else, even CAP packages for home care facilities. One thing Australians want is a good health system. But this legislation is going to give us a worse health system. It is going to put more of a burden on our hospitals, more of a workload on those people who work in those hospitals and more costs on those hospitals already pleading for money, and encourage more people to leave the private health insurance system. As I said, this was a core promise in the last election along with many other promises that the Rudd government made. Now they wish to change their minds. I, for one, will not be supporting this along with all my colleagues on this side. Why? Because a promise is being broken and that is simply wrong in itself.

If you make a promise to the Australian people, you should keep your word, not just do a backflip on it and say to the people, ‘Well, we don’t care about what we said to you before the election. We are going to now change the rules so that those who earn more will pay more.’ This is the old Labor strategy: penalise success and reward failure. I am sorry, but that does not work well in a free-enterprise system. You do not make the poor rich by making the rich poor. We need to encourage business. We need to make the most effective use of the dollars that the government has to spend. We need to honour our word. We need to encourage people to remain in private health insurance. Otherwise we will simply overload the hospital system.

My colleague Senator Fifield touched on that great moral challenge that faced us, the emissions trading scheme, and how it was so urgent that it be passed last year before Copenhagen, before the rest of the world acted, while Australia was producing 1.4 per cent of the world’s greenhouse gases—and we were going to reduce that by five per cent come the year 2020. Thank goodness the Senate did not pass it. We said at least wait
until after Copenhagen. Imagine if we had passed it and locked our nation into that great enormous tax for generations while the rest of the world was doing nothing. Would we have cooled the globe? Would we have reduced the amount of CO2 in the atmosphere? Would we have lowered the sea levels? We would not have done any of that. We would have put a $115 billion tax on industries in our nation that would have been passed on to the average Joe Blow in the street. So the Senate did its job and did it well on the emissions trading scheme.

The spin was put out that we had to act now to save the world. But, as Senator Fifield said, where is it on the agenda today? Where was it three weeks ago, when we had the first week of sitting? It was not back here. It was being stalled and talked about for a few days in the other place. Now it is not here for us to look at. Instead we are here to debate a broken promise. As I said, we cannot support broken promises. We cannot support encouraging people to leave private health insurance or downgrade their private health insurance. We cannot support overloading an already overloaded and stressed hospital system right throughout Australia. Hence we shall be here as one voting this legislation down, as we should. I thank the Senate.

Senator BACK (Western Australia) (8.11 pm)—The private hospital system in this country treats 40 per cent of all patients, being over three million annually, and performs over 60 per cent of all surgery in Australia each year, on over a million patients. The Productivity Commission looked into public and private health care and found that private hospitals treat patients more cheaply than public hospitals in this country. As we know, we have an ageing population. We have been told, and we do not disagree, that it will more than double the demand in hospital admissions by 2030. Why would the government be wanting to discourage participation in private health cover? The further one examines the question of providing health care in Australia the more obvious it becomes that the cost sharing of this burden is critical if we are to at least maintain, if not improve, health care for Australians.

It is no wonder that the Labor Party, prior to the last election, committed itself to continuing the rebate for private health to Australians. The Prime Minister, who was then the Leader of the Opposition, did this by media release, as has been referred to, by speeches and in writing. Why is Labor going back on an election promise in a climate that would surely be encouraging greater participation, not less, in private health care? If the Productivity Commission is to be believed, then the government should be encouraging the more cost-effective and efficient private hospital and healthcare systems. If the statistics available to me, as I have mentioned, are that 40 per cent of Australians are treated privately and 60 per cent of surgery is done privately, what is this telling us about the desires and actions of the community? Clearly, they want to see a strong private health system and they want to see a well-funded and reasonably accessed public health system.

I turn to young people. What is going to be the impact of these legislative changes that are before us, if approved by the Senate, on young people? What is the message that we are sending to younger members of the community at the very time when we should be saying to them, ‘Given your earning capacity, you should be looking to your own resources to provide your medical and hospital cover into the future’? Naturally, from a systemic point of view, this is the very group that we actually do want to be funding private health cover because we know that they will draw less upon it than their parents’ or their grandparents’ generations. This is
called, according to the documentation, a fairer health insurance incentive. I do not see the incentive and I do not see where it is fairer.

I turn from younger to older members of our community. We are living longer and we are healthier than our parents’ and grandparents’ generations. Participation in private health cover by older members of the community must be a decided health advantage, from an administrative perspective, and I cannot see the rationale of the government wanting to put this at risk. We must encourage older people in the community to stay in private health insurance for their own good and for that of the overall system.

The Productivity Commission shows that costs for patients in the private hospital system are lower. The system provides safer treatment and costs the taxpayer less money. Figures available to me from Health Expenditure Australia indicate that the government spent $30.8 billion on public hospital services in 2007-08 in this country, and we know the figure grows annually. By contrast, the government spent $1.7 billion on private hospitals through private health insurance. The figures look very attractive to me. If they are accurate, then I am at a loss to understand why the government is hell-bent on forcing private health insurers out of that system, to become more reliant on the public health system.

We are all acutely aware that the health budget is assuming an ever-increasing proportion of our revenue base at the national level and at the level of the states and territories. When I commenced work in the early seventies, there were some 10 people working to support one who was not working. At the moment, that ratio is around four to one, and the Treasurer told us recently it will diminish to fewer than two people working to support each who is not. Given the predominance of health as a cost burden to the economy, surely logic dictates that we must encourage people to take responsibility for their own health needs, to invest in their own private health insurance and to remove themselves from being a burden on the public system. Further pressure on the already overloaded public health system will surely cause it to implode. From the perspective of one who does contribute to the private health system and who has the primary care responsibility for an aged parent, it is blindingly obvious to me that every effort must be made to protect, preserve and encourage participation in private health for as many members of the Australian community as can afford it.

The point should not be lost that it is taxpayers who fund the public health system, through our Medicare levy. As this government went to the last election promising to leave the levy unchanged from that of the Howard government, it is incumbent on this government to go to the people in a general election and seek a mandate to interfere with a process that is delivering a well-balanced, if under funded, mix between private and public service provision in this country. The government has this opportunity during 2010 or 2011—when the next general election is held—to put this question to the people of Australia, rather than waste the Senate’s time in trying to push the legislation through the Senate.

I turn to the administration of rebates. The current rebate—as we all know, because we put in our tax returns—is simple, transparent, easy to understand and easy to audit. I have been informed that, under the new proposals, there will be no fewer than 10 levels of entitlement or surcharge depending on a person’s income and age. How will people work out where they stand in this? It is another huge administrative burden, another cost to government and another cost to the private health funds. If the government proposes that
it will enjoy savings as a result of its amendments to the private healthcare rebates, then what costs have been factored in for the administrative burden that it will create? If history is any indicator, I suspect the savings will be minimal and they will be more than taken up in administrative costs for the government and the private sector.

I would like to refer to funding in the health system as a health pool of money—and to the effect. Senator Williams made reference to the 30 per cent rebate. Think of it in these terms: when the government pays 30 per cent rebate to a privately insured person, it pays 30c of each dollar into that pool, but, more importantly, the privately insured person pays 70 per cent or 70c into that pool. When that person leaves private health insurance, the government gets its 30c back, but the pool loses the other 70c that the privately insured person was previously willing to contribute. This fact should not be lost. The pool loses more than the government gains. Where the sense is in reducing the rebate and discouraging people is absolutely beyond me. I have not yet seen a cost-benefit analysis that points to this being anything other than another tax on health insurance and a cost burden on—guess who?—middle income earners in this country. But as my colleague Senator Fifield said, this comes as no surprise, as this Labor government’s ill-conceived attack on middle Australia can scarcely be concealed.

The interesting point to be made, whilst the government is attacking middle Australia, is that more than one million households earning less than $26,000 per annum take out private health insurance, on what we would regard as a minimal family income. You might immediately say, ‘Yes, but they will not be impacted by the government’s tax grab.’ Of course, they are. Despite the fact that they are under the threshold, they will be adversely affected, in two ways. The first, is the size of the pool to which I have referred. The pool gets smaller; they are disadvantaged. The second is that they will be heavily impacted, as more people queue at public hospitals and outpatient facilities. So do not think this is only an attack on middle Australia—those who this government seems so keen to pull down. It is an attack across the board.

What does the government itself say will be the impact of attacking private health insurance in this way? The government estimates that tens of thousands of people will drop their cover. It recognises that, as people drop out of private health insurance, then premiums must rise for those who remain. And what happens to the pool? It rapidly becomes a puddle. In my own state of Western Australia, the impact will be greater. Why? Because a higher proportion of people in WA carry private health insurance, so therefore a higher proportion of people will be at risk. But this comes as no surprise. There will be no defence on the other side from Western Australian Labor senators or others, because they too seem to have forgotten the state of Western Australia.

I have spoken about the young and I have spoken about older members of our community. What do young families do? We all know, particularly those of us who have had young families, that people starting families or adding to their families are the very ones who need to be covered by private health insurance. Interest rates are rising and capacity to meet mortgage commitments is being stretched even further. Private health cover is an easy cost to give up. The very people who should not be giving up private health insurance will be those who are forced to do so.

The Prime Minister, having repeatedly told the Australian electorate that he would not alter health insurance rebates, now proposes to do so. This is the person who was
going to fix public hospitals around Australia by June last year. As I remember, it was his intention to take over the administration of public hospitals if they were not, to use his expression, fixed. This is another broken promise. All we have seen is a deterioration of the confidence which the Australian community has in the public health system, the Prime Minister and his Minister for Health and Ageing.

This in no way reflects on the excellence and commitment of those who provide health and hospital services, private and public, in this country. Nobody in this chamber would deny or dispute their professionalism. Like most Australians, I am open in my admiration and appreciation of the doctors, the nurses, those who provide complementary medical services, the other paid providers and the army of volunteers who worked tirelessly in our public and private hospitals to render what must be the world’s best health service.

Anyone who doubts the excellence of our service need go no further than to talk to young doctors, nurses and health providers from the UK system. They say to me: ‘Why is this being done? To work in the Australian public health system compared to that of the UK is like going on a holiday.’ I have been asked why we are attacking private health cover when we have got the balance right in this country. As we know, it will only lead to breaking an already stretched public health system by encouraging those in private health insurance to divest themselves of their cover.

As a person who has served on the boards of both private and public health facilities in two states of Australia, I can assure the chamber and the Prime Minister that any effort to centralise control of the public health system in Canberra will be a total and unmitigated disaster. I recall my experience in a public health facility in Western Australia during the transition from local board membership of public facilities to centralised management in the metropolitan area of Perth. And no—to answer those who ask the question—the board was not dominated by Liberal or coalition parliamentarians. It was dominated by local members of the community with a passion for the provision of health services in that community, a group who absolutely and utterly felt disenfranchised when the decision was made to go across to the metropolitan area.

I can assure you, Madam Acting Deputy President, the experience of those who used that system was that, following its centralisation in the metropolitan area, the quality, efficiency and effectiveness of that service deteriorated rapidly. I can also assure you that central management now not a few kilometres away but rather some thousands of kilometres away from the locations in which the services are rendered will undoubtedly lead to a further deterioration in the quality of those services.

If this proposal has no basis in the provision of high-quality medical and hospital care, if it does not stack up economically, from a cost-benefit point of view, if it is not supported by the medical profession or other health service providers, then I am left pondering: what is this government’s motive to break an election promise and impose added costs on an already stretched system? The answer, I fear, is that it is nothing other than a new tax. And why do we need the new tax? We have heard the variety of answers by an earlier speaker, by the Prime Minister, by his health minister and by his Treasurer. The Treasurer spelt it out during his budget speech and subsequently as being the need to increase the age pension support. But surely it has not been lost on others that the aged are the very group who are going to be further disadvantaged by more pressure on the
public health system as those in private health insurance leave it and add to the burden on public health care provision.

Following the budget in 2009, the coalition proposed to this government an increase in the excise on tobacco as an alternative to this flawed tax proposal. The advantages are obvious to anybody: lower tobacco consumption, less pressure on the entire health and hospital system and, obviously, less cost to the taxpayer. But we saw Labor fight and refuse to accept what was an entirely sensible measure.

We have been faced with the national embarrassment of yet another failed government scheme in the last week, being the $2.3 billion roof insulation program. This is yet another example, regrettably, where incompetence and arrogance—this time by Minister for the Environment, Heritage and the Arts, Mr Garrett—has further eroded taxpayers’ money and confidence in public administration. We are all lumped into this failing of confidence. It is ironic that the cost to the Australian community of this failed program will probably equal the so-called savings to be made by this government in its changes to the private health insurance rebate.

In conclusion, if this Prime Minister wants to reverse his own strongly stated and frequently repeated election commitment of 2007, then this bill should be withdrawn from this chamber and the Prime Minister should have the intestinal fortitude and the common decency to go back to the people of Australia in an election and allow the community to decide their own position on private health insurance.

Senator XENOPHON (South Australia) (8.29 pm)—I will confine my remarks this evening to this particular bill, the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 [No. 2]. As I indicated during last year’s debate on the fairer private health insurance incentives package of bills, I do not believe that there is adequate evidence to support changes to the private health insurance rebate or changes to the Medicare levy surcharge. This package of bills effectively penalises those Australians who choose to have private health insurance, by making it more costly, and then seeks to make them retain their more expensive coverage because, if they cancel their policy, they will be penalised with a higher Medicare levy surcharge. It is almost a case of lose-lose. And it reminds me of that great song by the Clash—

Should I stay or should I go now
If I go there will be trouble
An’ if I stay it will be double
That reminds me of what these bills are about.

The government concedes that Australians will be impacted if the private health insurance rebate is means tested and that many will choose to drop their cover as a result. But it claims the numbers that will be insignificant and says increases to the Medicare levy surcharge will deter this occurrence. Those assertions are worth analysing. Treasury estimates, in fact, that 2.3 million Australians with annual incomes above $75,000 for singles and $150,000 for couples will be impacted by means testing the rebate.

The Australian Health Insurance Association forecasts that up to one million Australians will abandon or downgrade their private health cover. The issue of downgrading health cover is key here. Indeed, what the government is not accounting for in their
assessment of the numbers—which they call insignificant—are those who will reduce their level of cover in response to these measures. If this package of bills is passed, many Australians will reduce their private health insurance cover to just the bare minimum so that their premiums stay low but they are not subject to the Medicare levy surcharge. The effect of that will be that you will have people with ancillary cover no longer taking that out. There will be pressure on the public system as a result of that and it will cause an upward pressure on premiums for private health insurance.

The one per cent Medicare levy surcharge was first introduced in 1997 and, in line with other measures, including the private health insurance rebate, was designed to ease the pressure on the public hospital system by encouraging greater uptake of private health insurance by those who could afford to do so, based on their annual incomes. Changes to the Medicare levy surcharge passed in late 2008 saw the first change to the income thresholds in July last year, increasing them for individuals from $70,000 to $73,000 and for families from $140,000 to $146,000, and increased them by $1,500 for the second and each subsequent dependent child. The proposed changes were much more significant, effectively in line with inflation. I acknowledge the negotiations that I had in good faith with the minister to bring the changes to the initially proposed thresholds to a more realistic level. The thresholds were introduced back in 1997, when Peter Costello was Treasurer. Initially, the they were $50,000 and $75,000. Clearly, there needed to be change. I thought that a satisfactory compromise was arrived at to allow for CPI increases. It was agreed that the Productivity Commission should look at the whole issue of the public-private hospital mix. That final report was handed down in December of last year. I propose to go into further detail in the context of the other package of bills relating to this issue. Now is not the appropriate time.

The government seeks to increase the Medicare levy surcharge by 0.25 and 0.5 percentage points based on a three tier system. I do not believe there is adequate evidence to suggest that increasing the Medicare levy surcharge percentage now will encourage more Australians to take up private health insurance cover and I believe that means testing the rebate will only result in those with insurance policies reducing their levels of coverage to just ancillaries cover in many cases.

I admire the intent behind the second reading amendment moved by Senator Siewert on behalf of the Australian Greens, which was that the moneys raised by these changes to the Medicare levy surcharge, if successful, should be invested in mental health programs. But that begs a bigger question about the funding of mental health services in this country. Funding mental health services should be a priority for any government. We as citizens should expect to have a system in place so that if anyone needs assistance with a mental problem they can get the standard of care that is necessary and deserved. My concern is that hypothecating this revenue would be a get-out-of-jail card for the government. Seeking this pool of money absolves them, in a sense. This is money that should come out of consolidated revenue in the context of mental health programs. I agree that mental health is an area which needs more funding and improved services. However, seeking to do that through this mechanism and through what I consider to be a flawed piece of legislation, given the impact that it could have on the mix between the public and private systems, is not the appropriate way to go.

The potential for unintended consequences from these bills is quite significant.
Either way, neither these proposed changes to the Medicare levy surcharge nor means testing the private health insurance rebate will effectively assist our heavily pressured public health system. As such, I cannot support this package of bills.

Senator NASH (New South Wales) (8.36 pm)—I rise to make some comments on the changes the government is proposing to the private health insurance rebates. The chamber would be well aware that after the introduction of Medicare in 1984 membership of private health funds fell. By 1998, only 30.4 per cent of the population was covered by private health insurance. We know that, following coalition measures—and very good measures they were—private health insurance climbed up to around 45 per cent of the population or 9.7 million Australians. This was as a result of the recognition by the coalition that there needed to be a greater incentive for people to invest in their own health care where they could. The increases to those rebates certainly provided that incentive for many people across Australia. We saw an increase of around 15 per cent in the number of people taking up private health insurance.

The government now wants to make some significant changes to that private health insurance rebate system, which can only be described as absolute stupidity on the part of the government when we look at the situation we find ourselves in with health. There is absolutely no doubt that health is the key issue—the priority issue—for Australians right across the country, no more so than in regional areas. My very good colleague Senator Joyce travels and knows exactly what I am talking about. In regional areas, the impacts are felt even harder.

What we are seeing from this government with the changes to the rebate is, as I said, incredible stupidity. The changes are going to do two significant things. It is going to increase the pressure on the public health system. How stupid is that? Anybody who is paying any attention at all to the affairs of this nation knows that the public hospital system is under siege in being able to provide the necessary level of care that it needs to give people. I take the opportunity to give enormous amounts of credit to the doctors and nurses who work in that health system. The incredible degradation of the system is by no means the result of the work and care that those health professionals put in but purely a result of state Labor governments.

And what does this government want to do? It wants to change the private health insurance rebate system to put more pressure on hospitals. You do not have to be a rocket scientist to figure out that if you take away the incentive for people to continue with their private health insurance they are going to cease that contribution and look to the public system to support them. It is going to put on the public system a significant amount of pressure that currently does not exist—pressure on a system that is already at breaking point. How stupid is it for the Rudd Labor government to do that? At the same time, by taking people out of the system—out of paying for their private health insurance—the costs are actually going to increase for those remaining members within the private health insurance system. It looks as though the premiums will increase by around 10 per cent, possibly more, by 2010-11.

Where is the sense in making those two incredibly significant changes within the health system? For this Labor government to make a decision that is going to put increased pressure on the public hospital system and increase the premiums for those who want to contribute to private health insurance is beyond belief, but it is just another example of the complete dislocation of this arrogant government from the people out in the streets in this country—the mums, the dads,
the working families whom this Prime Minister purportedly represents. They are the ones who are going to be hit by these changes, and they are going to be hit hard. And what for? We know that the existing measures are providing the incentive to ensure that a decent level of health care is provided in this country. We know that that level of incentive encourages so many people to invest in private health insurance, which takes away so much of the pressure that is about to be put on our public hospital system.

What is quite extraordinary about this particular issue is that it is yet another example of the Rudd Labor government’s broken promises. It is starting to sound like a broken record, because the hits—those broken promises—just keep on coming. But the Australian people are starting to wise up. They are noticing exactly how many of those promises that the Rudd Labor government made before the last election have been broken, and the list is never ending. There are hundreds of broken promises. Sitting on the side of the chamber; we know that—we live it every day. But it is not just us now; the people of Australia are starting to pay attention and they are noticing Rudd’s broken Labor promises. This one to do with the private health insurance rebates is an absolute corker. I quote Nicola Roxon, who on 26 September issued a press release as the then shadow minister for health. She said:

Federal Labor rejects the Liberal scare campaign around the private health insurance rebates. The Liberal Party scare campaign this morning reared its head in South Australia. On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

The Rudd Labor government made it crystal clear that it would not be changing those rebates, yet what do we see now? An extraordinary broken promise by this government. What I find incredibly sad is that the people of Australia believed Kevin Rudd when he said he was going to fix our hospitals. They believed Nicola Roxon when she said that they were committed to retaining the rebates. The Australian people believed the Rudd Labor government when they said those things. And what do we see now? Just a string of broken promises. It is worth bringing to the Senate’s attention the list of the promises that the now government made on private health insurance. Take the one I have just indicated to the chamber. I quote a letter to the Australian Health Insurance Association by the Prime Minister on 20 November 2007:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates.

Hello? Haven’t we got in front of us, right now, the taking away of those rebates? So what are the people of Australia supposed to think? What are they supposed to think when they heard, before the last election, that the government was ‘committed to retaining the existing private health insurance rebates’, and now they want to rip them away? I will tell you what they think: that this government is full of nothing but broken promises and that they cannot be trusted. People are starting to realise what a phoney this Prime Minister is, because this string of broken promises is starting to become endless. In February 2008 in the Australian the Prime Minister said:

The private health insurance rebate remains unchanged and will remain unchanged …

Well, it is starting to look as if it is trying to be mightily changed now.

So do we assume that the Prime Minister just thought, ‘Gee, it might be a good idea to
break that promise; let’s give this one a whirl—I’ve got a few others on the go at the moment; I might as well add another one to the list.’ And they use this rubbish about it being to ‘make sure we’ve got the funding to cope with the global financial crisis’ every time there is a broken promise. Every time this government fall off the rails, they try to hide underneath the whole existence of the global financial crisis. It is not on. The Australian people are not buying it; they are not believing it now for one minute—because the government have form when it comes to broken promises.

In May 2008, on Macquarie Radio, health minister Roxon said:
… we continue to support the 30 per cent, 35 per cent and 40 per cent rebate for those Australians who choose to take out private health insurance …

In October 2008, in a speech at the Australian Health Insurance Association conference, Minister Roxon said:

Private health insurance consumers will still be able to claim the 30 to 40 per cent rebate, and the Lifetime Health Cover incentives will remain in place.

On 24 February 2009, in the Age, again, health minister Roxon said:

The Government is firmly committed to retain the existing private health insurance rebates …

Do you know what this says, Mr Acting Deputy President? This says that this government cannot be trusted, not for one moment. They are a government of spin, and the people of Australia are seeing through it. And what they are seeing is this: if they cannot trust what Labor said before the last election—which now they obviously cannot, with this string of broken promises—how on earth are they going to trust anything the Labor government say running up to the next election? The thing is: they will not. They simply will not trust the government, because they know they have form. There is a string of broken promises.

As my very good colleague said earlier: if the Prime Minister thinks it is all very scary to threaten an election on the private health insurance rebates, bring it on! Bring it on, because I can tell you right now that those people out on the ground across this country have wised up to this Prime Minister and his broken promises. Does he really think we do not want to go out on the streets and ask the Australian people, running up to an election campaign, ‘Do you really trust Labor on health?’ Do you think that? Let’s just cast our minds back to what the Prime Minister, Kevin Rudd, said before the last election—and this is what they will be saying during the campaign. What was it that he said? That’s right, he said: ‘Kevin Rudd will fix our hospitals.’ Isn’t that amazing. Senator Joyce: ‘Kevin Rudd will fix our hospitals’.

Senator Joyce—Unbelievable.

Senator NASH—Not only that; he said that, if state governments had not improved services by 2009:
A Rudd Labor Government will seek to take financial control of Australia’s 750 public hospitals …

That was to be by mid-2009. What is it now? I think it might be February 2010. He broke his promise to the Australian people; he misled them. He hoodwinked the Australian people into believing that he would actually fix the public hospitals, that he actually cared enough to fix the public hospitals, that he actually wanted to fix the public hospitals. And guess what? He is the Prime Minister, and he can make the decisions—and he can, but he chose not to; he broke his promise to the Australian people. This very issue, health, is the most important issue to people across Australia, and he simply turned his back on the Australian people and said, ‘Too hard; can’t do that one.’ What was it he said?
He said something about a compromise with the state governments. So he has gone from being all hairy-chested, beating his chest before the last election campaign saying, ‘I’ll fix the hospitals; the buck will stop with me’—

Senator Joyce—‘After I cool the planet.’

Senator NASH—Thank you, Senator Joyce. I will take the interjection: after he cools the planet, of course! He is now saying, ‘Oh, there might be a compromise,’ and now he wants a referendum. ‘Gosh, what will I do next, I wonder?’ says the Prime Minister, because he certainly did not do—

Senator Abetz—He’ll shake that sauce bottle, I’m sure!

Senator NASH—He will certainly shake that sauce bottle, Senator Abetz—probably in consternation that he does not have a clue about health and does not have a clue how to even think about attempting to fix the problems in health.

The people of Australia have absolutely wised up to this now, because they can remember—they know. So if the Prime Minister wants to have an election on health: bring it on! Bring it on tomorrow; bring it on the day after—we will have it whenever he likes. This is about doing the right thing by the Australian people, and he has not—not for one moment—because he has simply broken the promises he made to the Australian people.

Isn’t it interesting that, with all the huff and bluster and hype that goes on, Justine Elliot, the member for Richmond, has not said boo in the other chamber about health? It is just a phoney government. It is so full of spin; it is quite extraordinary. It says one thing and does another. It is all talk, no action. It is all about words, words and spin, spin, spin and, ‘Gee, I wonder if I do something with this hand over here, and then something with this hand over here, they won’t notice that I’ve broken this promise over here, and they won’t notice that I, the Prime Minister, have not done this particular thing—I’ll just try to trick them with a sleight of hand.’ The Australian people are too smart for that. They are much too smart for that, and without doubt they are noticing what an absolutely phoney sham is this government, which has not delivered a single thing for the people of Australia. It is all talk, no action. You cannot trust this government. That is obvious. You cannot trust it to keep its promises. You certainly cannot trust it to manage money. What was all of that about—

Senator Abetz—You can’t trust them in your roofs, either.

Senator NASH—You can’t trust them in your roofs, either—thank you, Senator Abetz. What was all that talk before the last election? I remember now—Kevin Rudd was an economic conservative, wasn’t he? How on earth can you trust them when on one hand he says he is an economic conservative and on the other hand he runs up $120 billion worth of debt? It is easy to shout the bar when you are spending somebody else’s money, and that is exactly what this Prime Minister is doing. He cannot be trusted to keep his promises. He cannot be trusted to manage money. It is an absolutely appalling indictment that he is not reeling in shame, having said to the Australian people that he would fix our hospitals and that the buck stopped with him. The buck obviously stopped right next to him and then kept on going; it certainly has not stopped anywhere near him at the moment. He has just flicked it to some kind of compromise and now he needs some kind of referendum to ask the Australian people their opinion, after he promised them that he would fix the hospitals. Goodness knows they need fixing.

In regional Australia, as I said at the outset, it is worse than it is anywhere else. In
New South Wales, we had the situation recently where Dubbo hospital had to borrow bandages from the local vet to be able to provide services. We had another situation at a north-western hospital where they had to stop giving their patients meat because the state Labor government had not paid the butcher’s bill. That is just the tip of the iceberg when it comes to the appalling standard of our public hospital system, and it was this Prime Minister, Kevin Rudd, who said he would fix it. You do not have to be a rocket scientist to see that he has not.

If there is one thing that the Prime Minister should probably take on board, it is that when you make a promise you keep it. If you are going to make a promise—especially one as big as fixing the public hospitals—you had better keep it. The people of Australia are going to come after you, Prime Minister, because of this broken promise. Now that they do not trust you on this, they are not going to trust you on anything. You are not fair dinkum; they know that. The Australian people see every broken promise and they know he is phoney. They know he will not keep his word.

Now we have legislation to change the private health insurance rebates. It is so interesting, as my good colleague Senator Fifield said earlier, that one minute it is the ETS: ‘We’ve gotta cool the globe; it’s absolutely, vitally, incredibly important!’ When we finished last year, the minister, Penny Wong, said: ‘We’re going to bring this back straight away; it’s so important—

Senator Joyce—The moral issue of our time.

Senator NASH—it’s the moral issue of our time.’ And now, first thing back, we have private health insurance rebates. What happened to that moral issue of our time? Mind you, there are probably a few different moral issues of our time, depending on what the Prime Minister happens to be talking about—the issue of the day. It is just so phoney and unbelievable.

On this side of the chamber, we know that this government is all talk and no action. But this is not just about this side of the chamber; this is about the Australian people, who are now saying to the Prime Minister, ‘You promised to fix our hospitals; you let us down.’ They believed you before but, Prime Minister, they are saying they are not going to believe you anymore. They are not going to believe your promises because they know that you cannot be trusted.

Senator ABETZ (Tasmania) (8.56 pm)—It is an absolute delight to follow Senator Nash. What an excellent contribution she has made in highlighting the hypocrisy of the government. Four days before the 2007 election, Mr Rudd said:

More than ever, Australia needs a government that will help the nation fulfil its promise rather than a government which makes promises it cannot fulfil.

Today in this Senate, 813 days after Mr Rudd was sworn in as Prime Minister, we as a Senate are being asked to clear the path for him to break yet another one of his many election promises. I, for one, and the coalition will not be party to allowing the Prime Minister to break yet another one of his election promises.

Wasn’t it galling before the last election to listen to the pomposity, to see the licking of the lips and the flicking of the hair—the caricature that he has now become? It was sincerity writ large! Hand on his heart, he said: ‘I’ve always been an economic conservative. It’s so vital that a government doesn’t break its promises, that a government doesn’t make promises it cannot fulfil.’ This is a promise that Prime Minister Rudd can fulfil; he simply does not want to because he is still
engaged in the old concept of class warfare from 50 years ago. That is what this is all about—it is to hit the aspirational classes of Australia. It is to try to cause division within our community.

It also highlights that the Prime Minister is on track to break yet another election promise. Remember his hand-on-heart promise in relation to whales? He was going to take Japan to the International Court of Justice. He sent the Oceanic Viking into the southern seas to gain evidence. Now, all of a sudden, it is: ‘We are going to take Japan to the International Court of Justice in November this year.’ I will make this wager: the federal election will be called before November 2011 and Mr Rudd will seek to escape from that election promise. We then had the fuel tax promise, the GROCERY choice promise, the GP superclinics promise, the computers in schools promise, and so the list goes on. Broken, broken, broken—every single one of his promises is now simply empty air.

What about the biggest of them all, the ‘greatest moral challenge of our time’? What was that again? That’s right—climate change. He said 22 times before the last federal election that climate change was the ‘greatest moral challenge of our time’. He said it 22 times! It was a lot of hot air, yet again; a lot of blah, blah, blah; a lot of blather; a lot of talk and absolutely no action. Indeed this was ‘the greatest moral challenge of our time’. It was so important that it was going to be a double dissolution issue and was going to be brought back first thing when the parliament resumed this year.

After a couple weeks of sitting and having been through the House, I had a look at today’s order of business in the Senate and was surprised that the government that orders the business in this place thought that the greater moral challenge for this place was not to deal with climate change but to help Prime Minister Rudd break an election promise. This is now Mr Rudd’s version of moral challenges. The great moral challenge for him is no longer climate change but the breaking, yet again, of an election promise. What we have here on the Senate order of business is the private health insurance legislation, then the crimes amendment, then trade practices. You then turn over the page and there are messages from the House of Representatives. Even the International Tax Agreements Amendment Bill is a lot more important all of a sudden than the climate change policies.

If it is the greatest moral challenge of our time, I simply ask Mr Rudd: with all his moralising, why does private health insurance and a breach of an election promise all of a sudden increase in status and stature? The answer is that he knows that the opinion polls have shifted on him on this issue. We now know that the barometer for Mr Rudd, with his great moralising, is not what he believes in but what he thinks the opinion polls are telling him at any given time. That is why this great moralist said during the election campaign that he had always been an economic conservative, yet in his first speech bagged out Margaret Thatcher’s economic policies. Go figure. How do those two match? A classic example was when he first got into parliament: Mr Rudd thought the ticket to ride to make him popular would be to bag out Margaret Thatcher. Then, when economic conservatism had won the day, all of a sudden he had been an economic conservative all his life.

A man who changes his spots so willingly, who switches and changes so unashamedly, is hardly one to try to moralise—yet that he did. Twenty-two times before the last election, the greatest moral challenge of our time was climate change; more recently, it did not even rate a mention in one of his Australia Day speeches. But breaking an election
promise on private health insurance is now undoubtedly the great moral challenge of his time. I indicated at the commencement of my remarks that four days before the 2007 election Mr Rudd said:

More than ever, Australia needs a government that will help the nation fulfil its promise rather than a government which makes promises it cannot fulfil.

It just happens that, also four days before the last election, one Mr Rudd, federal Labor leader, wrote to Dr Armitage, Chief Executive of the Australian Health Insurance Association. In his second paragraph, which I quote in full, he said:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per rebates for older Australians.

Nothing could have been clearer than that. It was a cast-iron guarantee. Indeed, he condemned the Liberal and National parties for running an unprincipled scare campaign on this issue. The Australian people today know that our scare campaign was not a scare campaign but a correct character assessment of the now Prime Minister, the then Leader of the Opposition. We knew that he would not be supporting private health insurance. We knew that he would not be supporting the aspirational classes of Australia. We knew what he was up to. Yet he was able to skate through, make these promises and reassure the Australian people. But now he has to be brought to account, and brought to account he will be by us as an opposition and by the Australian people.

The Australian people are now sick and tired of this legacy of broken promises, of all this talk and of all this moralising. Everything is put in moral terms. If you do not agree with Kevin Rudd on climate change, you are somehow immoral. If you do not support him now on his broken promises, I wonder what his explanation would be. Undoubtedly, he would have some moral construct within which to frame his assertions. But the simple fact is that this is a broken promise pure and simple and nothing that he says will be able to get him out of it.

Let us keep in mind that 11 million Australians have private health insurance and each one of them can expect to pay more for their private health insurance premiums because of what Mr Rudd wants to do. That is particularly bad for low-income families and it is bad for older Australians. It is also very bad for the public hospital system. As you and I know, Mr Acting Deputy President, the more people that get out of private health insurance, the greater the burden on the public hospital system will be, meaning that that system which is supposed to genuinely look after the needy will not be able to look after them as well as they otherwise would be because fewer people will be in private health insurance.

I still recall the days of Mr Paul Keating when he required some hospital treatment and, miraculously, he got in the front of the queue. I understand that it is now occurring in the electorate of Robertson as well—that certain people are assisting people to the front of the queue. That is all very good for some people if they have Labor Party connections in the state of New South Wales, but that should not be the basis upon which our health system operates, and that is what Mr Rudd seeks to engender with these changes.

Senator Xenophon, when this was first discussed—around the time of the budget last year, so it would have been about May 2009—described it as a significant breach of trust by the government which had long promised to retain the rebate. That is what it is. You might say that a coalition that is very supportive of private health insurance might
say that a Labor government would behave in this way, but Senator Xenophon is on that page. All the political commentators are recognising that it is a fundamental breach of promise. This is a government that now claims it needs the extra money. I must say, the figures are very rubbery by any analysis. The government says it is a savings measure. This is from a government that has hocked this nation to the tune of $125 billion. I do not accept the government’s figures—let’s get that straight—but, for the sake of the argument, what Labor says it will save on this measure has already been blown, and more, on the pink batts fiasco. So you ask yourself, in setting the priorities for the government: ‘What is more important—keeping an election promise and keeping the health system at least somewhat functional by maintaining support for private health insurance or junking that in favour of this ill-considered pink batt program?’ We now know that Mr Rudd’s priorities are pink batts over private health insurance rebate support. That is his priority. What is more, he deliberately breached an election promise in relation to private health insurance so he could find the moneys for the pink batt program. That is the reality.

If Mr Rudd thinks that somehow the private health insurance issue will give him a better double dissolution trigger than the climate change issue, I say, ‘Bring it on,’ because we will then be fighting a double dissolution on the government saying, ‘We should have a mandate to break our election promises. Sure, we gave you a solemn guarantee that we wouldn’t, but that naughty, naughty Senate, which road-blocked parliamentary democracy, is actually making me keep an election promise. We can’t have that. We’ve got to clean out this Senate and bring in a new Senate that will simply rubber-stamp every broken election promise that I want to force through the Senate.’ I say to Mr Rudd, ‘Bring it on and let’s see what the people of Australia will say,’ because they will not only remember the broken promise on private health insurance but also remember the uber-hyping of climate change—and that is what it was. It was the greatest moral challenge of our time that has now just disappeared from any part of his—what is his term—conversation with the Australian people. It sounds so good, doesn’t it—having a conversation with the Australian people. It was misleading the Australian people that he was engaged in. There was no conversation. It was just a torrent of words with no substance behind them. Today the Australian people are recognising that. It is not only this private health insurance breach; it is a breach on the GP superclinics and it is a breach in relation to public hospitals.

Mark my words: a very bad parliamentary week will be finalised by Mr Rudd throwing in a circuit breaker. You wait: on Thursday or Friday this week, Mr Rudd will hold a press conference and announce that he is going to do something on health—what’s the bet—or something else to try to stop the cycle that it is now enveloping Mr Garrett, himself, Mr Swan, Ms Gillard and Mr Tanner.

Then we have other promises: the whales, Fuelwatch, GROCERYchoice, computers in schools—the list just goes on and on. This is a Prime Minister who is good on the blah, blah, blah—all talk and no action. When he finally does act on something, like in this legislation, it is actually a breach of his solemn election promise, and that is why the Australian people are fast losing faith in Labor and in Mr Rudd in particular. Mr Rudd was the one who made the promise—he signed the letter on 20 November 2007—and Mr Rudd is the man trying to force this through the parliament. Why should we as a Senate allow Labor to breach its election promises? We as a coalition will not. We will expose not only the breach of an election promise but also the deficit of this in public
policy terms. This is bad for the public health system and it is bad for individual people’s health, especially those who genuinely rely on the public hospital system.

In brief, what we have is a litany of broken promises and now a request for us to somehow clear the path for him to break this promise as well. We as a coalition will not stand for it. We believe what we had in place was good, sound public policy—and that is why Mr Rudd embraced it at the last election. He knew how popular it was. He knew that it was good policy. But he now thinks that he can do a backflip. He has something else coming. I simply say to him: if he wants a double dissolution on a broken election promise, bring it on and bring it on with climate change—that which was his greatest moral challenge at the time, which is now fallen down the order of the parliamentary timetable. I simply say, your great moral challenges, if they are such, are not determined by the opinion poll of the day; they are actually cast in moral terms. But that is what exposes the nonsense of the Prime Minister: everything is cast in moral terms until the opinion polls change on him and then all of a sudden it is no longer such a burning moral issue. That is where, if I might conclude, he is so different to the person that he claims was a mentor—namely, Dietrich Bonhoeffer. That was a man who knew what the moral challenges of his time were and was willing to face the consequences. Mr Rudd has no idea about standing by genuine convictions. We as an opposition will be opposing this legislation.

**Senator ADAMS (Western Australia)** (9.16 pm)—I rise to speak on the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 [No. 2]. The introduction of these bills is one of the best examples of the dishonesty of this Labor government and why Australians should not believe anything the Prime Minister or his Minister for Health and Ageing minister says. These bills represent a broken promise.

During 2007 the Prime Minister and his then shadow minister for health and ageing, Nicola Roxon, looked Australians in the eye and said: ‘We will not change the private health insurance rebate. We will not take the private health insurance rebate away.’ They said this on numerous occasions and gave Australians their word in return for votes at the 2007 election. The Prime Minister, then Leader of the Opposition, even wrote to the Australian Health Insurance Association, making it quite clear federal Labor would not tamper with the private health insurance framework and that Labor was committed to retaining the existing private health insurance rebates. Mr Rudd said that federal Labor will also maintain Lifetime Health Cover and the Medicare levy surcharge and that Labor valued their relationship with the private health industry. I wonder if they think that today.

In her speech to the annual Australian Health Insurance Association conference in Melbourne on 10 October 2007, then shadow minister Nicola Roxon said:

This is why we have committed to the current system of private health insurance incentives—including the package of rebates, the Lifetime Health Cover and the surcharge.

Labor understands that people with private health insurance—now around 9 million Australians—have factored the rebate into their budgets and we won’t take this support away.

When the coalition questioned the sincerity of that emphatic pre-election commitment, we were accused of running a dishonest scare campaign. The then shadow minister for health and ageing, Nicola Roxon, said on 26 September 2007:
Federal Labor rejects the Liberal scare campaign around the Private Health Insurance rebates ... The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue.

Of course, we now know that this is exactly what Labor are proposing for more than two million Australians—to take away their private health rebates. Labor did not keep their word. The Prime Minister’s promises to Australians with private health insurance and reassurances to the private health sector have turned out to be meaningless words. The Prime Minister and his government just cannot be trusted. The Hon. Peter Garrett’s comments during the election campaign now ring true: ‘When we get in, will just change it all.’ As with so many of the Prime Minister’s other broken promises, that is exactly what he has done. He gave Australians his word, asking for their vote in return. Then he got into government and changed it all.

The millions of Australians whose Medicare surcharge levy will increase if these bills are passed should be incensed at the duplicity of this government. All people who have taken responsibility for their health and taken out private health insurance should be extremely annoyed and disappointed that the cost of private health insurance for everyone will go up. If these bills are passed 11 million Australians with private health insurance will have to pay more as a direct result of this policy. One million of these people live in households with an income of less than $26,000 per annum. These are hardworking Australians, retirees and pensioners who make and have made large sacrifices in other areas of their lives in order to take out private health insurance and not have to rely solely on the public health system, which is already under so much strain. With the removal of the private health insurance rebate, premiums will go up. Everyone will have to pay more, including those people on lower incomes, as I have discussed. This will be the outcome of bad policy decisions like this.

As a direct result of these changes the cost of private health cover is going to increase for more than 2.3 million Australians by between 14.3 and 66.7 per cent. How does anyone cope with that? People of all ages with private health insurance in the first income tier will see their rebate reduced by 10 per cent; people of all ages in the second tier by 20 per cent; and people in the third tier will be treated differently, depending on how old they are. The older you are, the steeper the increased cost you will face, as a result of this legislation. This is a poor outcome for the self-funded retirees and pensioners who have taken responsibility for their own health care in their retirement years. It is completely unfair that older Australians are going to suffer financially if these bills are passed. Our population is ageing and, as the baby boomers enter retirement, hospital admissions for patients are expected to more than double by 2030. I ask: how are these people going to manage the increased costs as a result of these proposed increases?

While 2.3 million Australians with private health insurance will see a direct, immediate and automatic increase in the cost of their private cover by up to 66.7 per cent, all of the 11 million privately insured Australians are going to face additional increases in private health insurance premiums because of these proposals. These bills are effectively nothing more than an enormous tax on the healthcare industry—not a tax on emissions trading or the Carbon Pollution Reduction Scheme but a tax now on the healthcare industry and the millions of Australians who have chosen to take responsibility for their health requirements. The coalition supports lower and middle-income earners. By keeping the private health insurance rebate intact, private health insurance will remain affordable for everyone, including the millions of
lower and middle-income earners. If the rebate is removed for higher income earners, the cost of premiums for everyone else will go up. The private health sector handles well over half of all Australian hospital procedures and Labor simply fails to accept this fact. Many of these procedures are highly complex and each could be carried out in a public hospital at full public cost. The public health system is already overloaded and would be unable to cope.

In Western Australia, my home state, people with private health insurance acknowledge the important role private health plays in our health system and the impact these measures will ultimately have on our hospitals: longer queues and longer waiting times. The flow-on effect of these measures will cause everyone with or without private health insurance to be affected. In Western Australia, this includes 56 per cent of the electors of Hasluck, 67 per cent of the electors of Brand, 74 per cent of the electors of Fremantle and 64 per cent of the electors of Perth—all of which are Labor held seats. I wonder how these people who voted for the Rudd Labor government feel about what has happened with the broken promise. The 7.4 million Australians who now have private hospital insurance and incomes below the ‘rebate reduction’ thresholds will be confronted by increased premiums which will arise to cover the cost flowing from people who downgrade their cover or leave private health altogether. Those people who do not have private health cover will now be competing for access to public hospital care with an increasing number of those no longer covered by the private system, as a result of these proposals. The government itself has already admitted that thousands of Australians will be dropping out of private health insurance. This will put more pressure on the public health system.

As far back as 2004, it was stated that each dollar spent on private health insurance rebates saved $2 of federal and state outlays. In the past, by providing incentives to people through the private health insurance rebate system, we have attracted revenue into the system to fund billions and billions of dollars in private hospital care which the public system could not have managed. The private hospital system treats over three million patients per year, representing 40 per cent of all patients. Private hospitals perform 60 per cent of all surgery, which amounts to over one million patients. The Productivity Commission has also found that private hospitals treat patients more cheaply than public hospitals.

These figures demonstrate just how important the private sector is to our health system. It has developed into an efficient cornerstone of the system and employs hundreds of thousands of Australians. We need to be doing what we can to encourage people into private health insurance and once they are there to keep them there. These measures do nothing to fix the health system—another of those great prime ministerial pledges but failed actions. They are an ideological, good old fashioned Labor attack on private health. It is an attack on people who choose to take responsibility for themselves. But Labor wants big government and big bureaucracy and for the Australian population to be chained to a public system.

How can this government be trusted to improve the public system? They have not delivered on their promise to fix public hospitals. All we are hearing at the moment is that Mr Rudd is going to fix our public hospitals. I do wish him joy to come to Western Australia to try to fix the public hospitals. I am a strong supporter of hospital boards and I do hope that eventually we can have hospital boards with skilled community members controlling the health dollars. I have been a
board member of the Princess Margaret-King Edward board, which is a women’s and children’s hospital board, and also a member of the Metropolitan Health Service Board, which very successfully ran health in Western Australia—we had four years before the Gallop Labor government came and removed the board. And every one of those years we balanced the budget. It was due to the very diligent, independent board members and an excellent chair that we were able to achieve that result. Since then that budget has never been balanced, so boards certainly play a part and I support the coalition’s move to go back to having hospital boards with community input. It is terribly important.

As far as the Rudd government’s $2 billion pink batt program is concerned, how can it be trusted to manage $31 billion spent on our public hospitals? It is a really frightening scenario. All it is doing is forcing responsible people out of the private system and onto the public hospital waiting lists. With this legislation, in one hit the Labor government is taking away a carrot and replacing it with a big stick through increases to the Medicare surcharge levy. Australians in higher income brackets will either have higher private health premiums or be punished if they do not take it up. This is fundamentally just another tax and attack on the millions of Australians who have worked hard and strived to get ahead to increase their earnings and improve their livelihoods. Labor hates this. They want people shackled to government and bureaucracy so that they can take away incentives and take to using a big stick in the form of a new tax on hardworking, aspirational Australians.

It will also be an attack on Australians living in rural and regional areas. Many families in the farming and mining sectors will be hit. I am sure my colleague Senator Joyce would agree entirely. Having been a farmer for a long long time, I know that private health insurance was one of the most important aspects of our family budget. We just had to have it, living in a rural area with health services centred on the metropolitan area. If something went wrong we really needed that private health insurance. It was an insurance that was paid before anything else, but the problem was that we could not always use private health insurance in our rural area, so, unless someone really needed it, it was looked upon as a cost we did not need to bear. But, for our children, it was terribly important that, as a family, we were all insured just in case something went wrong. So private health insurance is very important to rural people. What really upsets me is that while it is not uncommon for a farming couple to draw an income of higher than $150,000 they also have a much higher cost of living. These extra living costs have to be deducted, and now they will be penalised even further by the Rudd government’s legislation. They already have to contend with a less adequate health system in country areas and now they will be hit with either higher health insurance premiums or a higher Medicare levy.

The Prime Minister made a promise—a hollow promise—to fix the health system. He has failed to do that. And now he is embarking on ripping the heart out of a cornerstone of the Australian health system, through a massive backflip on a solemn promise he and his then shadow minister made to the Australian people. The coalition will not support this bill because we believe in enabling hardworking Australians to take care of their individual responsibilities where they are able and choose to do so. We encourage them to do so. That is why we created an incentive to do so. Private health gives people choice and better health services. The purported savings and extra dollars that the government claims these measures will create for the public health system
will be nowhere near the savings that the private health system already delivers to public hospitals through a spread of resources, which means shorter queues and waiting times.

If the Labor government is so intent on finding savings for the health system, perhaps it should pay a little more attention to its other programs and improve its management skills. The billion dollar blowouts and wasteful spending in other areas make these new tax measures pale into insignificance, yet leave retirees and hardworking Australians having to dig deeper into their own pockets. If the Labor government wants to cry a savings argument, then please give us some better explanation for the mismanagement and rorting of other multibillion dollar programs, such as pink batts, Julia Gillard memorial halls and squandering money on Labor mates in the over-inflated broadband project. The Labor government should be condemned for reintroducing these bills. They are not the least bit fair and take yet another swipe at hardworking aspirational Australians who have taken on the responsibility of looking after their own wellbeing and not relying on governments and the public purse. This is an attack on every Australian’s future health.

Senator EGGLINGTON (Western Australia) (9.33 pm)—When I spoke on 15 September 2008 on the fairer health insurance legislation I mentioned that Australia was said to have the best worst health system in the world. I was quoting Jim Hoggett, from the *IPA Review*. Everybody in the world thinks their health system is the worst in the world because everybody has a story about someone’s grandmother who did not get treated quickly in a casualty department or a child who was not seen immediately by a doctor or something like that. In reality, when you look around the world, the Australian health system really is very good. If we look at the two extremes, we see that the United Kingdom—which has a national health service, a socialist health service—has its problems. There are long waiting lists, overcrowded hospitals and the buildings are old. The services are often very good, but the people work under very difficult circumstances. A key problem with national health services is that governments never spend enough money on health. For some reason they are prepared to provide some facilities but are not really prepared to put in the kind of money that is necessary to make those services very good. In the United States they have a private health system, and if you do not have private health coverage in the United States, if you turn up to the hospital gasping for air with a pain in your chest and you do not have your Blue Cross card, then you will be told to go somewhere else. It is a very tough system.

In Australia, no matter who you are and no matter what your income level is, no matter what is wrong with you, whether you need a toenail removed or a heart transplant, you can get it done in either the private system or the public system, and no Australian is disadvantaged because of health matters. That is why Australia has the best worst health system in the world. What are the twin pillars of our health system? The first of the twin pillars is something called community rating, which is a system under which our private health insurance system works so that the people who draw on the private health insurance system, the elderly and the people who have illnesses that require hospitalisation towards the end of their lives, are cross-subsidised by younger people who join private health funds and do not necessarily need to call on the services very often, except for sports injuries and car accidents and having babies and looking after children. This system of community rating which we have in Australia is very good and works very well.
The other important feature of the Australian health system is the duality of the balance between the private and public health services. I quote what the Australian Medical Association put to the Senate inquiry that was done in 2008 on that matter. The AMA said:

Australia’s health system is a delicate balance between the public and private sectors. The effectiveness and efficiency of the public system relies on a strong private sector. A high rate of private health insurance membership is a key part of the private sector.

In Australia we have this duality whereby people who can afford it get treated quickly in private hospitals, which do most of the acute surgery in this country, while the public hospital system looks after people on lower incomes, and provides them with very good service, and with more chronic sorts of problems. You have to look into the reasons why this health insurance rebate was introduced. It was introduced because in the 1990s the level of membership of private health insurance funds had dropped dramatically and the balance between the private sector and the public sector was tipping so that more and more pressure was placed on the public sector. The public sector could not cope and there were long waiting lists to get into hospital and long waiting lists for surgery and people were left in the corridors of the public hospitals while nearby there would be a private hospital which was empty and full of good facilities but had no patients. For that reason the Howard government decided to introduce this rebate on private health insurance premiums to encourage people to get back into private health insurance. That, with the Medicare rebate and lifetime cover, had a very good effect and the level of private health insurance has risen, going up into the 40 per cent range, so that now we again have a balanced system which is working very well.

I personally find it very difficult to understand why the Rudd government is bringing this legislation back. It certainly cannot be on the grounds that reducing the number of people holding private health insurance is good public policy—because that will be the certain outcome of this legislation were it ever to be passed. That in turn would mean more pressure would be put on the public hospitals and again we would have a situation whereby people would have to wait a long time to get seen by a doctor, a long time to have surgery and a long time to be treated.

I think it is very important to remember that we did conduct a Senate inquiry into this matter a couple of years ago. It is interesting to look at some of the findings of the Senate inquiry. First of all, one of the principal findings was that there would be a very severe impact on low- and fixed-income earners. This was because of the overcrowding of public hospitals which would result from the drop in the numbers of people able to attend private hospitals as they dropped their private health insurance. There would be adverse impacts on regional health services, which both Senators Nash and Adams have referred to. There would be massive increases in costs for the public hospital system as the system sought to make up for the deficit of a lost private sector hospital system with their patients coming into the public sector.

Most importantly, there would be an end to community rating as a consequence of younger people dropping their private health insurance. As I said, community rating is a uniquely Australian system under which younger people are encouraged to take health insurance. They do not often claim against the insurance and they in turn subsidise the older people who do claim on health insurance as they have more illnesses towards the end of their lives. Incidentally, this system of community rating includes the fact that no-
one is penalised for an adverse medical history. Say you were a diabetic and you had a past history of heart disease and a family history of cancer of the bowel. If you were to try to get health insurance in the United States, they would laugh at you and tell you that you were a bad risk and you were not entitled to health insurance. In Australia there is no penalty on premium for an adverse medical history. That is an integral part of community rating. Everybody pays the same premium regardless of their medical history and that is an element of our uniquely Australian system which does not apply anywhere else in the world. Health insurance providers in other parts of the world find that quite extraordinary, but nevertheless it is our system and it has worked very well in this country.

Given all these bad effects and these adverse outcomes that are likely to follow from the passage of this legislation were it to be passed, one wonders why the government is putting this measure up again. It was thrown out in 2008 for very good reasons because it was bad public policy. Clearly, the reason why the government is putting up this legislation again is a mixture of ideology and, I suppose one has to say, the poor financial management of the Rudd government. The ideological position of most people on the left of politics in Australia is that health services should be only provided by the public sector and that private medicine is bad and it is only for the rich. In fact, when you look at the demographics of the people who have private health insurance in Australia, you see that is far from the truth. It would seem that, because of this 1930s socialist ideology, the extremely successful and efficient Australian health system is to be sacrificed to satisfy those on the left of the Labor Party. I think that is a pretty weak reason for destroying an excellent system.

The other reason, we are told, is finance—that ending this system will provide money to the government and help balance the budget. But in fact the amount of money provided is going to be quite small. It is a net $300 million. That is not a lot of money when you start talking in government terms, so you have to ask whether giving the government an extra $300 million for the budget is really going to be worth all the problems that it will cause when in fact they will have to spend many thousands of billions of dollars, if this goes through, on upgrading the public hospital system. So, as far as I can see, there is no net gain to the government from this measure financially but there is a huge net loss because nobody seems to have thought about the fact that if the private health sector is not providing services the public health sector will have to be upgraded at enormous cost.

We are told that this legislation is going to be a double dissolution trigger. As other people have said, this is not a subject on which the government would get much joy if they were to go to an election and ask the Australian people to return them to government. It is very easy to remind people that their child, their grandmother or their wife would go on a three-month waiting list for something that they could have treated in a private hospital the next day. I do not think that would win any votes for the Labor government.

All Australians have the certainty of knowing that they will always have access to good health care while the current system is maintained. I do not believe the Rudd government should be permitted to destroy our unique health system and the fine service it provides to the Australian people. For that reason, I will be voting against this legislation, as will the coalition. I hope that will be the last we hear of the very bad public policy proposal that this legislation embodies.
Senator McGauran (Victoria) (9.46 pm)—We are debating the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 [No. 2] and Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009. The Fairer Private Health Insurance Incentives Bill 2009 will follow this debate which, as we all know, deals with the 30 per cent rebate question. The intent of the bills we are debating this evening is to increase the Medicare levy surcharge to 1.5 per cent for single people on incomes of $90,000 to $120,000 and for couples on incomes of $180,000 to $240,000. We reject the intent of these bills, as we have done previously.

The first thing I would like to note is the utter disconnection from debate, the abandonment of legislative debate, of the other side in this chamber. Not one government member is on the speaking list for these most important bills, which we are told will be an election issue.

Senator Mason—The greatest moral issue of our time!

Senator McGauran—Not quite, but we will get to that, Senator Mason. We are told this is a possible double dissolution trigger. Where is the passion for the debate on the bills then? Not one government speaker is on the speakers list.

Senator O’Brien—We are giving you more time.

Senator McGauran—He is giving us more time. There is a pathetic excuse from the Government Whip. Many of them are cowards on the other side. Either they are not up to the debate—I see Senator Bishop is here; he is up for the debate—or they are being told by the Prime Minister’s office not to jump up and speak. This is the pattern on the other side. Only three of them spoke on the emissions trading scheme debate, one of the great moral issues of our day. This is the pattern. They have utterly abandoned the legislative process. They are so cowered by the Prime Minister’s office—through the whip, I should add, who threw his little comment in before that they are giving us more time to speak. This is the chamber of debate.

Senator Carr—So you can filibuster! You know what you are filibustering for!

Senator McGauran—We have the great left-wing ideologue in here, the man with a bit of influence in cabinet. I see his fingerprints all over this in fact. The point is that they are the silent senators. Here is one coming in for the adjournment debate. They will get up on the adjournment debate—not a problem. The President even walks in on the adjournment debate. But where are they to speak on this so-called trigger for an election? It does not exist.

Debate interrupted.

ADJOURNMENT

The President—Order! It being 9.50 pm, I propose the question:

That the Senate do now adjourn.

Defence Procurement

Senator Mark Bishop (Western Australia) (9.50 pm)—As one with a long interest in defence matters, I wish to speak about procurement. In particular, I want to give credit where it is due for changes implemented in the last two years. There have been, as we all know, few areas of government with as much wastage over the last few years as defence procurement. The sagas dragging from one estimates to another are still so fresh in our minds. How good it is to no longer hear about the failed Seasprite helicopters, the M113 Army transports and the upgrades to the FFG ships. The M113s are rolling out of the workshops at a rate of knots and the FFGs are at sea at last. That is not to say that everything has been fixed.

CHAMBER
The Collins class submarines continue, as we know, to be plagued. Furthermore, the multitude of caustic reports by ANAO is much reduced. It has been a long time since we have seen reports about improper advance payments, abuse of trust funds, inadequate specification, delays and cost overruns. In other words, the litany of mismanagement and financial malpractice seems to have been addressed. Let us, indeed, hope there has been serious and permanent improvement.

It is instructive to look back in this way and compare current circumstances with past experience. Perhaps the worst feature of past military procurement policy was the dysfunctional relationship between the military and DMO. This relationship is critical to procurement. There is also the gulf between what is desirable technologically—the ‘starry-eyed wish list’, if you like—and what is actually possible. Failure of technical specification seemed to be the perpetual shortcoming. The ideal and the most advanced technology was invariably specified. There is no point chasing yesterday’s technology, except that the time line always seemed to guarantee that outcome anyway, hence the need to upgrade specifications even as projects were in production.

Regardless of whether it was a first purchase or an in-service upgrade, there was a continuing inability to integrate systems. This is not a phenomenon restricted to defence industries, I might add. The need for systems integration is almost always the result of expensive technology and capital equipment being overtaken by the new. It is inevitable, it is predictable and it needs to be provided for realistically—that is, by the ability of computerised weapons systems to work with computerised navigational, communications and propulsion systems.

Different systems, from different suppliers, in different nations, with varying technologies have proven to be a disaster in many, many areas of defence procurement. We need to be more realistic in our ambitions, with the emphasis on off-the-shelf products which are tried and proven—less cutting edge and less bleeding edge—although we need confidence that our total strategic planning will be sufficient not to allow such compromises to be disadvantageous in the long run. This is a simple pragmatic view, one derived from experience that often shows that the latest and greatest is not always the cheapest nor the most reliable in the context of the real needs to be satisfied. Add to the risk of bleeding edge the rivalries between suppliers and indeed between parent nations, as well as the security and industrial intelligence factors.

Complexity is perhaps inevitable, but it is often not sufficiently obvious to those procuring the equipment. It is an enormous risk. Although foreseen, it is too often ignored. How many times have we seen projects stumble because of failure in systems integration? How often have costs blown out simply because of the assumption that things could be worked out after the contract was signed? We remember the pattern clearly—delay begets extra costs, which leads to denial, fresh starts, failed rescues, procrastination and dissembling, not to mention the variables of exchange rates, budget updates, inflation and changes to project specification.

It was impossible to account for the real cost of any one project. As opposition spokesman, this was certainly my experience. Time and again at estimates the sand had shifted on project updates. As we know, few of us, in opposition, enjoyed continuity or the resources to persist. However, we had some success, and opposition criticism made procurement an issue of embarrassment—so much so that reform became a core commitment of this government. And we have made
a very, very good start. I congratulate my colleagues who have begun to reform this area of Defence from top to bottom.

Having painted the grim picture of what the Rudd government inherited, let me summarise the changes now being made. Central to the increasing success of reform is the acceptance of the majority of recommendations of the Mortimer report. This failure was due largely to the inertia of the Defence organisation and lack of discipline at the time by the Howard government. It proved incapable of challenging the vested interests in the bureaucracy and the military. Mr Mortimer made 46 recommendations. The majority have been accepted by the government and supplemented by a 20-point implementation plan. I will not detail all of them, but I will select some important areas of reform, free from bureaucratese.

At the heart of Mortimer was an insistence that the relationship between the military and the DMO be repaired. It is a business relationship entailing clear role definitions and accountabilities. Role clarity is paramount, as is clear and unambiguous process with individual accountability. Healthy cooperative relationships can coexist while a strong purchaser-provider model is maintained. It should not be so delineated that DMO management is powerless to the point of being unaccountable.

I should mention here that it is equally imperative the government’s own decision-making process is regular and disciplined. There should be no room for decisions to get through by the back door or by winks and nods. Clearly that was the way in the past, the Howard government way. The key by which this will be achieved is through material acquisition agreements, binding cabinet decisions directly to capability managers in the military and the DMO. This will include accountability for the CEO of the DMO to the minister but with managerial freedom within the budget to manage the DMO. There should not be wiggle room for ad hoc discretionary changes. Nothing should escape the strict procedural approval net. Proper project costing with upfront investment in development and costing, we are now told, and we believe, is the norm—no more wish lists. At all stages of project design and development, transparency is mandatory. Project management has to be dramatically improved and, for that, particular skills are vital. Procurement is no longer a term appointment; it is a career for experts.

Importantly, accountability is now to be attributable between the two organisations and to individuals—no more buck passing. At every stage there needs to be a clear process of approval, fully costed and designed in detail—right up to cabinet level. The strategic policy as set out in the white paper remains the guiding light. DSTO will be fully involved in technical analysis with real engagement rather than their traditional, historical isolation from Defence. The new Project Performance Office will be critically placed to oversee the whole as well as the particular. It is the new gateway, applying rigorous business analysis and the discipline necessary. Hopefully the ANAO should no longer have to perform this function by default as it has in the past.

The DCP will be under constant review as to timeliness and cost, with rigorous and independent checks. The DMO will enjoy more management freedom. The status of the CEO will be enhanced such that his independence as an adviser to government will be assured. Off-the-shelf purchases are expected to be the starting point, with strict minimisation of changes without sufficient justification. Importantly, there will be more regular and complete reporting of all aspects of every procurement project over its lifespan. Additionally, there will be separate
management of sustainment, with similar reporting discipline. These are the mortar of our changes in a nutshell, forming a very new and different culture in both the military and the DMO. Put simply, the old regime could no longer be tolerated. The Rudd government, more than any before it, has determined that what it saw in opposition would not be tolerated in government. It is not just about money and waste; it is about professionalism.

Rudd Government: Expenditure

Senator HUMPHRIES (Australian Capital Territory) (10.00 pm)—Recently, I was struck by a comment made by the Prime Minister during the summer recess. At an Australia Day reception, in talking about the former Howard government, he said:

... the concerns that I expressed before coming to government about the budget spending that occurred throughout much of the past decade. The aftermath of higher budget expenditure during the late 1990s and in the 2000s makes it tougher to deal with the long-term budget impacts of ageing of the population.

In making those comments, the Prime Minister was harking back to comments made three years before by his then shadow minister for finance, the now Minister for Finance, Lindsay Tanner, when he said: ‘the complacency and a lack of discipline by the Howard government has allowed unnecessary spending to flourish’.

When I read those comments from both then and three years later, I was rather struck by the lack of authenticity of those statements and the incongruity of those statements with what I understood to be the general approach of the Australian Labor Party. I know that Mr Rudd has dressed himself in the clothing of the economic conservative in recent years, but when I thought about what they had to say it did not seem to quite ring true. So I went back and had a look at the previous sitting period to the period in which Mr Tanner made that comment about the lack of discipline by the Howard government on the question on spending. I read the Hansard of both this place and the other place to get a flavour of the extent to which Labor members and senators seemed to conform to the line that Mr Tanner was running and which has been repeated by the Prime Minister.

On 8 February 2007 at 9.21 in the morning, Mr Gavan O’Connor rose to tell the parliament how the public investment in vocational education, training and skills formation was deficient and that there needed to be more of it. At 11.45, Mr Hatton got up to say that there should be an Australian coastguard and that it should be properly funded. He called for a department of homeland security. At 1.01, Senator O’Brien got up to say that the government was not spending enough to make an adequate investment in programs to underpin the sustainable growth of the aquaculture industry. At 1.38, Ms Elliot in the other place called for more spending in health. At 2.09, Senator Stephens criticised the lack of childcare centres and the lack of government assistance for child care. At 2.41, Senator Sherry criticised the interest rate hikes and called for government assistance to help people who were at risk of repossession due to higher mortgage rates. At 3.19, Mr Stephen Smith called for investment in education to be improved at every level from primary through to university. At 4.50, Ms Hall called for more government assistance in welfare-to-work programs. At 6.15, Senator McLucas called for more investment in disability services in Australia. And so on—we have not even got to the dinner break yet.

Senator Moore—And I didn’t get a mention.

Senator HUMPHRIES—You were there somewhere, Senator Moore. I did not get to
you. You were probably after dinner. You were not alone. There were many colleagues of yours vying for attention in this particular exercise. So where do we get this line from the Labor Party that there was too much spending and that we were uncontrolled spenders when we are also told by various members and senators rising in the ordinary course of their business in this place and the other place that we were not spending enough in government?

That confusion has continued to today. Only today, we were told by the minister for communications, Senator Conroy, that the former Liberal government had ripped a billion dollars out of health. First of all, the claim is not true—we did not rip a billion dollars of health. But even if we had ripped a billion dollars out of health, wouldn’t that have been precisely what Mr Tanner was calling for in March of 2007 when he talked about the Howard government needing to be disciplined about unnecessary government spending? Perhaps we are misrepresenting the Labor Party. Let us be fair.

Senator Mason—Don’t be that!

Senator HUMPHRIES—I cannot help it, Senator Mason: I have to be fair. Maybe the Labor Party was saying that we were spending too much in the wrong areas and that they had better areas in which to spend the money, and that accounts for the differences in their approaches. I suppose that we can only test that by looking at what Labor has actually done in government. We will be able to see what coalition priorities they have put aside to replace them with Labor priorities when it comes to spending.

Before the last election, the Labor Party told us that the coalition was spending too much on consultancies. The Labor Party, we were told, would cut consultancies by $395 million. What happened? In the first full year that Labor was in government, spending on consultancies increased by 5.6 per cent to $454 million. We were told that they would save money by having proper business plans before any major spending proposal was undertaken. What happened to that when it came to the rollout of the National Broadband Network or the Julia Gillard memorial school halls? It disappeared in a puff of smoke. So much for the business plans.

Let us look at what they did to deal with other areas of what Mr Tanner might have called wasteful coalition spending on things like income support for students. Apparently, we were wasting money by supporting all those rural and regional students with youth allowance, so they decided to cut it when they came into office. They did not mention that before the election, mind you, but they discovered that that was part of the wasteful spending of the Howard coalition government. They said that they would not cut private health care. That was not part of our wasteful spending when in government. But of course that is exactly what they have decided to cut since coming to office. Cataract surgery was apparently wasteful coalition spending that needed to be cut, along with solar panel rebates, reproductive technology rebates et cetera. And the list goes on.

Mr President, if you want the best illustration of how confused, how dizzy, Labor’s policy on cutting wasteful expenditure was, you have only to look at the ultimate resort that they made to the efficiency dividend. When in opposition, Labor repeatedly and consistently criticised the 1.25 per cent efficiency dividend applied by the Howard government as being lazy decision-making: ‘You could not work out where the appropriate areas of government spending to cut were, so you just brought in a 1.25 per cent efficiency dividend.’ What did Labor do when they came into office? Not only did they retain the 1.25 per cent efficiency dividend but in their first full year of office they actually in-
creased it by two percentage points, to a 3.25 per cent efficiency dividend. That is the discipline that Mr Tanner was talking about.

The fact of life is that we are yet to see the true colours of the Australian Labor Party. It is spending unprecedented amounts at the present time, but it claims to be doing so because there is a global financial crisis. We will see as this government goes on—if we are unfortunate enough to be lumbered with that prospect—just what its policies are in the long term. But I think that in February 2007 all those members and senators I was quoting were in fact the authentic voice of Labor on the question of spending. When they called for more to be spent on health, education, border security, disability services, training and so on and so forth, they were speaking for the Labor Party that we have known for many, many decades. That was the Labor Party that always spends more than the coalition and that simply cannot control itself.

Spin aside, the Rudd government is now spending more than any previous government in Australian history. Spending as a proportion of GDP reached its peak during the years of the Hawke and Keating governments. Something like 27 per cent of GDP, as at the time the Howard government left office, had dropped to 24 per cent of GDP. So much for it being a big spending government.

The deficit, as we know, today has reached dizzying heights. Under Whitlam the deficit reached 1.8 per cent of GDP, in the 1982-83 recession it reached 3.3 per cent of GDP and in the 1992-93 recession it reached 4.1 per cent of GDP. What does it stand at today? It stands at 4.9 per cent of GDP. That is the authentic voice of Labor. That is the record of the Labor Party. They spend more than they can afford, they run up deficits more than they can afford, they mount up more debt than the Australian community can afford and we will all be the legatees of that appalling policy. So, please, do not come into this place and lecture us about the lack of discipline in Howard government spending or any Liberal government spending. It just does not ring true. (Time expired)

**Australian Broadcasting Corporation: Heywire**

**Senator MOORE** (Queensland) (10.10 pm)—In 1998, the ABC launched a brand new program called *Heywire* to give rural youth a voice. I remember travelling in a car between Cairns and Townsville listening to the radio, as I always do—the ABC—and hearing a presentation on what a great new program this was going to be and interviews with a couple of the young people who were the very first entrants in the *Heywire* contest. In their voices you could feel the passion and the excitement and the real commitment they had to *Heywire*.

We are now in 2010. I have been in this place several years, and it has taken me seven years to make this speech. I was always going to make a speech on *Heywire* and tonight, as a result of a promise I made to a few of the Queensland entrants in last year’s *Heywire* contest, I am making it. I met with them at the annual dinner that is held in Canberra, most recently at Old Parliament House. I was sitting and listening to the stories and the commitment and passion from a group of extraordinarily talented young people who cherish their heritage, who enjoyed and were excited about growing up in rural Australia and who genuinely want to tell their stories to the rest of the country. As I listened to them and laughed with them and shared stories with them, I said: ‘Okay; this year, in the adjournment debate, I’ll be able to give my contribution to what I think is an extraordinarily exciting program.’ When Mr Tony Rasmussen, Manager Regional Local
Radio in the ABC network, was talking about this year’s Heywire people he said: Heywire celebrates the diversity, passion, humour and the heart-edged reality of young people in regional Australia using the full range of digital storytelling techniques.

What we had in 1998 was the same diversity. In those days we were focusing on people telling their stories, which would then be translated into a radio broadcast. One of the real excitements was when people were selected as regional winners. It varies across the country, but usually about 40 regional stations in Australia pick their local winner, who then gets the opportunity to come to Canberra for a wonderful leadership training program. I know that everyone who comes here really enjoys the leadership and the bonding, but I think what really matters are the networks they make amongst themselves.

You can feel the energy when these people are together. In 1998, most of these were radio transmissions, but now there is a full range of techniques, some of which I do not even understand. These talented young people are able to continue the history and the marvellous legacy of years of sharing their stories, talking about their own lives in regional Australia and very bravely coming forward and letting other people across the nation and internationally learn about the range of personal experiences, the pain and other aspects of growing up and yearning to make sure that their country and their regions are stronger and better.

The stated aim of the Heywire program is to give rural youth a voice in their communities and to give all of Australia some insight into issues, concerns and ideas that are important to youth in rural, regional and remote Australia. The program encourages rural and regionally based young people from across Australia to submit a short story about their experiences. It is mainly for young people between the ages of 16 and 22. Over these many years—over 10 years now—we have had more than 7,000 young people who have been part of this process, and we have built up a great history with the stories.

This year I was lucky enough to meet some of the ‘Heywirers’ when the young people come to Parliament House. I am not sure why, Mr President, but they are keen to meet with politicians—and I can assure you that politicians are very keen to meet with them. I think it is one of the highlights of our political calendar, the chance to meet with young people from our states—and then, when we are lucky, to attend dinner and to learn about the experiences they have had.

I want to talk about a couple of the young people with whom I met this year. You would not be surprised, Mr President, that one of the first young people I met with was the representative from Toowoomba. Elsley McDermid is a young Toowoomba woman who went to my school, St Saviour’s college. She talked very seriously, and I think with great courage, about her own struggles with mental illness. She has a condition called dysthymia, which is a kind of depression that ‘leaves the whole world bleak and grey and makes you feel apathetic and lethargic all the time’. It takes a great deal of courage, I believe, to come forward and talk about a story that is so personally painful. Elsley came, she gave her story and she truly threw herself into the activities with the Heywire team. She was then able to go back home and continue to make her choices about her future, after being able to share, with so many people, the pain that she had experienced with her mental illness.

Sitting near Elsley on the same night was Madison Stutynski, from Mackay, a very sharp young woman who talked about her experiences of being the victim of an attack. She was mugged by a group of girls in her
home town of Mackay. She talked about how she felt, as a young woman who was doing all the right things—she was doing well at school, planning her future and was just on an evening out with her friends—and about the impact on her, her friends and her family. She talked about young people who were caught up in a terrible drunken rage. Madison was talking about her concerns with the impact of alcohol on young people—about how that impacts particularly in regional areas, where young people may not have other things to do with their time. So Madison, again, by sharing her own story on the radio, was able to give another insight into what it is like being a young person in regional Queensland.

I was then able to meet with Mereani Savuro and her mum, who were both in Canberra for the very first time, from Doomadgee in Western Queensland. Mereani is 17. Her story was all about her great commitment and desire to be a nurse in her local community. She has a particularly interesting background, because her family is a mix of Aboriginal and Fijian. She talked about how that has added to her own culture. She was able to express how she feels about her own community—which, as you know Mr President, is very remote—and how committed she is to making a real difference to that community by working as a nurse. She has been involved at her school, Spinifex College, in vocational training. She has just completed her certificate III in nursing. Her desire is to stay in her community and make a difference.

The other winners from Queensland, amongst the 38 people who came together to, again, share and to be acknowledged for their work and creativity, are as follows. Robert Graves now lives in Sydney but had a period of time in Aurukun. His engaging story was about that experience. Jane Ryder, from Townsville, chose to do a musical presentation. She performed a haunting song about loss and how she was working with her family in Townsville. She is an extraordinarily talented young woman. Gary Cahill, an 18-year-old from the Sunshine Coast, talked about his decision to work in science in his community. He is studying at the University of the Sunshine Coast. They are only some of the stories I have heard. Over the last few years in this place I have met many different young people from across the country—though I focus mainly on people in Queensland—who epitomise the diversity, passion, humour and hard-edged reality of young people in regional Australia.

There are a couple of ways to get involved in Heywire. You can enter the contest, which leads to people coming here. There is also an ongoing blog site, which is beyond my understanding but nonetheless draws many people every day to talk about a whole range of issues. The blog is open for anyone to share their experiences. Your Heywire experience, your ‘Heywiredness’, does not end after you go to Canberra; you become part of a community that is now over 10 years old and spans the whole of Australia. You are able to continue being involved.

Recently, on the Heywire website, there was a story from Sasha Mackay, who was a Queensland winner last year. She, in her own dynamic style, described a day in the life of a nurse in rural Queensland, once again capturing that spirit for all of us.

It may have taken me about eight years to make this speech, but in terms of how we can all be involved, I celebrate Heywire and look forward to meeting many more young people who are part of rural and regional Australia so that we can learn and grow by sharing experiences and being a part of the whole process.

Senate adjourned at 10.20 pm
The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

**Appropriation Act (No. 1) 2009-2010—Advance to the Finance Minister—No. 2 of 2009-2010** [F2010L00340]*.

**Census and Statistics Act—Statement No. 1 of 2010**—Lists of Agricultural Farm Businesses for the Australian Bureau of Agricultural and Resource Economics.

**Civil Aviation Act**—

Civil Aviation Regulations—Instrument No. CASA 59/10—Instructions – for approved use of P-RNAV procedures [F2010L00247]*.

Civil Aviation Safety Regulations—

Airworthiness Directives—

AD/A330/67 Amdt 1—Keel Beam Fastener Holes at Frame FR40 [F2010L00497]*.

AD/A330/106—Rudder Side Shell Skin [F2010L00382]*.

AD/AS 355/78 Amdt 1—Hoist Operator’s Belt Snap Hook [F2010L00286]*.

AD/B747/332—Fuselage Stringers at Body Station 460, 480 and 500 Frame Locations [F2010L00198]*.

AD/B767/78 Amdt 1—Midspar Fuse Pins [F2010L00384]*.

AD/B767/130—Nacelle Strut and Wing Structure [F2010L00378]*.

AD/CL-600/54 Amdt 1—Overwing Emergency Exit Placards [F2010L00300]*.

AD/CRESCE/5 Amdt 1—Aileron Control Cables [F2010L00368]*.

AD/DAUPHIN/71 Amdt 1—Hoist Operator’s Belt Snap Hook [F2010L00289]*.

**Commissioner of Taxation—Public Rulings—**

Class Ruling CR 2010/2.

Product Ruling PR 2010/1.

**Corporations Act—ASIC Class Order [CO 10/94]** [F2010L00377]*.

**Customs Act—Tariff Concession Orders—**

0914674 [F2010L00169]*.

0915556 [F2010L00167]*.

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0918827 [F2010L00161]*.

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0918885 [F2010L00166]*.

0918908 [F2010L00165]*.

0918950 [F2010L00216]*.

0918988 [F2010L00215]*.

0919014 [F2010L00211]*.

0919015 [F2010L00217]*.

0919016 [F2010L00218]*.
Defence Act—Determinations under section 58B—Defence Determinations—

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2010/4—Regional rent bands – amendment.
2010/5—Recreation leave and disturbance allowance – amendment.
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Amendment of list of threatened species, dated 9 February 2010 [F2010L00369]*.
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2010/01—Abolition of Special Accounts 2010 [F2010L00257]*.
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2010/04—Section 32 (Transfer of Functions from ATO to MA) [F2010L00293]*.
Select Legislative Instrument 2010 No. 3—Financial Management and Accountability Amendment Regulations 2010 (No. 1) [F2010L00347]*.
Fisheries Management Act—Select Legislative Instrument 2010 No. 1—Fisheries Management Amendment Regulations 2010 (No. 1) [F2010L00339]*.
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Higher Education Support Act—VET Provider Approval No. 1 of 2010—Academy of Information Technology Pty Ltd [F2010L00392]*.
Imported Food Control Act—Imported Food Control Regulations—Imported Food Control Amendment Order 2010 (No. 1) [F2010L00386]*.
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MN07-10b of 2010—Migration Agents (Continuing Professional Development – Private Study of Audio, Video or Written Material) [F2010L00331]*.
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Migration Regulations—Instruments IMMI—
09/064—Transit passengers who are eligible for a special purpose visa [F2010L00468]*.
10/001—Migration occupation in demand [F2010L00297]*.

Motor Vehicle Standards Act—
Vehicle Standard (Australian Design Rule 31/01 – Brake Systems for Passenger Cars) 2005 Amendment 1 [F2010L00281]*.
Vehicle Standard (Australian Design Rule 31/02 – Brake Systems for Passenger Cars) 2009 Amendment 1 [F2010L00283]*.
Vehicle Standard (Australian Design Rule 35/02 – Commercial Vehicle Brake Systems) 2007 Amendment 2 [F2010L00284]*.
Vehicle Standard (Australian Design Rule 62/02 – Mechanical Connections Between Vehicles) 2007 Amendment 1 [F2010L00280]*.

National Health Act—Instruments Nos PB—
4 of 2010—Amendment declaration and determination – drugs and medicinal preparations [F2010L00471]*.
5 of 2010—Amendment determination – pharmaceutical benefits [F2010L00472]*.
6 of 2010—Amendment determination – responsible persons [F2010L00473]*.
7 of 2010—Determination – drugs on F1 [F2010L00474]*.
8 of 2010—Amendment Special Arrangements – Highly Specialised Drugs Program [F2010L00475]*.
9 of 2010—Amendment Special Arrangements – Chemotherapy Pharmaceuticals Access Program [F2010L00476]*.

Papua New Guinea (Members of the Forces Benefits) Act—Select Legislative Instrument 2010 No. 11—Papua New Guinea (Members of the Forces Benefits) Amendment Regulations 2010 (No. 1) [F2010L00294]*.

Primary Industries (Excise) Levies Act—Select Legislative Instrument 2010 No. 2—Primary Industries (Excise) Levies Amendment Regulations 2010 (No. 1) [F2010L00330]*.

Private Health Insurance Act—Private Health Insurance (Prostheses) Rules 2010 (No. 1) [F2010L00385]*.

Radiocommunications (Receiver Licence Tax) Act—Radiocommunications (Receiver Licence Tax) Amendment Determination 2010 (No. 1) [F2010L00277]*.

Radiocommunications (Transmitter Licence Tax) Act—Radiocommunications (Transmitter Licence Tax) Amendment Determination 2010 (No. 1) [F2010L00276]*.

Remuneration Tribunal Act—Determination 2010/01: Remuneration and Allowances for Holders of Public Office [F2010L00457]*.

Same-Sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) Act—Select Legislative Instrument 2010 No. 6—Same-Sex Relationships (Equal Treatment in Commonwealth Laws—General Law Reform) (Veterans’ Affairs) Amendment Regulations 2010 (No. 1) [F2010L00290]*.

Social Security Act—Social Security (Partially Asset-test Exempt Income Stream – Exemption) (FaHCSIA) Amendment Principles 2010 (No. 1) [F2010L00389]*.

Superannuation Industry (Supervision) Act—Select Legislative Instrument 2010 No. 4—Superannuation Industry (Supervision) Amendment Regulations 2010 (No. 1) [F2010L00299]*.

Taxation Administration Act—Select Legislative Instrument 2010 No. 10—Taxation Administration Amendment Regulations 2010 (No. 1) [F2010L00321]*.

Telecommunications (Consumer Protection and Service Standards) Act—Australian Communications and Media Authority (Advice about Universal Service Subsi-
Trade Practices Act—Consumer Protection Notices Nos—


5 of 2010—Consumer Product Safety Standard for Children’s Toys Containing Magnets [F2010L00195]*.


Governor-General’s Proclamation—Commencement of provisions of an Act

National Consumer Credit Protection Act 2009—Sections 3 to 337 and Schedule 1—1 April 2010 [F2010L00301]*.

* Explanatory statement tabled with legislative instrument.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Attorney-General’s and Home Affairs

(Question Nos 1628 and 1633)

Senator Abetz asked the Minister representing the Attorney-General and Minister representing the Minister for Home Affairs, 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 Wong—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:

(1) Capital Works and Infrastructure Projects – Attorney-General’s Portfolio
   [4] Humanities & Science Campus upgrade, Parkes ACT (National Capital Authority)
   [7] Repair to High Court building roof – membrane, paving and glazing (High Court of Australia)
   [8] Bridging of Kings Avenue over Parkes Way, Russell ACT (National Capital Authority)
QUESTIONS ON NOTICE

[9] AFP Operations Coordination Centre (Australian Federal Police)
[12] Minor building modifications to the youth centre, Murray Bridge SA (Attorney-General’s Department)
[13] Demountable accommodation for staff on Mornington Island State School, Qld (Attorney-General’s Department)
[14] Community recreation hall, Finke NT (Attorney-General’s Department)
[16] Three portable accommodation units for Youth Development Officers in East Kimberley, Western Australia in the communities of Ringer Soak, Billiluna and Mulan (Attorney-General’s Department)
[17] Location Based Number Store (Attorney-General’s Department)
[18] National Emergency Warning System (Attorney-General’s Department)
[19] Centenary of the Age Pension Commemorative Work, Parkes ACT (National Capital Authority)
[20] Freight and passenger handling facility at Rumah Baru on West Island, Cocos (Keeling) Islands (Attorney-General’s Department)
[21] Community Centre on West Island, Cocos (Keeling) Islands (Attorney-General’s Department)
[22] Establishment of Community/Night Patrol bases in eight Northern Territory Shires (Attorney-General’s Department)

(2) (a), (b), (c) and (d)

<table>
<thead>
<tr>
<th>Infrastructure/capital works project</th>
<th>(a) Announced</th>
<th>(b) Program funding</th>
<th>(c) Expected cost</th>
<th>(d) Original budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>[1] Australian Institute of Police Management (AIPM)</td>
<td>On 7 September 2004, the previous Prime Minister, the Hon John Howard, issued a media release announcing a $11.2 million plan to upgrade the AIPM facilities at Collins Beach. The Australian Federal Police (AFP) has subsequently internally funded a further $9.7 million carried over from previous years to meet the current requirements of the project</td>
<td>n/a</td>
<td>$20.9 million</td>
<td>$20.9 million</td>
</tr>
<tr>
<td>[2] York Park Oak Plantation, Barton, ACT Heritage Protection Works</td>
<td>National Capital Authority (NCA) media release, 15 August 2007</td>
<td>n/a</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Infrastructure/capital works project</td>
<td>(a) Announced</td>
<td>(b) Program funding</td>
<td>(c) Expected cost</td>
<td>(d) Original budget</td>
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<td>-------------------------------------</td>
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</tr>
<tr>
<td>[4] Humanities &amp; Science Campus upgrade, Parkes ACT</td>
<td>NCA media release – 17 September 2007</td>
<td>n/a</td>
<td>$6,423,000</td>
<td>$6,423,000</td>
</tr>
<tr>
<td>[5] R G Menzies Walk upgrade, Parkes ACT</td>
<td>NCA media release – 17 November 2007</td>
<td>n/a</td>
<td>$8,210,000</td>
<td>$8,210,000</td>
</tr>
<tr>
<td>[6] AFP new Headquarters – Edmund Barton Building</td>
<td>Prime Minister’s letter of agreement – February 2008</td>
<td>n/a</td>
<td>$115 million</td>
<td>$115 million</td>
</tr>
<tr>
<td>[7] Repair to High Court building roof – membrane, paving and glazing</td>
<td>Announced by the Government – 2007-08 Federal Budget</td>
<td>n/a</td>
<td>$4,760,095</td>
<td>$4,733,516</td>
</tr>
<tr>
<td>[8] Bridging of Kings Avenue over Parkes Way, Russell ACT</td>
<td>Announced by the Government – 2007/08 Federal Budget</td>
<td>n/a</td>
<td>$26,600,000</td>
<td>$26,600,000</td>
</tr>
<tr>
<td>[9] AFP Operations Coordination Centre</td>
<td>Announced by the Government – 2007-08 Federal Budget</td>
<td>n/a</td>
<td>$13.2 million</td>
<td>$13.2 million</td>
</tr>
<tr>
<td>[10] Aviation Phase 3 – purpose built accommodation</td>
<td>Announced by the Government – 2007-08 Federal Budget</td>
<td>n/a</td>
<td>$139.3 million</td>
<td>$139.3 million</td>
</tr>
<tr>
<td>[12] Minor building modifications to the youth centre, Murray Bridge SA</td>
<td>A grant funding agreement was executed on 2 June 2008</td>
<td>Prevention, Diversion, Rehabilitation and Restorative Justice Program</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Infrastructure/capital works project</td>
<td>(a) Announced</td>
<td>(b) Program funding</td>
<td>(c) Expected cost</td>
<td>(d) Original budget</td>
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</tr>
<tr>
<td>[13] Demountable accommodation for staff on Mornington Island State School, Qld</td>
<td>A grant funding agreement was executed on 6 June 2008</td>
<td>Prevention, Diversion, Rehabilitation and Restorative Justice Program (Petrol Sniffing Strategy)</td>
<td>$300,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>[14] Community recreation hall, Finke NT</td>
<td>A grant funding agreement was executed on 20 June 2008</td>
<td>Prevention, Diversion, Rehabilitation and Restorative Justice Program (Petrol Sniffing Strategy)</td>
<td>$1,846,735</td>
<td>$1,846,735</td>
</tr>
<tr>
<td>[15] ANZAC Parade Roadway Upgrade, Canberra ACT</td>
<td>NCA media release – 10 October 2008</td>
<td>n/a</td>
<td>$6,940,000</td>
<td>$6,940,000</td>
</tr>
<tr>
<td>[16] Three portable accommodation units for Youth Development Officers in East Kimberley, Western Australia in the communities of Ringer Soak, Billiluna and Mulan</td>
<td>A grant funding agreement was executed on 9 February 2009</td>
<td>Prevention, Diversion, Rehabilitation and Restorative Justice Program</td>
<td>$234,261</td>
<td>$234,261</td>
</tr>
<tr>
<td>[17] Location Based Number Store</td>
<td>Announced in media release by the Attorney-General and Minister for Broadband, Communications and the Digital Economy on 23 February 2009</td>
<td>n/a</td>
<td>$6.5 million to build and operate over four years</td>
<td>$6.5 million</td>
</tr>
<tr>
<td>[18] National Emergency Warning System</td>
<td>Announced in media release by the Prime Minister and the Attorney-General on 30 April 2009</td>
<td>n/a</td>
<td>up to $15 million</td>
<td>$15 million</td>
</tr>
<tr>
<td>Infrastructure/capital works project</td>
<td>(a) Announced</td>
<td>(b) Program funding</td>
<td>(c) Expected cost</td>
<td>(d) Original budget</td>
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</tr>
<tr>
<td>[19] Centenary of the Age Pension Com-</td>
<td>6 July 2009</td>
<td>n/a</td>
<td>$42,600</td>
<td>$42,600</td>
</tr>
<tr>
<td>memorative Work, Parkes ACT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[20] Freight and passenger handling facility at Rumah Baru on West Island, Cocos (Keeling) Islands</td>
<td>In May 2007, the Government announced funding approval</td>
<td>Indian Ocean Territories Program</td>
<td>$34.1 million</td>
<td>$25.7 million</td>
</tr>
<tr>
<td>[21] Community Centre on West Island, Cocos (Keeling) Islands</td>
<td>On 28 September 2008, the then Minister for Home Affairs, announced funding approval</td>
<td>Indian Ocean Territories Program</td>
<td>$5 million</td>
<td>$5 million</td>
</tr>
<tr>
<td>[22] Establishment of Community/Night Patrol bases in eight Northern Territory Shires</td>
<td>No formal announcement. Individual funding agreements were entered into with each Shire</td>
<td>Northern Territory Intervention measures</td>
<td>$4,952,010</td>
<td>$4,952,010</td>
</tr>
</tbody>
</table>

(2) (e), (f), (g), (h) and (i)

<table>
<thead>
<tr>
<th>(e) Current budget</th>
<th>(f) Federal contribution</th>
<th>(g) State contribution</th>
<th>(h) Other funding sources</th>
<th>(i) Expected start date of construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>[1] $20.9 million</td>
<td>$20.9 million</td>
<td>nil</td>
<td>nil</td>
<td>January 2010</td>
</tr>
<tr>
<td>[2] $1,500,000</td>
<td>$1,500,000</td>
<td>nil</td>
<td>nil</td>
<td>June 2009</td>
</tr>
<tr>
<td>[3] $3 million</td>
<td>$3 million</td>
<td>nil</td>
<td>nil</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>[4] $6,423,000</td>
<td>$6,423,000</td>
<td>nil</td>
<td>nil</td>
<td>August 2008</td>
</tr>
<tr>
<td>[5] $8,210,000</td>
<td>$8,210,000</td>
<td>nil</td>
<td>nil</td>
<td>November 2008</td>
</tr>
<tr>
<td>[7] $4,760,095.00</td>
<td>$4,760,095.00</td>
<td>nil</td>
<td>nil</td>
<td>November 2008</td>
</tr>
<tr>
<td>[8] $26,600,000</td>
<td>$26,600,000</td>
<td>nil</td>
<td>nil</td>
<td>January 2009</td>
</tr>
<tr>
<td></td>
<td>(e) Current budget</td>
<td>(f) Federal contribution</td>
<td>(g) State contribution</td>
<td>(h) Other funding sources</td>
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</tr>
<tr>
<td>10</td>
<td>$139.3 million</td>
<td>$139.3 million</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>11</td>
<td>$606 million</td>
<td>$606 million</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>12</td>
<td>$50,000</td>
<td>$50,000</td>
<td>nil</td>
<td>Prevention, Diversification, Rehabilitation and Restorative Justice Program</td>
</tr>
<tr>
<td>13</td>
<td>$300,000</td>
<td>$300,000</td>
<td>$30,000</td>
<td>Prevention, Diversification, Rehabilitation and Restorative Justice Program (Petrol Sniffing Strategy)</td>
</tr>
<tr>
<td>14</td>
<td>$1,846,735</td>
<td>$1,846,735</td>
<td>nil</td>
<td>Prevention, Diversification, Rehabilitation and Restorative Justice Program (Petrol Sniffing Strategy)</td>
</tr>
<tr>
<td>15</td>
<td>$6,940,000</td>
<td>$6,940,000</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>16</td>
<td>$234,261</td>
<td>$234,261</td>
<td>nil</td>
<td>Prevention, Diversification, Rehabilitation and Restorative Justice Program (Petrol Sniffing Strategy)</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>(e) Current budget</th>
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<th>(h) Other funding sources</th>
<th>(i) Expected start date of construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>[17] $6.5 million</td>
<td>$6.5 million</td>
<td>nil</td>
<td>2009-10 Budget</td>
<td>1 July 2009</td>
</tr>
<tr>
<td>[18] $15 million</td>
<td>up to $15 million</td>
<td>Ongoing operational costs</td>
<td>2009-10 Budget</td>
<td>1 September 2009</td>
</tr>
<tr>
<td>[19] $42,600</td>
<td>FaHCSIA – $32,000</td>
<td>nil</td>
<td>nil</td>
<td>May 2009</td>
</tr>
<tr>
<td>[20] 38.8 million, inclusive of 10% contingency funding</td>
<td>$38.8 million</td>
<td>nil</td>
<td>$25.7 million appropriated, $13.1 million from accumulated depreciation</td>
<td>April 2009</td>
</tr>
<tr>
<td>[21] $5 million</td>
<td>$5 million</td>
<td>nil</td>
<td>$5 million from accumulated depreciation</td>
<td>Under development – construction due second half of 2010</td>
</tr>
<tr>
<td>[22] $4,952,010</td>
<td>$4,952,010</td>
<td>nil</td>
<td>n/a</td>
<td>various</td>
</tr>
</tbody>
</table>

(2) (j), (k), (l), (m) and (n)

(j) Expected completion date (k)(i)(ii) Delivery of project (l) Stages/phases (m) Why funded (n) Cost benefit modelling

[1] September 2011 (subject to construction starting in January 2010)

(i) AFP (through contract providers) (ii) n/a


Upgrade of facilities A detailed budget & cost estimate process was performed through contract providers

[2] September 2010

(i) NCA (ii) n/a

Stage 1 – perimeter stone walls, June 2009-January 2010, $1,050,000. Stage 2 – landscape works, January 2010-September 2010, $450,000

Required protection of nationally listed Heritage asset Heritage objectives and public amenity
<table>
<thead>
<tr>
<th>(j) Expected completion date</th>
<th>(k)(i)(ii) Delivery of project</th>
<th>(l) Stages/phases</th>
<th>(m) Why funded</th>
<th>(n) Cost benefit modelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>[3] 30 June 2010</td>
<td>(i) AFP</td>
<td>Stage 1 – design phase, November 2008 – March 2009, $50,000. Stage 2 – construction, July 2009 – June 2010, $1,614,000 for Melbourne, Brisbane and Perth. Stage 3 – implementation, 30 June 2010, operational costs</td>
<td>To align AFP’s intelligence systems with the Australian Intelligence Community. In March 2004, the Prime Minister commissioned Philip Flood to undertake an Inquiry into Australia’s Intelligence Agencies. The report of the Inquiry into Australia Intelligence Agencies acknowledged the urgent need for great Information Technology connectivity between the AIC, policy–makers and customers – specifically highlighting the AFP’s limited level of access to the AICNet</td>
<td>A detailed budget &amp; cost estimate process has been performed through contract providers</td>
</tr>
<tr>
<td>[4] November 2009</td>
<td>(i) NCA</td>
<td>To be completed as one project</td>
<td>Occupational Health and Safety (OH&amp;S) and accessibility compliance. Maintain and enhance as per NCA functions under the Australian Capital Territory (Planning and Land Management) Act 1988 (PALM Act). Depreciation upgrade of assets</td>
<td>OH&amp;S, public safety and accessibility compliance</td>
</tr>
<tr>
<td>Expected completion date</td>
<td>Deliverer of project</td>
<td>Stages/phases</td>
<td>Why funded</td>
<td>Cost benefit modelling</td>
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</tr>
<tr>
<td><strong>6</strong> April 2010</td>
<td>(i) AFP</td>
<td>The building owner of the Edmund Barton Building is carrying out refurbishment works to the base building, expected to be completed by 10 August 2009. There is no cost to the Commonwealth for this work. Upon successful handover of the base building, the AFP will perform the fit out of the Edmund Barton Building with the view to occupy by May 2010. Fit out cost – $115 million.</td>
<td>The consolidation of AFP’s office based Headquarter functions in the Edmund Barton Building</td>
<td>A business case including cost benefit analysis was undertaken prior to project approval</td>
</tr>
<tr>
<td><strong>7</strong> July 2009</td>
<td>(i) High Court</td>
<td>To be completed as one project</td>
<td>To rectify building leaks to a heritage listed building</td>
<td>Before funding was approved the High Court prepared detailed drawings and sought project costing from a quantity surveyor</td>
</tr>
<tr>
<td>(j) Expected completion date</td>
<td>(k)(i)(ii) Delivery of project</td>
<td>(l) Stages/phases</td>
<td>(m) Why funded</td>
<td>(n) Cost benefit modelling</td>
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<td>----------------------------</td>
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</tr>
<tr>
<td>1 April 2010</td>
<td>(i) AFP (through contract providers)</td>
<td>The building owner of the Edmund Barton Building is carrying out refurbishment works to the base building, expected to be completed by 10 August 2009. There is no cost to the Commonwealth for this work. Upon successful handover of the base building, the AFP will perform the fit out of the Edmund Barton Building with the view to occupy by May 2010. Fit out cost –$115 million</td>
<td>The establishment of a 24/7 operations centre which will act as a communications centre for all AFP National and International Operations</td>
<td>A business case including cost benefit analysis was undertaken prior to project approval</td>
</tr>
<tr>
<td>From December 2011</td>
<td>(i) AFP (through contract providers)</td>
<td>May 2009 to June 2011 – lease negotiations, detail design documentation, construction and fit-out. June 2011 – December 2011 implementation. Adelaide $11,877,377 Alice $8,416,190 Brisbane $19,734,419 Cairns $11,400,673 Canberra $6,186,177 Darwin $13,437,220 Gold Coast $8,915,806 Hobart $6,546,354 Melbourne $16,796,124 Perth $12,870,562 Sydney $13,820,493 (It should be noted that the stages for each airport site vary)</td>
<td>The Wheeler Review determined that the Unified Policing Model (UPM) at airports be implemented. To fully and effectively implement the UPM, the AFP was required to expand and consolidate its operations at the eleven major airport sites around Australia. New and additional purpose-built accommodation was required</td>
<td>A business case including cost benefit analysis was undertaken prior to project approval</td>
</tr>
<tr>
<td>(j) Expected completion date</td>
<td>(k)(i)(ii) Delivery of project</td>
<td>(l) Stages/phases</td>
<td>(m) Why funded</td>
<td>(n) Cost benefit modelling</td>
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<tr>
<td>[11] Completion – second quarter of 2012. Occupancy – fourth quarter of 2012</td>
<td>Department of Finance and Deregulation</td>
<td>The Commonwealth New Building Project completed its planning phase in October 2008 and is currently in the delivery phase. $20 million was spent in the planning phase and the remainder is expected to be spent in the delivery phase. There will be no other phases or stages</td>
<td>In October 2005, the Taylor Review recommended increasing ASIO staffing to 1,860 by 2010–11. In August 2006, the previous Government announced ASIO would move to a purpose-built building at Section 49, Parkes ACT, to accommodate the staff increases recommended by the Review</td>
<td>A business case assessed the whole of life costs and operational effectiveness of several alternative strategies to meet ASIO’s operational and accommodation requirements. The project solution selected represented the best value for money for the Government on a whole-of-life basis</td>
</tr>
<tr>
<td>[12] June 2009</td>
<td>Lower Murray Nungas Club</td>
<td>Murray Bridge did not have a facility from which youth diversion activities could be delivered. The Lower Murray Nungas Club has a building which can be used to deliver youth activities but requires refurbishment before it is suitable for this purpose</td>
<td>It is expected that the cost of the project will be offset against the reduction of young Indigenous people in Murray Bridge being diverted from adverse contact with the criminal justice system</td>
<td></td>
</tr>
<tr>
<td>(j) Expected completion date</td>
<td>(k)(i)(ii) Delivery of project</td>
<td>(l) Stages/phases</td>
<td>(m) Why funded</td>
<td>(n) Cost benefit modelling</td>
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<td>-----------------------------</td>
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</tr>
<tr>
<td>13 June 2010</td>
<td>Mornington Island State School</td>
<td>n/a</td>
<td>The accommodation will be used to deliver a post-release transition project for juvenile offenders and a sustainable learning and engagement project for young mothers. Those projects are being funded by Department of Families, Housing, Community Services and Indigenous Affairs under the Australian Government Petrol Sniffing Strategy. Those projects cannot be delivered without staff accommodation being provided.</td>
<td>It is expected that the cost of the project will be offset against the reduction of young Indigenous people in Mornington Island being diverted from adverse contact with the criminal justice system due to substance abuse (including petrol sniffing).</td>
</tr>
</tbody>
</table>

<p>| 14 May 2009                 | Indigenous Business Australia | n/a               | The community recreation hall will ensure that a suitable venue is provided to deliver youth diversion activities in Finke. | It is expected that the cost of the project will be offset against the reduction of young Indigenous people in Finke being diverted from adverse contact with the criminal justice system due to substance abuse (including petrol sniffing). |</p>
<table>
<thead>
<tr>
<th>Expected completion date</th>
<th>Delivery of project</th>
<th>Stages/phases</th>
<th>Why funded</th>
<th>Cost benefit modelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>[16] August 2009</td>
<td>(i) Shire of Halls Creek (ii) 19 June 2009</td>
<td>n/a</td>
<td>To accommodate the three Youth Development Officers in Ringer Soak, Billiluna and Mulan. The Youth Development Officers will work with Indigenous youth and families in the community to develop youth diversion activities in those communities</td>
<td>It is expected that the cost of the project will be offset against the reduction of young Indigenous people in Ringer Soak, Billiluna and Mulan being diverted from adverse contact with the criminal justice system due to substance abuse (including petrol sniffering)</td>
</tr>
<tr>
<td>[17] 31 October 2009</td>
<td>(i) Attorney-General’s Department (ii) n/a</td>
<td>n/a</td>
<td>Required to access and geocode telephone numbers and addresses from the Integrated Public Number Database to enable jurisdictions to send telephone-based emergency warnings</td>
<td>Report from expert consultant</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>(j) Expected completion date</th>
<th>(k)(i)(ii) Delivery of project</th>
<th>(l) Stages/phases</th>
<th>(m) Why funded</th>
<th>(n) Cost benefit modelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 October 2009</td>
<td>n/a</td>
<td>To assist States and Territories in the development of a telephone-based emergency warning capability</td>
<td>State and Territory group analysed need/requirements</td>
<td></td>
</tr>
<tr>
<td>Victoria Government on behalf of the States and Territories (except Western Australia)</td>
<td>To be released July-October 2009</td>
<td>To be completed as one project</td>
<td>Commemorative marking of nationally significant social policy event</td>
<td>National commemorative objective</td>
</tr>
<tr>
<td>19 July 2009</td>
<td>n/a</td>
<td>The Cocos (Keeling) Islands community relies on the port facility for almost all freight. Current freight handling practices on West Island are inefficient and unsafe. The West Island jetty, currently used for passenger transfers and boat refuelling, is rapidly deteriorating and in urgent need of substantial repairs or replacement</td>
<td>Addressed in the project Business case submitted for cabinet approval and the Statement of Evidence referred to the Joint Standing Committee on Public Works (PWC). The project is also subject to the gateway Review process</td>
<td></td>
</tr>
<tr>
<td>(j) Expected completion date</td>
<td>(k)(i)(ii) Delivery of project</td>
<td>(l) Stages/phases</td>
<td>(m) Why funded</td>
<td>(n) Cost benefit modelling</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------------------</td>
<td>-------------------</td>
<td>---------------</td>
<td>--------------------------</td>
</tr>
</tbody>
</table>
(ii) n/a                     | n/a               | The Cocos (Keeling) Islands community needs a community centre on West Island. As agreed with Immigration Department, the community centre will also fulfil the function of a back-up for accommodating illegal immigrants should the need arise | n/a                                      |
| [22] 30 June 2010            | (i) Northern Territory shires  
(ii) n/a                     | n/a               | No infrastructure previously in place | n/a                                      |

**Attorney-General’s and Home Affairs: Legislation**  
(Question No. 1706 and 1716)

Senator Minchin asked the Minister representing the Attorney-General and Minister representing the Minister for Home Affairs, 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 Wong—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:

1. This answer identifies the legislation for all Ministers to whom this question was put. A complete list of Commonwealth Acts and legislative instruments in force on 30 September 2009 is available from the Senate Table Office. The answer is given at 30 September 2009 because that was the latest convenient date for providing an accurate list for all portfolios, given daily changes to the numbers as old legislation is repealed and new legislation comes into effect. The numbers of Acts and legislative instruments in force on that day by Portfolio is as follows:

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Acts</th>
<th>Legislative Instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Fisheries and Forestry</td>
<td>93</td>
<td>349</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>176</td>
<td>6,447</td>
</tr>
<tr>
<td>Broadband, Communications and the Digital Economy</td>
<td>43</td>
<td>628</td>
</tr>
<tr>
<td>Defence</td>
<td>42</td>
<td>71</td>
</tr>
<tr>
<td>Defence (Veterans’ Affairs)</td>
<td>25</td>
<td>824</td>
</tr>
<tr>
<td>Education, Employment and Workplace Relations</td>
<td>81</td>
<td>473</td>
</tr>
<tr>
<td>Environment, Water, Heritage and the Arts</td>
<td>65</td>
<td>248</td>
</tr>
<tr>
<td>Families, Housing, Community Services and Indigenous Affairs</td>
<td>58</td>
<td>307</td>
</tr>
</tbody>
</table>
QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Acts</th>
<th>Legislative Instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Deregulation</td>
<td>241</td>
<td>1,103</td>
</tr>
<tr>
<td>Foreign Affairs and Trade</td>
<td>42</td>
<td>119</td>
</tr>
<tr>
<td>Health and Ageing</td>
<td>70</td>
<td>550</td>
</tr>
<tr>
<td>Human Services</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Immigration and Citizenship</td>
<td>11</td>
<td>202</td>
</tr>
<tr>
<td>Infrastructure, Transport, Regional Development and Local Government</td>
<td>79</td>
<td>12,661</td>
</tr>
<tr>
<td>Innovation, Industry, Science and Research</td>
<td>39</td>
<td>147</td>
</tr>
<tr>
<td>Prime Minister and Cabinet</td>
<td>22</td>
<td>46</td>
</tr>
<tr>
<td>Prime Minister and Cabinet (Climate Change)</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Resources, Energy and Tourism</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>Treasury</td>
<td>269</td>
<td>1,726</td>
</tr>
<tr>
<td>Total</td>
<td>1,407</td>
<td>25,933</td>
</tr>
</tbody>
</table>

Notes:

1. This data was sourced from ComLaw and the Federal Register of Legislative Instruments and may be viewed online at www.comlaw.gov.au.

2. 232 original principal Acts which predate the 1973 consolidation project are not available in their original form on ComLaw. This is represented in the attachment by the words ‘Original unavailable’. A project is underway to digitise these Acts.

3. The term ‘legislative instrument’ as presented in this answer includes select legislative instruments, statutory rules and regulations and other legislative instruments eg Airworthiness Directives and Tariff Concession Orders.

4. Acts or legislative instruments that are completely ‘spent’ but have not been repealed are included.

5. Amending Acts or legislative instruments are not included unless they contain other principal provisions.

6. Acts or legislative instruments that have been repealed may still contain savings provisions. These items are not included.

7. Some Acts and legislative instruments are administered in full or in part by one or more Portfolios. These are included in the numbers for each Portfolio that administers them. The totals provided overestimate the size of the Commonwealth legislation book, but not significantly.

(2) This answer is only for the legislation administered by the Attorney-General and the Minister for Home Affairs. The review of regulation being conducted by the Department of Finance and Deregulation has not yet advised the Attorney-General’s Department whether it has any redundant or potentially-redundant legislation. As is stated in the notes under answer (1), there may be portfolio legislation whose operation is spent. The Attorney-General’s Department will respond to any advice from the review of regulation when it has been completed.

**Small Business, Independent Contractors and the Service Economy: Hospitality**

(Question No. 1814)

Senator Abetz asked the Minister representing the Minister for Small Business, Independent Contractors and the Service Economy, upon notice, on 16 June 2009:
(1) (a) Can an itemised list be provided of how much the department has spent on hospitality since 24 November 2007; and (b) of this, how much was spent on alcohol.

(2) For each Minister and any associated parliamentary secretary; (a) can an itemised list be provided of how much each office has spent on hospitality since 24 November 2007; and (b) of this, how much was spent on alcohol.

Senator Carr—The Minister for Small Business, Independent Contractors and the Service Economy has provided the following answer to the honourable senator’s question:

(1) Please refer to the response provided in Question No. 1798

(2) Nil

Veterans’ Affairs: Consultants
(Question No. 1897)

Senator Barnett asked the Minister representing the Minister for Veterans’ Affairs, 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, cost,
      (iv) method of procurement, and
      (v) name of the consultant if known.

Senator Faulkner—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

The Department of Veterans’ Affairs

(1) and (2) Details of consultancies valued at $10,000 or more are available on the AusTender website (www.tenders.gov.au), and in the Department’s Annual Report.

The table below lists those consultancies under $10,000 that were commenced after November 2007 and are either completed or ongoing.
<table>
<thead>
<tr>
<th>Consultant</th>
<th>Subject Matter</th>
<th>Terms of Reference</th>
<th>Duration</th>
<th>Value / estimate $</th>
<th>Procurement Method</th>
<th>Ongoing/ Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney Psychology Pty Ltd</td>
<td>Development of Education Training Modules of TIP</td>
<td>Healthcare services</td>
<td>1 month</td>
<td>2,420</td>
<td>Direct source</td>
<td>Completed</td>
</tr>
<tr>
<td>Hoffmann Donohue Pty Ltd</td>
<td>Review of draft Integrity Framework Inspection report and recommendations on the WA Garden of Remembrance walls</td>
<td>Management advisory services</td>
<td>1 week</td>
<td>2,500</td>
<td>Direct source</td>
<td>Completed</td>
</tr>
<tr>
<td>ARUP Pty Ltd</td>
<td>Inspection report and recommendations on the WA Garden of Remembrance walls</td>
<td>Building construction advisory services</td>
<td>3 months</td>
<td>4,180</td>
<td>Direct source</td>
<td>Completed</td>
</tr>
<tr>
<td>Classic Roofing Australia</td>
<td>Advice relating to the installation of new copper guttering and refurbishment of existing guttering at Law War Cemetery, PNG</td>
<td>Building construction advisory services</td>
<td>3 months</td>
<td>5,200</td>
<td>Direct source</td>
<td>Completed</td>
</tr>
<tr>
<td>Results Consulting (Australia)</td>
<td>Design and deliver Managing Relationships with Stakeholders workshops under the Practical Management Series</td>
<td>Management advisory services</td>
<td>1 year</td>
<td>6,798</td>
<td>Direct source under open process panel arrangement Deed of Standing Offer</td>
<td>Completed</td>
</tr>
<tr>
<td>Hoffmann Donohue Pty Ltd</td>
<td>Business modelling for aD-VanCe program</td>
<td>IT services</td>
<td>3 months</td>
<td>7,500</td>
<td>Direct source</td>
<td>Completed</td>
</tr>
<tr>
<td>Blake Dawson Waldron Lawyers</td>
<td>Provision of legal advice regarding SISA 3</td>
<td>Legal services</td>
<td>3 weeks</td>
<td>8,250</td>
<td>Direct source</td>
<td>Completed</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
The Australian War Memorial

(1) and (2) The Memorial is subject to the Commonwealth Authorities and Companies Act 1997, therefore details of consultancies valued at $400,000 or more since November 2007 are available on the Austender website: (www.tenders.gov.au).

The table below lists those consultancies under $400,000 that were commenced after November 2007 and are either completed or ongoing.

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Subject Matter</th>
<th>Terms of Reference</th>
<th>Duration</th>
<th>Value / estimate $</th>
<th>Procurement Method</th>
<th>Ongoing/Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Sydney and Central Coast Area Health Services</td>
<td>Applied Research Program – a Drug Burden Index to improve quality use of medicines in Australian War Veterans and Widows</td>
<td>Comprehensive health services</td>
<td>14 months</td>
<td>8,580</td>
<td>Direct source</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Marketing Attitude Research Services Pty Ltd</td>
<td>Focus Group Testing – Transport Claim Form</td>
<td>Management advisory services</td>
<td>6 weeks</td>
<td>9,460</td>
<td>Direct source</td>
<td>Completed</td>
</tr>
</tbody>
</table>

(3) Nil – the Memorial has no planned or budgeted consultancies for 2009-10.

Education, Employment and Workplace Relations

(Question Nos 2129 to 2131, 2161 and 2164)

Senator Ronaldson asked the Minister for Employment Participation and the ministers representing the Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion and the Minister for Early Childhood Education, Childcare and Youth, upon notice, on 10 September 2009:

For the 2008-09 financial year:

(1) Did the Minister have any ministerial letterhead produced using the funds or resources of his or her home department; if so:

(a) how many sheets of letterhead were produced; and (b) what was the cost of the production of the letterhead.
(2) What was the total postage cost of mailings conducted by the Minister and/or Parliamentary Secretary using their departmental-funded franking machine.

(3) (a) What was the total cost, including production and distribution, of all direct mail pieces produced by the department, including as part of a government communications campaign, where the Minister or Prime Minister was the nominal author of the piece; and

(b) can an itemised list be provided of:
   (i) production costs, and
   (ii) distribution costs.

**Senator Arbib**—The answer to the honourable senator’s question is as follows:

(1) The following table shows the quantity of letterhead produced and the cost of letterhead production for each Minister and Parliamentary Secretary in the 2008-09 financial year:

<table>
<thead>
<tr>
<th>Minister/Parliamentary Secretary</th>
<th>Sheets</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Hon Julia Gillard MP</td>
<td>10 000</td>
<td>$3050.30</td>
</tr>
<tr>
<td>Senator the Hon Mark Arbib</td>
<td>0</td>
<td>nil</td>
</tr>
<tr>
<td>The Hon Kate Ellis MP</td>
<td>7500</td>
<td>$1957.45</td>
</tr>
<tr>
<td>Senator the Hon Ursula Stephens</td>
<td>11 000</td>
<td>$5619.72</td>
</tr>
<tr>
<td>The Hon Jason Clare MP</td>
<td>0</td>
<td>nil</td>
</tr>
</tbody>
</table>

(2) Departmentally funded franking machines operate on a ‘payment in advance’ basis. As a result, the department records the credit purchased for each machine, rather than the actual expenditure. The following table shows credit purchased for the office of each Minister and Parliamentary Secretary in the 2008-09 financial year:

<table>
<thead>
<tr>
<th>Office</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Hon Julia Gillard MP</td>
<td>$1950.00</td>
</tr>
<tr>
<td>Senator the Hon Mark Arbib</td>
<td>nil</td>
</tr>
<tr>
<td>The Hon Kate Ellis MP</td>
<td>$487.50</td>
</tr>
<tr>
<td>Senator the Hon Ursula Stephens</td>
<td>$877.50</td>
</tr>
<tr>
<td>The Hon Jason Clare MP</td>
<td>nil</td>
</tr>
</tbody>
</table>

(3) The precise detail requested in relation to this question is not readily available and would require a substantial diversion of resources to ascertain.

**Families, Housing, Community Services and Indigenous Affairs**

**(Question No. 2138)**

**Senator Ronaldson** asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 10 September 2009:

For the 2008-09 financial year:

(1) Did the Minister have any ministerial letterhead produced using the funds or resources of his or her home department; if so: (a) how many sheets of letterhead were produced; and (b) what was the cost of the production of the letterhead.

(2) What was the total postage cost of mailings conducted by the Minister and/or Parliamentary Secretary using their departmental-funded franking machine.

QUESTIONS ON NOTICE
(3) (a) What was the total cost, including production and distribution, of all direct mail pieces produced by the department, including as part of a government communications campaign, where the Minister or Prime Minister was the nominal author of the piece; and (b) can an itemised list be provided of: (i) production costs, and (ii) distribution costs.

**Senator Chris Evans**—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

(1) (a) and (b) For the financial year 2008-09, Minister Macklin had 2000 sheets of ministerial letterhead produced at a cost of $468.60 GST inclusive.

(2) For the financial year 2008-09, the total cost of mailings conducted by Minister Macklin using the franking machine was $2,400.20 GST inclusive and the total cost of mailings conducted by Parliamentary Secretary Shorten using the franking machine was $3,067.90 GST inclusive.

(3) (a) The total cost, including production and distribution of all direct mail pieces produced by the Department where either Minister Macklin or the Prime Minister were the nominal author of the piece, was $149,236.94 GST inclusive.

(b) (i) and (ii) See table below for an itemised list of production and distribution costs.

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Cost of Distribution</th>
<th>Product Production Cost*</th>
<th>Author Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Parental Leave Booklet</td>
<td>$3,273.59</td>
<td>$8,096.00</td>
<td>Minister Macklin and Minister Gillard</td>
</tr>
<tr>
<td>Shut Out: National Disability</td>
<td>$33,697.61</td>
<td>$97,026.98</td>
<td>Minister Macklin/ Parliamentary Secretary Shorten</td>
</tr>
<tr>
<td>Strategy Consultation Report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009 National Disability Awards</td>
<td>$386.89</td>
<td>Nil</td>
<td>Minister Macklin/ Parliamentary Secretary Shorten</td>
</tr>
<tr>
<td>Call for Nominations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Territory Emergency</td>
<td>$1,654.41</td>
<td>$2,541.00</td>
<td>Minister Macklin</td>
</tr>
<tr>
<td>Response – One Year On Poster &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing the Gap Certificates</td>
<td>$1,191.46</td>
<td>$1,369.00</td>
<td>Minister Macklin</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$40,203.96</td>
<td>$109,032.98</td>
<td>$149,236.94</td>
</tr>
</tbody>
</table>

* The product production cost is the amount for producing the total quantity of products. The total quantity of product may not have been used for the direct mail distribution.

**Housing, Status of Women**

*(Question Nos 2153 and 2154)*

**Senator Ronaldson** asked the Minister representing the Minister for Housing and the Minister representing the Minister for the Status of Women, upon notice, on 10 September 2009:

For the 2008-09 financial year:

(1) Did the Minister have any ministerial letterhead produced using the funds or resources of his or her home department; if so: (a) how many sheets of letterhead were produced; and (b) what was the cost of the production of the letterhead.

(2) What was the total postage cost of mailings conducted by the Minister and/or Parliamentary Secretary using their departmental-funded franking machine.

(3) (a) What was the total cost, including production and distribution, of all direct mail pieces produced by the department, including as part of a government communications campaign, where the
Minister or Prime Minister was the nominal author of the piece; and (b) can an itemised list be provided of: (i) production costs, and (ii) distribution costs.

Senator Wong—The Minister for Housing and Minister for the Status of Women has provided the following answer to the honourable senator’s question:

(1) (a) and (b) For the financial year 2008-09, no ministerial letterhead was produced for Minister Plibersek using the funds or resources of the Department of Families Housing, Community Services and Indigenous Affairs.

(2) For the financial year 2008-09, the total postage cost of mailings conducted by Minister Plibersek using the franking machine was $2,743.40 GST inclusive.

(3) (a) The total cost, including production and distribution of all direct mail pieces produced by the Department where Minister Plibersek or the Prime Minister was the nominal author of the piece was $58,870.02 GST inclusive.

(b) (i) and (ii) The table below provided an itemised list of production and distribution costs.

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Cost of Distribution</th>
<th>Product Production Cost</th>
<th>Author Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women’s Budget Kits</td>
<td>$563.44</td>
<td>$3,630.00</td>
<td>Minister Plibersek</td>
</tr>
<tr>
<td>Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) Education Kit fact sheets and presentation folder</td>
<td>$2,652.65</td>
<td>$12,553.70</td>
<td>Minister Plibersek</td>
</tr>
<tr>
<td>CEDAW Report</td>
<td></td>
<td>$39,470.23</td>
<td>Minister Plibersek</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$3,216.09</td>
<td>$55,653.93</td>
<td>$58,870.02</td>
</tr>
</tbody>
</table>

* The product production cost is the amount for producing the total quantity of the products. The total quantity of product may not have been used for the direct mail distribution.

**Competition Policy and Consumer Affairs**

(Question No. 2157)

Senator Ronaldson asked the Minister representing the Minister for Competition Policy and Consumer Affairs, upon notice, on 10 September 2009:

(1) Did the Minister have any ministerial letterhead produced using the funds or resources of his or her home department; if so: (a) how many sheets of letterhead were produced; and (b) what was the cost of the production of the letterhead.

(2) What was the total postage cost of mailings conducted by the Minister and/or Parliamentary Secretary using their departmental-funded franking machine.

(3) (a) What was the total cost, including production and distribution, of all direct mail pieces produced by the department, including as part of a government communications campaign, where the Minister or Prime Minister was the nominal author of the piece; and (b) can an itemised list be provided of: (i) production costs, and (ii) distribution costs.

Senator Sherry—The Minister for Competition Policy and Consumer Affairs has provided the following answer to the honourable senator’s question:

(1) No.

(2) Nil.

(3) Nil.
Agriculture, Fisheries and Forestry
(Question No. 2184)

Senator Ronaldson asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 14 September 2009:

With reference to resources provided to the Minister and/or Parliamentary Secretary by their home department that are above and beyond their entitlements as senators and members:

(1) For the 2008-09 financial year: (a) can a list be provided of each brand and model of colour printer that was provided for the office of the Minister and/or Parliamentary Secretary; and (b) what was the total cost of: (i) printer cartridges and/or toner, and (ii) servicing these printers.

(2) For the 2008-09 financial year, what was the total value of photocopy paper received in the office of the Minister and/or Parliamentary Secretary.

(3) For the 2008-09 financial year, what was the value of other office consumables received in the office of the Minister and/or Parliamentary Secretary.

(4) For the 2008-09 financial year, can a list be provided of all departmental publications, excluding ordinary or mail-merged letters, which contained the name and/or photograph of the Minister and/or Parliamentary Secretary, including: (a) the cost of producing each of these publications; and (b) how many copies were distributed and to what category of persons they were distributed to.

(5) Does the Minister and/or Parliamentary Secretary have a departmentally-funded and maintained website/webpage; if so: (a) what was the cost of developing the website of the Minister and/or Parliamentary Secretary; (b) was the site refreshed during the 2008-09 financial year and if so, what was the cost for refreshing the site; and (c) what resources does the department provided to maintain, update and upload the content for the site.

(6) Does the department distribute the media releases for the Minister and/or Parliamentary Secretary; if so: (a) how and to whom; and (b) for the 2008-09 financial year, what was the cost for this distribution.

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) (a) 3 x Lexmark C534DN laser Colour Printers. (b)(i) $8690.00 (GST exclusive). (ii) Nil.

(2) $1039.41 (GST exclusive).

(3) $10 569.58 (GST exclusive).

(4) See Attachment A.

(a) $2025.00.
(b) No.
(c) During the 2008–09 financial year approximately seven to eight hours of staff time per week was required to maintain, update and upload the minister’s website.

(6) Yes.
(a) The department distributes media releases for the minister via email to contacts obtained through the department’s own stakeholder list and the media contact list maintained by Prodocom, a web-based distribution service. Media releases are also made available on the Minister’s website.
(b) $27 500.83 (GST inclusive).
For the 2008-09 financial year, can a list be provided of all departmental publications, excluding ordinary or mail-merged letters, which contained the name and/or photograph of the Minister and/or Parliamentary Secretary, including: (a) the cost of producing each of these publications; and (b) how many copies were distributed and to what category of persons they were distributed to.

<table>
<thead>
<tr>
<th>Name publication*</th>
<th>Date of document</th>
<th>Cost of producing publication (GST inclusive)</th>
<th>How many copies were distributed</th>
<th>What category of person/s was the publication distributed to</th>
<th>Ministers Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Australian Quarantine Strategy and Torres Strait Islander Calendar</td>
<td>2009 $93 381.00</td>
<td>16 983</td>
<td>Distributed to Northern Australian Residents, Visitors, Torres Strait Regional Authority, Torres Strait and rural Indigenous Communities (ranger groups, land councils, and land owners). Pastoralists and agricultural industry, State Governments, councils, and other Government agencies. Offshore to Quarantine officials and delegates in Papua New Guinea, Timor Leste &amp; Indonesia.</td>
<td>The Northern Australian Quarantine Strategy calendar carried a foreword and accompanying photograph of Minister Burke. The Torres Strait Islander Calendar carries a separate foreword and accompanying photographs of Minister Burke, Mr John Toshie Kris, Chairperson Torres Strait Regional Authority and Mr Danny Mosby, Operations Coordinator, Torres Strait and Northern Peninsula Area, Australian Quarantine and Inspection Service.</td>
<td></td>
</tr>
<tr>
<td>Name publication*</td>
<td>Date of document</td>
<td>Cost of producing publication (GST inclusive)</td>
<td>How many copies were distributed</td>
<td>What category of person/s was the publication distributed to</td>
<td>Ministers Contribution</td>
</tr>
<tr>
<td>-------------------</td>
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<td>--------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>The 2007 Australian National Children’s Nutrition and Physical Activity Survey</td>
<td>3 October 2008</td>
<td>DAFF contributed to the Department of Health and Ageing, and the Australian Food and Grocery Council’s publication. The costs of publication and number of copies distributed are included in the response to QoN 2174 by the Minister for Health and Ageing.</td>
<td></td>
<td></td>
<td>The Survey carried a joint forward and photographs of Minister Burke, Minister Roxon, Minister for Health and Ageing and Mr Geoff Starr Chairman, Australian Food and Grocery Council.</td>
</tr>
<tr>
<td>Caring for Our Country Outcomes 2008-2013</td>
<td>August 2008</td>
<td>$26 484.70</td>
<td>8000</td>
<td>Potential Caring for Our Country funding applicants upon request</td>
<td></td>
</tr>
<tr>
<td>Caring for our Country Business Plan 2009-10</td>
<td>November 2008</td>
<td>$45 749.40</td>
<td>5000</td>
<td>Potential Caring for Our Country funding applicants upon request</td>
<td></td>
</tr>
<tr>
<td>Australia’s agricultural industries 2008 at a glance</td>
<td>August 2008</td>
<td>$27 050</td>
<td>5000 approximately</td>
<td>Government agencies, portfolio stakeholders and overseas posts.</td>
<td></td>
</tr>
<tr>
<td>Australia’s forests at a glance 2009</td>
<td>March 2009</td>
<td>$15 200</td>
<td>4000 approximately</td>
<td>Forest industries and other portfolio stakeholders; government agencies and overseas posts</td>
<td></td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
* Publications listed include publications that contain a contribution from the Minister, such as a photograph or foreword. Publications such as the DAFF Annual Report, that have been approved by (e.g. via a transmittal letter), or make ad-hoc references to, the Minister have not been included, as identifying this information would involve the unreasonable diversion of government resources.

**Enhanced Primary Care Program**

(Question No. 2400)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 November 2009:

For the 2008-09 financial year, and for the period 1 July 2009 to 4 November 2009, by state and territory, what was the expenditure on the Medicare chronic disease dental scheme administered under the Enhanced Primary Care Program introduced for people with chronic conditions and complex care needs.

Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

Table 1 provides expenditure on the Medicare Chronic Disease Dental Scheme for the 2008-2009 financial year and the 2009-2010 financial year to the end of October. Medicare Australia has advised that November data will not be released until 24 December 2009.

<p>| Table 1: Expenditure on the Medicare Chronic Disease Dental Scheme by state of patient |
|----------------------------------------------|-----------------------------------|-----------------------------------|</p>
<table>
<thead>
<tr>
<th>State</th>
<th>2008-2009</th>
<th>1 July 2009 – 31 October 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>$260,724,294</td>
<td>$109,464,918</td>
</tr>
<tr>
<td>VIC</td>
<td>$73,038,658</td>
<td>$45,337,232</td>
</tr>
<tr>
<td>QLD</td>
<td>$14,717,652</td>
<td>$13,729,778</td>
</tr>
<tr>
<td>SA</td>
<td>$12,347,708</td>
<td>$12,155,900</td>
</tr>
<tr>
<td>WA</td>
<td>$1,409,789</td>
<td>$996,542</td>
</tr>
<tr>
<td>TAS</td>
<td>$798,869</td>
<td>$794,439</td>
</tr>
<tr>
<td>NT</td>
<td>$108,699</td>
<td>$76,397</td>
</tr>
<tr>
<td>ACT</td>
<td>$948,319</td>
<td>$710,783</td>
</tr>
<tr>
<td>Total</td>
<td>$364,093,988</td>
<td>$183,265,990</td>
</tr>
</tbody>
</table>

**Swine Influenza**

(Question No. 2402)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 November 2009:

With reference to the pandemic (H1N1) 2009 influenza vaccine (commonly known as the swine flu vaccine):

1. As at 4 November 2009, for each state and territory:
   (a) how many doses of the swine flu vaccine have been delivered; and
   (b) how many swine flu vaccinations have been administered.

2. As at 4 November 2009, what is the cost of the swine flu vaccination program.

3. (a) what is the cost per vial of the swine flu vaccine;
   (b) how many doses are in each vial; and
   (c) what is the average number of doses wasted in each vial.

4. Can a breakdown be provided of all costs associated with the program, including but not limited to, marketing costs, the cost of VacPac, distribution costs and manufacturing costs.
What is the total expenditure for maintaining the Health Emergency website from its time of creation to 4 November 2009.

**Senator Ludwig**—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

1. (a) As at 4 November 2009, the following number of doses had been delivered to each state and territory: New South Wales, 1,462,860; Queensland, 832,920; Tasmania, 87,280; Victoria, 847,020; Western Australia, 366,120; Australian Capital Territory, 40,500; Northern Territory, 54,040; South Australia, 410,780.

   (b) The Department collects data on uptake of adult influenza vaccine using a telephone survey run every two years. The most recent survey was conducted in November 2009 and included some additional questions about the pandemic vaccine.

   As well, the department has commissioned the Australian Institute of Health and Welfare to conduct a telephone survey with more specific questions about the uptake of the pandemic vaccine to assist in understanding the factors which influence decisions to have the vaccine or not. Results from both surveys will become available progressively with final reports due in June 2010. These results will provide information on proportion of the population (and sub-groups of the population) who have had the vaccine.

2. As at 4 November 2009, the Commonwealth had expended $32,082,052 (GST inclusive) on the swine flu vaccination program.

3. (a) The manufacturing costs are commercial in confidence.

   (b) CSL’s Panvax H1N1 vaccine comes in two multi-dose vial presentations, one containing 18 doses and the other containing 10 doses.

   (c) This information is unknown. However, two jurisdictions estimated that wastage is approximately 10%, which is in line with other immunisation programs. To support providers in the use of multi-dose vials a copy of guidelines on the use of multi-dose vials (developed by the Australian Technical Advisory Group on Immunisation and available also from the Department’s website, www.healthemergency.gov.au) is distributed to immunisation providers with each order of vaccine.

4. The table below provides a breakdown of the Commonwealth’s expenditure associated with the swine flu vaccination program to 4 November 2009:

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>439,641</td>
</tr>
<tr>
<td>VacPacs</td>
<td>1,181,295</td>
</tr>
<tr>
<td>Vaccine</td>
<td>27,544,566</td>
</tr>
<tr>
<td>Distribution of Vaccine and VacPacs</td>
<td>At no cost to the Government</td>
</tr>
<tr>
<td>Total (GST exclusive)</td>
<td>29,165,502</td>
</tr>
<tr>
<td>Grand Total (GST inclusive)*</td>
<td>32,082,052</td>
</tr>
</tbody>
</table>

   *Invoiced amounts to 4 November 2009

5. The Health Emergency Website was launched on 15 January 2009. Since then, maintenance costs for the site have totalled approximately $127,000.

   Ongoing maintenance costs include: website creation; content management; on-call/out of hours work; statistical reporting; content mark-up; enhancements; graphic design and testing.

**Broadband, Communications and the Digital Economy**

(Question No. 2414)

**Senator Ludlam** asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 16 November 2009:
Has a land acquisition activity notice ever been issued by a telecommunications carrier under the Telecommunications Act 1997 on a private residential dwelling in Australia; if so: (a) where; and (b) when.

Senator Conroy—The answer to the honourable senator’s question is as follows:

The Telecommunications Act 1997 (the Act) does not provide for ‘land acquisition activity notices’.

Schedule 3 of the Act does enable carriers to enter on land to inspect land and to install a telecommunications facility on the land and to maintain a telecommunications facility installed on the land. The power to install a facility may only be exercised in certain limited circumstances, the most common of which is where the facility is classed as a ‘low-impact’ facility.

Where a carrier seeks to exercise its rights to inspect land, to install a facility or to maintain a facility under Schedule 3 a carrier is required under the Act and the Telecommunications Code of Practice 1997 to notify the land owner. These notifications are referred to in the industry as ‘land access and activity notices’ (LAANs). Given the volume of telecommunications facilities and their ongoing maintenance needs, the Department has been advised that a large number of these notices are issued by carriers per annum. The Mobile Carriers Forum (MCF) has advised that as at 17 December 2009 over 52,000 LAANs had been issued by telecommunications carriers with 99% of these notifications for ‘pit and pipe’ works, that is for works on footpaths and road reserves. Given the volume we are unable to provide information as to where and when these notices were issued.

Oceanic Viking
(Question No. 2423)

Senator Bob Brown asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 19 November 2009:

With reference to the passengers on the Oceanic Viking:

(1) (a) Why did the Taiwanese fishing boat FV Kuamg, which arrived on the scene at 4.11 pm, not take the passengers off the Sri Lankan boat which was in distress; and (b) was the FV Kuamg too small to take 40 people.

(2) Why was no one rescued until 11.15 pm.

(3) (a) Was the distress call received on Sunday at 7.10 am; if not, when was the distress call received; (b) was an Royal Australian Air Force Orion patrol plane dispatched on Monday at 1.30pm; if not, when was it dispatched; and (c) when was the boat first sighted.

(4) Can details be provided of the process that is followed by Australia when asylum seekers are found on failing boats.

Senator Conroy—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator’s question:

The honourable Senator’s questions are preceded by reference to survivors aboard ACV OCEANIC VIKING. However, ACV OCEANIC VIKING was not involved in the search and rescue incident to which the detailed questions refer. Answers are provided in relation to the incident referred to in the detailed questions.

(1) The FV KUAMG WIN advised AMSA at 4.11 p.m. (Canberra time) on 1 November 2009 that the Sri Lankan vessel was not sinking, but was taking on some water and the FV KUAMG WIN was assisting to pump it out.

(2) FV KUAMG WIN advised AMSA at 6.28 p.m. (Canberra time) on 1 November that it had identified two unwell people aboard the Sri Lankan vessel and had transferred them to the FV KUAMG WIN. At 10.40 p.m. (Canberra time) the same day, the LNG PIONEER reported the Sri Lankan vessel had capsized and persons in the water required rescue.
(3) AMSA received an initial call for assistance on Sunday 1 November at 7.10 a.m. (Canberra time). The initial call did not provide position information. Attempts by AMSA to contact the vessel were unsuccessful. A further two calls were received from the vessel before AMSA was able to ascertain its position.

A RAAF AP-3C Orion aircraft was tasked on Sunday 1 November, but this task was cancelled after FV KUAMG WIN was identified as being on scene already. A further Orion task was issued when the search and rescue situation deteriorated and arrived on scene early at about 12.44 p.m. on Monday 2 November.

AMSA was advised by the Japanese Coastguard at 3.36 p.m. (Canberra time) on 1 November 2009 that the FV KUAMG WIN was alongside the Sri Lankan vessel.


Australia’s obligations are met primarily through the legislated responsibilities of the Australian Maritime Safety Authority (AMSA), which provides search and rescue services consistent with the conventions and through the provisions in the Navigation Act 1912 that require Australian ships to assist a ship in distress. AMSA operates the Australian Rescue Coordination Centre to coordinate Australia’s search and rescue responses to distress signals.

Treasury: Program Funding

(Question Nos 2431, 2450, 2456 and 2458)

Senator Ronaldson asked the Minister representing the Treasurer, upon notice, on 23 November 2009:

For the 2008-09 financial year, what is the department’s top 5 program:

(a) overspends and their costs; and (b) underspends and their costs.

Senator Sherry—The Treasurer has provided the following answer to the honourable senator’s question:

Overspend and underspend amounts have been calculated by comparing actual accrual expenses for 2008-09 to the estimated 2008-09 expenses as published in the Treasury Portfolio Budget Statements 2009-10.

(a) Program 1.2 – Payments to International Financial Institutions – $265.793 million;
    Program 1.6 – Assistance to the States for Government Schools – $1.710 million;
    Program 1.9 – Assistance to the States for Affordable Housing – $0.0005 million; and
    Program 1.8 – Assistance to the States for Disability Services – $0.0002 million.

(b) Program 1.4 – General Revenue Assistance – $700.168 million;
    Program 1.10 – National Partnership Payments to the States – $264.950 million;
    Program 1.7 – Assistance to the States for Skills and Workforce Development – $20.361 million;
    Program 1.3 – Support for Markets and Business – $1.406 million; and
    Program 1.1 – Department of the Treasury – $0.502 million.

Immigration and Citizenship: Program Funding

(Question No. 2432)

Senator Ronaldson asked the Minister for Immigration and Citizenship, upon notice, on 23 November 2009:
For the 2008-09 financial year, what is the department’s top 5 program: (a) overspends and their costs, and (b) underspends and their costs.

**Senator Chris Evans**—The answer to the honourable senator’s question is as follows:

For the 2008-09 financial year, the department recorded only two program overspends. These, plus the top five program underspends, are detailed in the tables below.

(a) Two program overspends:

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget ($’000)</th>
<th>Cost ($’000)</th>
<th>Overspend ($’000)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Departmental</td>
<td>1,167,251</td>
<td>1,210,127</td>
<td>42,876</td>
<td>The overspends were primarily due to: - foreign exchange losses caused by the weakening Australian dollar; an increase in the provision of employee entitlements - as a result of the fall in interest rates; - the provision for voluntary redundancies; and surplus lease space as a result of the department’s planned downsizing exercise.</td>
</tr>
<tr>
<td>Systems for People</td>
<td>95,185</td>
<td>96,564</td>
<td>1,379</td>
<td>Immaterial Variance (1.4%) - not pursued</td>
</tr>
</tbody>
</table>

(For the 2008-09 financial year, DIAC had only two departmental programs, namely Systems for People and Other – Departmental.

Departmental budget figures, as published in the 2008-09 annual report (p28-29), include funding model reconciliation results.

(b) Top five program underspends

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget ($’000)</th>
<th>Cost ($’000)</th>
<th>Under-spend ($’000)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Migrant English Program (AMEP)</td>
<td>197,697</td>
<td>174,519</td>
<td>23,178</td>
<td>The AMEP is a demand driven program which was underutilised by eligible clients in 2008-09. Funding for community and detention services on Christmas Island included a base provision for processing irregular maritime arrivals (IMA). Despite no IMAs in the first quarter of 2008-09, funding was not reduced due to an increase in the second quarter and the volatility of processing requirements. This recognised that any underspend could not be used on other activities.</td>
</tr>
<tr>
<td>Offshore Asylum Seeker Management (OASM)</td>
<td>52,538</td>
<td>39,225</td>
<td>13,313</td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>Budget ($)</td>
<td>Cost ($)</td>
<td>Under-spend ($)</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------</td>
<td>----------</td>
<td>-----------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Refugee &amp; Humanitarian</td>
<td>108,466</td>
<td>97,367</td>
<td>11,099</td>
<td>This outcome was net of a $13.35m underspend in Integrated Humanitarian Settlement Strategy (IHSS) and a $2.03m overspend in Asylum Seeker Assisted Passages.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>While the allocated funding for the IHSS was based on 13,500 cases, some do not arrive onshore in the same year as the approval was granted. In 2008-09, IHSS provided services to 12,035 clients.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The Asylum Seeker Assisted Passages overspend was due to a combination of adverse currency exchange movements, during the year, and the inclusion of additional prior year expenses.</td>
</tr>
<tr>
<td>Enforcement of Immigration Law</td>
<td>109,863</td>
<td>104,826</td>
<td>5,037</td>
<td>In 2008-09 there was a decrease in the:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- total numbers of people held in immigration detention;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- number of people taken into immigration detention;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- time a person was retained prior to removal.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The result was an overall drop in detention costs.</td>
</tr>
<tr>
<td>Other</td>
<td>18,064</td>
<td>16,937</td>
<td>1,127</td>
<td>The underspend was primarily due to lower than budgeted costs involved in the supervision and welfare support for unaccompanied humanitarian minors.</td>
</tr>
</tbody>
</table>

Underspends for the 2008-09 financial year are all in the Administered programs.

**Defence: Program Funding**

(Question Nos 2433 and 2462)

**Senator Ronaldson** asked the Minister for Defence, upon notice, on 23 November 2009:

For the 2008-09 financial year, what is the department’s top five program:
(a) overspends and their costs; and (b) underspends and their costs.

**Senator Faulkner**—The answer to the honourable senator’s question is as follows:

(a) and (b) Table 1 below details the top five major capital equipment project overspends and the top five major capital equipment project underspends for financial year 2008-09.

It should be noted that “overspend” does not refer to a breach of project approval, but rather to a greater expenditure for the period than was planned at its start. The overspend most often reflects payments...
made for work completed earlier than anticipated. Underspend most often reflects completion of work by industry later than, or completion of the work at less than, anticipated in the project’s cash flow plan.

Table 1: Approved Major Capital Investment Projects FY2008-09 Summary

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Name</th>
<th>Plan 2008/09 $m</th>
<th>Actual 2008/09 $m</th>
<th>Variation $m</th>
<th>Reasons for Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR 5349</td>
<td>Bridging Air Combat Capability Super Hornet (BACC)</td>
<td>560</td>
<td>935</td>
<td>375</td>
<td>The variation in FY2008/09 was due to acceleration of US Navy activities under the Foreign Military Sales (FMS) case resulting in contracts being signed earlier than originally forecast.</td>
</tr>
<tr>
<td>SEA 4000</td>
<td>Air Warfare Destroyer (AWD) Build Phase 3</td>
<td>694</td>
<td>734</td>
<td>40</td>
<td>Procurements and placement of contracts earlier than anticipated in the budget.</td>
</tr>
<tr>
<td>LND 0106</td>
<td>Upgrade of M113 Armoured Vehicles (RPT)</td>
<td>105</td>
<td>144</td>
<td>38</td>
<td>The approval to upgrade an additional 81 armoured vehicles was received after the submission of the FY2008/09 plan. The resulting contract change added approximately $17m to the FY2008/09 expenditure. The remaining difference resulted from the early delivery of sub-systems from overseas suppliers.</td>
</tr>
<tr>
<td>JNT 2008</td>
<td>Indian Ocean Region UHF SATCOM Phase 5A</td>
<td>4</td>
<td>39</td>
<td>35</td>
<td>The plan for $4m was an advance from Capability Development Group to procure long lead items prior to contract signature. The project received 1st and 2nd pass approval later in FY2008/09. Variation mainly due to exchange rate fluctuations $10.123m, and acceleration of work ahead of schedule.</td>
</tr>
<tr>
<td>JNT 2008</td>
<td>Next Generation Satellite Program Phase 4</td>
<td>61</td>
<td>96</td>
<td>35</td>
<td></td>
</tr>
</tbody>
</table>

Underspend

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Name</th>
<th>Plan 2008/09 $m</th>
<th>Actual 2008/09 $m</th>
<th>Variation $m</th>
<th>Reasons for Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>JNT 2086</td>
<td>Mulwala Redevelopment Project Phase 1</td>
<td>144</td>
<td>75</td>
<td>-69</td>
<td>Significant delay of up to 4-6 months was experienced in the Prime Contract due to design issues and the delays in the commencement of construction.</td>
</tr>
<tr>
<td>JNT 0129</td>
<td>Tactical Unmanned Aerial Vehicle Phase 2</td>
<td>29</td>
<td>-6 (2)</td>
<td>-35</td>
<td>On September 2008 DMO executed a Deed of Settlement and Termination with Boeing Australia, terminating the procurement of the I-View 250 tactical UAV system.</td>
</tr>
</tbody>
</table>
# QUESTIONS ON NOTICE

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Project Name</th>
<th>Plan 2008/09 $m</th>
<th>Actual 2008/09 $m</th>
<th>Variation $m</th>
<th>Reasons for Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR 5077</td>
<td>Airborne Early Warning and Control Aircraft Phase 3</td>
<td>38</td>
<td>17</td>
<td>-21</td>
<td>System Acquisition Contract slip-page and other minor variations.</td>
</tr>
<tr>
<td>JNT 2097</td>
<td>Special Operations Vehicle (SOV) (RPT) Phase 1A</td>
<td>36</td>
<td>17</td>
<td>-20</td>
<td>Delays in the delivery of the Special Operations Vehicle Communication System.</td>
</tr>
<tr>
<td>AIR 8000</td>
<td>C-17 Globemaster Heavy Air Lift Capability Phase 3</td>
<td>22</td>
<td>12</td>
<td>-10</td>
<td>Savings and revised programming for a number of minor project support activities into FY2009/10.</td>
</tr>
</tbody>
</table>

Notes:
1. Some totals may not add up due to rounding.
2. There was a net reduction in total expenditure by the project in FY2008-09 due to recovery of damages from the contractor for contract delays.

### Families, Housing, Community Services and Indigenous Affairs: Program Funding

**Question No. 2437**

Senator Ronaldson asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 23 November 2009:

For the 2008-09 financial year, what is the department’s top 5 program:
(a) overspends and their costs; and (b) underspends and their costs.

Senator Chris Evans—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

(a) No Annual Appropriations programs were overspent.

(b) This information can be found in tables 4.2 – 4.5 in Part 4 Appendices of the Department’s Annual Report 2008-09.

### Innovation, Industry, Science and Research: Program Funding

**Question No. 2441**

Senator Ronaldson asked the Minister for Innovation, Industry, Science and Research, upon notice, on 23 November 2009:

For the 2008-09 financial year, what is the department’s top 5 program:
(a) overspends and their costs; and
(b) underspends and their costs.

Senator Carr—The answer to the honourable senator’s question is as follows:

For the 2008-09 financial year, the department’s top 5 program underspends are shown in the table below. There were no overspends for 2008-09.

<table>
<thead>
<tr>
<th>Program</th>
<th>Underspend 2008-09 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Ready Program</td>
<td>24,736</td>
</tr>
<tr>
<td>Liquefied Petroleum Gas Vehicle Scheme</td>
<td>16,128</td>
</tr>
<tr>
<td>Pharmaceuticals Partnerships Program</td>
<td>9,903</td>
</tr>
</tbody>
</table>
Atterney-General’s: Program Funding
(Question Nos 2444 and 2454)

Senator Ronaldson asked the Minister representing the Attorney-General and the Minister representing the Minister for Home Affairs, upon notice, on 23 November 2009:

For the 2008-09 financial year, what is the department’s top 5 program: (a) overspends and their costs; and (b) underspends and their costs.

Senator Wong—The Attorney-General and the Minister for Home Affairs have provided the following answer to the honourable senator’s question:

(a) For the 2008-09 financial year, the Department’s top 5 program underspends were:

<table>
<thead>
<tr>
<th>Underspend</th>
<th>2008-09 S’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural adjustment package (Electrolux)</td>
<td>5,840</td>
</tr>
<tr>
<td>Clean Business Australia - Green Building Fund</td>
<td>4,827</td>
</tr>
</tbody>
</table>

(b) For the 2008-09 financial year, the Department’s top 5 program overspends were:

<table>
<thead>
<tr>
<th>Overspend</th>
<th>2008-09 S’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>APEC 2007 Security Arrangements(6)</td>
<td>$ 1,416</td>
</tr>
<tr>
<td>National Emergency Volunteers Support Fund(7)</td>
<td>$ 3,272</td>
</tr>
<tr>
<td>Financial Assistance towards legal costs and related expenses(8)</td>
<td>$ 3,025</td>
</tr>
<tr>
<td>Payments for the provision of family violence prevention legal services for Indigenous Australians(8)</td>
<td>$ 18,776</td>
</tr>
<tr>
<td>Christmas Island administration–depreciation (8)</td>
<td>$ 155</td>
</tr>
</tbody>
</table>

(6) Transfer of equipment to NSW Government at no cost. The overspend represents the total of the written down value of those assets.
(7) The National Emergency Volunteers Support Fund was combined with the Local Grants Scheme into one program in 2009–10, Emergency Management Grants. The combined result was an underspend of $0.658m.

(8) Overspends relate to accrual of expenses and have not resulted in cash overspends.

Resources and Energy, and Tourism: Program Funding
(Question Nos 2447 and 2448)

Senator Ronaldson asked the Minister representing the Minister for Resources and Energy and Minister for Tourism, upon notice, on 23 November 2009:

For the 2008-09 financial year, what is the department’s top 5 program: (a) overspends and their costs; and (b) underspends and their costs.

Senator Carr—The Minister for Resources and Energy and Minister for Tourism has provided the following answer to the honourable senator’s question:

(a) The Department had no programs in the 2008-09 financial year that overspent.

(b)—

<table>
<thead>
<tr>
<th>Program</th>
<th>Actuals $000</th>
<th>Budget $’000</th>
<th>Variance $’000e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance to state and territory governments for resources and energy</td>
<td>637,200</td>
<td>646,072</td>
<td>8,872</td>
</tr>
<tr>
<td>Resources related initiatives and management</td>
<td>179,312</td>
<td>231,462</td>
<td>52,150</td>
</tr>
<tr>
<td>Energy related initiatives and management</td>
<td>44,287</td>
<td>95,577</td>
<td>51,290</td>
</tr>
<tr>
<td>Tourism related initiatives and management</td>
<td>143,229</td>
<td>143,514</td>
<td>285</td>
</tr>
<tr>
<td>Departmental Outputs</td>
<td>91,085</td>
<td>91,907</td>
<td>822</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,095,113</td>
<td>1,208,532</td>
<td>113,419</td>
</tr>
</tbody>
</table>

Human Services: Program Funding
(Question No. 2449)

Senator Ronaldson asked the Minister representing the Minister for Human Services, upon notice, on 23 November 2009:

For the 2008-09 financial year, what is the department’s top 5 program:

(a) overspends and their costs; and

(b) underspends and their costs

Senator Ludwig—The Minister for Human Services has provided the following answer to the honourable senator’s question:

<table>
<thead>
<tr>
<th>Programme</th>
<th>Actual Expense 2008-09 ($’000)</th>
<th>Portfolio Additional Estimates Statements 2008-09 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Overspends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental Other Departmental</td>
<td>498,417</td>
<td>498,098</td>
</tr>
<tr>
<td>(b) Underspends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental CRS – Commonwealth Rehabilitation Service*</td>
<td>183,992</td>
<td>208,340</td>
</tr>
<tr>
<td>Administered Other Administered</td>
<td>1,339,798</td>
<td>1,344,930</td>
</tr>
</tbody>
</table>

* Note that CRS underspend is also reflected in reduced revenue.
Veterans’ Affairs: Program Funding
(Question No. 2451)

Senator Ronaldson asked the Minister representing the Minister for Veterans’ Affairs upon notice, on 23 November 2009:
For the 2008-09 financial year, what is the department’s top 5 program:
(a) overspends and their costs; and
(b) underspends and their costs.

Senator Faulkner—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:
For the 2008-09 financial year, the department’s top 5 program:
(a) overspends and their costs:

<table>
<thead>
<tr>
<th>Program</th>
<th>Final Estimate 08-09 ($M)</th>
<th>Actual Expense 08-09 ($M)</th>
<th>Variance($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment in Public and Private Hospitals</td>
<td>1,635.0</td>
<td>1,679.9</td>
<td>44.9</td>
</tr>
<tr>
<td>Residential Care</td>
<td>951.6</td>
<td>961.9</td>
<td>10.3</td>
</tr>
<tr>
<td>MRCS - Payments for Income Support and Com-</td>
<td>38.3</td>
<td>41.8</td>
<td>3.5</td>
</tr>
<tr>
<td>pensation (MRCA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MCRS - Health and Other Care Services (SRCA)</td>
<td>31.4</td>
<td>33.2</td>
<td>1.8</td>
</tr>
<tr>
<td>Pharmaceuticals (excluding BCAL)</td>
<td>462.2</td>
<td>463.9</td>
<td>1.7</td>
</tr>
</tbody>
</table>

(b) underspends and their costs

<table>
<thead>
<tr>
<th>Program</th>
<th>Final Estimate 08-09 ($M)</th>
<th>Actual Expense 08-09 ($M)</th>
<th>Variance($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Support Pensions</td>
<td>3,229.8</td>
<td>3,199.0</td>
<td>30.8</td>
</tr>
<tr>
<td>Dental</td>
<td>107.1</td>
<td>102.4</td>
<td>4.7</td>
</tr>
<tr>
<td>Disability Pensions</td>
<td>1,461.5</td>
<td>1,458.5</td>
<td>3.0</td>
</tr>
<tr>
<td>MCRS - Payments for Income Support and Com-</td>
<td>122.1</td>
<td>119.3</td>
<td>2.8</td>
</tr>
<tr>
<td>pensation (SRCA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare Services</td>
<td>535.6</td>
<td>533.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Small Business, Independent Contractors and the Service Economy: Program Funding
(Question No. 2457)

Senator Ronaldson asked the Minister representing the Minister for Small Business, Independent Contractors and the Service Economy, upon notice, on 23 November 2009:
For the 2008-09 financial year, what is the department’s top 5 program:
(a) overspends and their costs; and (b) underspends and their costs.

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 for Parliamentary Question on Notice 2441.

Rudd Government: Interstate and Overseas Travel
(Question No. 2465)

Senator Cormann asked the Minister representing the Prime Minister, upon notice, on 24 November 2009:
Since 24 November 2007:

QUESTIONS ON NOTICE
(1) How many nights has the Prime Minister stayed:
   (a) in each state and territory; and
   (b) overseas.
(2) How many nights has the Treasurer stayed:
   (a) in each state and territory; and
   (b) overseas.
(3) How many nights has the Deputy Prime Minister stayed:
   (a) in each state and territory; and
   (b) overseas.

Senator Chris Evans—The Prime Minister has provided the following answer to the honourable senator’s question:

(1) (a) Refer to table below for the number of nights the Prime Minister stayed in each state and territory between 24 November 2007 and 18 December 2009.

<table>
<thead>
<tr>
<th>State</th>
<th>Nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>349</td>
</tr>
<tr>
<td>NSW</td>
<td>153</td>
</tr>
<tr>
<td>QLD</td>
<td>60</td>
</tr>
<tr>
<td>VIC</td>
<td>35</td>
</tr>
<tr>
<td>WA</td>
<td>20</td>
</tr>
<tr>
<td>SA</td>
<td>8</td>
</tr>
<tr>
<td>NT</td>
<td>8</td>
</tr>
<tr>
<td>TAS</td>
<td>6</td>
</tr>
</tbody>
</table>

Refer to table below for the number of days that the Prime Minister visited each state and territory between 24 November 2007 and 18 December 2009.

<table>
<thead>
<tr>
<th>State</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>416</td>
</tr>
<tr>
<td>NSW</td>
<td>211</td>
</tr>
<tr>
<td>QLD</td>
<td>113</td>
</tr>
<tr>
<td>VIC</td>
<td>85</td>
</tr>
<tr>
<td>WA</td>
<td>29</td>
</tr>
<tr>
<td>SA</td>
<td>22</td>
</tr>
<tr>
<td>NT</td>
<td>17</td>
</tr>
<tr>
<td>TAS</td>
<td>18</td>
</tr>
</tbody>
</table>

(b) The Prime Minister spent 110 nights overseas between 24 November 2007 and 18 December 2009.

(2) and (3) Questions about the travel of the Treasurer and Deputy Prime Minister should be directed to those ministers.

Agriculture, Fisheries and Forestry: Drought Assistance

(Question No. 2466)

Senator Cormann asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 23 November 2009:
Can a breakdown be provided, by state and territory, of how many farmers are receiving the exceptional circumstances drought assistance.

Senator Sherry—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

Table 1 – Number of Farmers Receiving Exceptional Circumstances Drought Assistance by State or Territory

<table>
<thead>
<tr>
<th>State or Territory</th>
<th>Program</th>
<th>2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current recipients or approved applications</td>
<td>as at</td>
</tr>
<tr>
<td></td>
<td>as at 31 October 2009</td>
<td></td>
</tr>
<tr>
<td>NSW/ACT</td>
<td>EC Interest Rate Subsidies - farmers *</td>
<td>2,486</td>
</tr>
<tr>
<td></td>
<td>EC Relief Payment – farmers</td>
<td>4,895</td>
</tr>
<tr>
<td>NT</td>
<td>EC Interest Rate Subsidies - farmers *</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>EC Relief Payment – farmers</td>
<td>-</td>
</tr>
<tr>
<td>QLD</td>
<td>EC Interest Rate Subsidies - farmers *</td>
<td>490</td>
</tr>
<tr>
<td></td>
<td>EC Relief Payment – farmers</td>
<td>601</td>
</tr>
</tbody>
</table>
QUESTIONS ON NOTICE

State or Territory  Program  2009-10
**Current recipients or approved applications as at 31 October 2009**

<table>
<thead>
<tr>
<th>State or Territory</th>
<th>Program</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>EC Interest Rate Subsidies - farmers *</td>
<td>340</td>
</tr>
<tr>
<td></td>
<td>EC Relief Payment – farmers</td>
<td>2,169</td>
</tr>
<tr>
<td>TAS</td>
<td>EC Interest Rate Subsidies - farmers *</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>EC Relief Payment – farmers</td>
<td>193</td>
</tr>
<tr>
<td>VIC</td>
<td>EC Interest Rate Subsidies - farmers *</td>
<td>746</td>
</tr>
<tr>
<td></td>
<td>EC Relief Payment – farmers</td>
<td>7,375</td>
</tr>
<tr>
<td>WA</td>
<td>EC Interest Rate Subsidies - farmers *</td>
<td>33†</td>
</tr>
<tr>
<td></td>
<td>EC Relief Payment – farmers</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Centrelink, the *State Rural Assistance Authorities, figures compiled by DAFF

Note: ECIRS figures show approved applications however the application period has not closed for the current tranche of grants.

†There are no current EC declared areas in WA, however assessment of applications from the last EC declarations are still being finalised.

**Australian Federal Police: Staffing**

(Question No. 2470)

**Senator Cormann** asked the Minister representing the Minister for Home Affairs, upon notice, on 24 November 2009:

1. How many sworn officers were employed by the Australian Federal Police (AFP) as at 1 November 2009.
2. How many sworn officers were recruited by the AFP between 23 November 2008 and 24 November 2009.
3. How many sworn officers were made redundant by the AFP between 23 November 2008 and 23 November 2009.
4. How many sworn officers has the AFP budgeted to recruit by 31 December 2010.
5. For questions (1) to (4) above, can a breakdown be provided by state or territory of the number of sworn officers employed, recruited or made redundant during the indicated periods.

**Senator Wong**—The Minister for Home Affairs has provided the following answer to the honourable senator’s question:

1. AFP sworn officers as at 1 November 2009:

<table>
<thead>
<tr>
<th>State</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>1256</td>
</tr>
<tr>
<td>External Territories</td>
<td>19</td>
</tr>
<tr>
<td>NSW</td>
<td>438</td>
</tr>
<tr>
<td>NT</td>
<td>94</td>
</tr>
<tr>
<td>O/S</td>
<td>375</td>
</tr>
<tr>
<td>Qld</td>
<td>226</td>
</tr>
<tr>
<td>SA</td>
<td>52</td>
</tr>
<tr>
<td>Tas</td>
<td>8</td>
</tr>
<tr>
<td>Vic</td>
<td>291</td>
</tr>
<tr>
<td>WA</td>
<td>97</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
(2) AFP sworn officers recruited between 23 November 2008 and 24 November 2009:

<table>
<thead>
<tr>
<th>Cost Centre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT Policing Recruit Courses</td>
<td>37</td>
</tr>
<tr>
<td>National Recruit Courses*</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
</tr>
</tbody>
</table>

*includes 15 currently on Lateral course

These sworn officers commence employment with the AFP in the ACT, where training is undertaken.

(3) Between 23 November 2008 and 23 November 2009 there have been 11 sworn officers who have accepted voluntary redundancies.

- State Office Investigations (sworn) 2; (NSW 1, Vic 1)
- Corporate Support (sworn) 6; (ACT 6)
- Protection 3 (ACT 1, NSW 2).

(4) Current committed recruitment includes 110 sworn officers (70 in the remainder of 2009/10 and 40 in 2010/11).

Committed sworn recruitment 2009/10 and 2010/11

<table>
<thead>
<tr>
<th>Course</th>
<th>2009/10</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT Policing</td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td>National</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>40</td>
</tr>
</tbody>
</table>

National Recruit courses for 2009/10 and 2010/11 are the committed recruit courses for the Recruitment of 500 Sworn Officers New Policy Initiative (NPI).

(5) See answers (1)-(4) above.

Australian Crime Commission
(Question No. 2471)

Senator Cormann asked the Minister representing the Minister for Home Affairs, upon notice, on 24 November 2009:

With reference to full-time equivalent (FTE) positions within the Australian Crime Commission (ACC):

(1) As at 23 November 2009, what was the budgeted FTE allocation of the ACC, broken down by job category and state and territory.

(2) For the month ended October 2009, what was the actual staffing level, including officers seconded from state and territory agencies of the ACC, broken down by job category and state and territory.

(3) How many redundancies have there been among sworn officers of the ACC, broken down by job category and state and territory, for the following periods: (a) 1 March to 30 June 2009; and (b) 1 July to 23 November 2009.

Senator Wong—The Minister for Home Affairs has provided the following answer to the honourable senator’s question:

(1) The ACC budgets FTE each financial year. Financial year 2009/10 (covering 23 November 2009) is 567 FTE (includes ACC funded secondees). FTE is allocated internally to Business areas to achieve ACC outcomes and not budgeted to a particular state/territory or job category.
(2) Staffing Levels (Headcount) by Job Category as at 31 October 2009:

<table>
<thead>
<tr>
<th>Staff category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intelligence</td>
<td>133</td>
</tr>
<tr>
<td>Investigators (including financial investigators – ACC, secondees and joint operation members)</td>
<td>57</td>
</tr>
<tr>
<td>Head of Determination/Operation Managers</td>
<td>11</td>
</tr>
<tr>
<td>Surveillance/specialist staff</td>
<td>127</td>
</tr>
<tr>
<td>Operational Support Staff</td>
<td>47</td>
</tr>
<tr>
<td>Legal Unit</td>
<td>22</td>
</tr>
<tr>
<td>Regional Office Management</td>
<td>33</td>
</tr>
<tr>
<td>Stakeholder Engagement</td>
<td>15</td>
</tr>
<tr>
<td>Performance &amp; Governance</td>
<td>11</td>
</tr>
<tr>
<td>Security, HR &amp; Standards</td>
<td>33</td>
</tr>
<tr>
<td>Finance &amp; Corporate</td>
<td>26</td>
</tr>
<tr>
<td>IT</td>
<td>44</td>
</tr>
<tr>
<td>Senior Executive, CEO and Examiners</td>
<td>17</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>576</strong></td>
</tr>
</tbody>
</table>

Staffing Levels (Headcount) by Location as at 31 October 2009:

<table>
<thead>
<tr>
<th>Location</th>
<th>APS</th>
<th>Contractors (PS Act)</th>
<th>Seconded (ACC Act)</th>
<th>Seconded funded by jurisdictions</th>
<th>Total Members of Joint Operations funded by jurisdictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>30</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>33</td>
</tr>
<tr>
<td>Alice</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Springs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brisbane</td>
<td>73</td>
<td>-</td>
<td>5</td>
<td>1</td>
<td>80</td>
</tr>
<tr>
<td>Canberra</td>
<td>122</td>
<td>1</td>
<td>-</td>
<td>6</td>
<td>130</td>
</tr>
<tr>
<td>Darwin</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Melbourne</td>
<td>126</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>140</td>
</tr>
<tr>
<td>Perth</td>
<td>22</td>
<td>-</td>
<td>1</td>
<td>2</td>
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(3) (i) and (ii) Nil.

Sri Lanka

*(Question No. 2475)*

**Senator Johnston** asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 November 2009:

Has the Minister: (a) made representations to the Sri Lankan Government about Mr James Elder’s expulsion from Sri Lanka; if so: (i) on what dates, and (ii) at what level; and (b) made representations to the High Commissioner of Sri Lanka about this matter; if so: (i) on what dates, and (ii) at what level.

**Senator Faulkner**—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

(a) and (b) The views of the Australian Government in relation to the expulsion of Mr James Elder, a UNICEF official, were presented to the House in the Ministerial Statement on Sri Lanka that I (Mr...
Smith) delivered on 14 September 2009. In the Statement, I (Mr Smith) referred to Mr Elder’s reported remarks. I added that Mr Elder had been making the point, as had the Australian Government, that we needed to see unimpeded access by international agencies to the camps for internally displaced people. On the same day, 14 September, the Statement was delivered to the Sri Lankan Foreign Minister by our High Commissioner in Colombo, and the Sri Lankan High Commission in Canberra was informed of the Statement. The Government’s views were also conveyed directly to Sri Lankan Government officials by Australia’s High Commissioner in Colombo.

Furthermore, in a tabled response to House of Representatives Question on Notice 996 from Mr Oakeshott of 10 September 2009, I (Mr Smith) said on 20 October that the matter of Mr Elder’s visa was one for the Sri Lankan Government, Mr Elder and the United Nations to resolve. Mr Elder and UN officials had indicated to Australian officials that representations by Australia to the Sri Lankan Government regarding the visa were not required.

Venezuela
(Question No. 2476)

Senator Johnston asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 November 2009:

Has the Minister made representations to the Ambassador of Venezuela about nuclear proliferation; if so: (a) on what dates were the concerns raised; and (b) at what level.

Senator Faulkner—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

No. However, on 10 September 2009, I (Mr Smith) addressed a meeting of the nine Canberra-based Latin American Ambassadors, at which the then-Ambassador-designate for Venezuela was present. During the course of this meeting I expressed the Government’s support for cooperation between Australia and Latin American countries on a range of issues, including nuclear disarmament and non-proliferation.

In addition, the Government has consistently reaffirmed its commitment to nuclear non-proliferation and disarmament, and the need for action on both issues in international forums of which Venezuela is a member, including the United Nations General Assembly, the International Atomic Energy Agency and the Conference on Disarmament.

Afghanistan
(Question No. 2477)

Senator Johnston asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 November 2009:

Has the Minister made representations to members of the International Security Assistance Force about the legitimacy of the first Afghanistan election; if so: (a) on what dates were the concerns raised; and (b) at what level.

Senator Faulkner—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

The Australian Government expressed its concerns about the conduct of the Afghan elections on numerous occasions. This included public comments by the Prime Minister, myself and the Minister for Defence.

I (Mr Smith) discussed the conduct of the Afghan elections with members of the International Security Assistance Force as follows:
I raised this issue with ministerial level and senior official counterparts from the United States and Canada in bilateral meetings in New York and Washington on 24, 28 and 29 September 2009 in the margins of the 64th United Nations General Assembly;

I raised this issue with representatives (both ministerial level and senior officials) from Afghanistan, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, United Kingdom and the United States at the Group of Friends of Afghanistan meeting in New York on 25 September 2009;

I raised this issue with ministerial level and senior official counterparts from Sweden and the European Union (EU) at the Australia-EU Ministerial Troika meeting in Stockholm on 8 October 2009.

**Australia-China Free Trade Agreement**

(Question No. 2478)

Senator Johnston asked the Minister representing the Minister for Trade, upon notice, on 25 November 2009:

(a) On what date or dates is the next round of negotiations scheduled for the Australia-China Free Trade Agreement; and (b) what is its location.

Senator Carr—The Minister for Trade has provided the following answer to the honourable senator’s question:

(a) The next round of negotiations for the Australia-China Free Trade Agreement is scheduled for the week of 22 February 2010.

(b) The negotiations will be held in Canberra.

**Indonesia**

(Question No. 2479)

Senator Johnston asked the Minister representing the Minister for Home Affairs, upon notice, on 25 November 2009:

With reference to meetings held between the Australian and Indonesian governments concerning the bilateral treaty on the international transfer of prisoners: (a) how many meetings have been held; (b) on what dates were the meetings held; (c) where were the meetings held; (d) how many people attended the meetings; and (e) what progress has been made.

Senator Wong—The Minister for Home Affairs has provided the following answer to the honourable senator’s question:

Conclusion of a bilateral prisoner transfer agreement with Indonesia is a high priority for the Australian Government, and discussions between Australian and Indonesian officials are ongoing. It is Australia’s long-standing policy, and internationally accepted practice, to keep the nature of international treaty negotiations and discussions confidential between the parties until a treaty is signed. Accordingly, it would not be appropriate to comment on the details of any formal discussions with the Indonesian Government on this matter.

**Pakistan**

(Question No. 2481)

Senator Johnston asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 November 2009:

Has the Minister attended any meetings in 2009 to discuss the Government’s support for Pakistan in its battle against extremists; if so: (a) on what dates were the meetings held; (b) who attended these meet-
ings; (c) what was the outcome of these meetings; and (d) what measures has the Government taken, or intends to take, to provide assistance to Pakistan.

**Senator Faulkner**—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

I (Mr Smith) participated in a range of meetings in 2009 to discuss international support for Pakistan in its battle against extremists, namely: the United Nations sponsored International Conference on Afghanistan in The Hague on 31 March; the Friends of Democratic Pakistan (FODP) ministerial meeting in Tokyo on 17 April; the Pakistan Donors’ Conference (PDC) in Tokyo on 17 April; and the FODP Summit in New York on 24 September, when I accompanied the Prime Minister. I also undertook a bilateral visit to Pakistan 16-18 February 2009, where I discussed Australia’s support for Pakistan’s efforts to address extremism with a number of high-level interlocutors.

The International Conference on Afghanistan in The Hague on 31 March emphasised the importance of engaging regional countries in promoting stability in Afghanistan. It was co-chaired by Afghanistan, the United Nations and The Netherlands. The conference brought together 72 countries, nineteen international organisations and 700 delegates. The following countries attended: Afghanistan; Albania; Australia; Azerbaijan; Bahrain; Bangladesh; Belarus; Belgium; Bosnia and Herzegovina; Brazil; Brunei Darussalam; Bulgaria; Canada; Chile; China; Colombia; Croatia; Cyprus; Czech Republic; Denmark; Egypt; Estonia; Finland; France; Georgia; Germany; Greece; Hungary; Iceland; India; Indonesia; Islamic Republic of Iran; Ireland; Italy; Japan; Jordan; Kazakhstan; Kuwait; Kyrgyzstan; Libyan Arab Jamahiriya; Latvia; Lithuania; Luxembourg; Former Yugoslav Republic of Macedonia; Malaysia; Malta; The Netherlands; New Zealand; Norway; Oman; Pakistan; Poland; Portugal; Qatar; Republic of Korea; Romania; Russian Federation; Saudi Arabia; Singapore; Slovakia; Slovenia; Spain; Sweden; Switzerland; Tajikistan; Turkey; Turkmenistan; Ukraine; United Arab Emirates; United Kingdom; and United States of America. The following organisations attended: Aga Khan Foundation; Asian Development Bank; European Union (EU); International Monetary Fund; North Atlantic Treaty Organization (NATO); Organisation of the Islamic Conference; World Bank; Islamic Development Bank; United Nations, Mr Ban Ki-moon, Secretary-General of the United Nations; and United Nations Assistance Mission in Afghanistan, UN Special Representative Mr Kai Eide. The following observers attended: ACBAR (Agency Coordinating Body for Afghan Relief); European Parliament; International Committee of the Red Cross; Organisation for Economic Co-operation and Development; Organization for Security and Co-operation in Europe; and South Asian Association for Regional Cooperation.

The statement by co-chairs reflected the outcomes agreed by participants at the International Conference on Afghanistan. The statement emphasised the importance of eliminating sanctuaries for Al Qaeda and other terrorist networks through cooperation among all countries in the region. The statement pointed to the need to develop among Afghanistan, Pakistan and NATO/International Security Assistance Force (ISAF), operating within its current mandate, a comprehensive security strategy. It also noted the need for: greater border security and integrity in the region; clearer and common priorities for infrastructure in the region; expanded regional trade and improved customs and trade and transit agreements; and regional expertise to build capacity in key economic sectors. The statement also expressed support for the FODP and PDC meetings in Tokyo on 17 April and welcomed the increased attention given to Afghanistan and the regional context by conferences in Tehran, Moscow, The Hague, Islamabad and Trieste as important steps in enhancing development and in fighting terrorism, drug trafficking and transboundary organised crime.

The FODP ministerial meeting in Tokyo on 17 April demonstrated wide international support for Pakistan in its efforts to address acute security, economic and development challenges. The meeting was chaired by Pakistan and hosted by Japan. The meeting was attended by FODP members and observers from Australia, Canada, China, Denmark, Finland, France, Germany, Indonesia, Islamic Republic of Iran, Italy, Japan, Kuwait, Malaysia, The Netherlands, New Zealand, Norway, Oman, Pakistan, Repub-

The statement by the chair acknowledged the important role of Pakistan and the sacrifices the Pakistani people had made in confronting terrorism and extremism as well as Pakistan’s strong commitment to becoming an anchor of stability and peace in the region. The statement reflected the decision of the FODP to explore all avenues to support Pakistan in realising shared development priorities and addressing security challenges with a focus on less developed areas.

The PDC in Tokyo on 17 April highlighted Pakistan’s economic and development challenges in light of Pakistan’s role in the international community’s efforts to eradicate terrorism, and the close connection between Pakistan’s stability with the peace and stability of the surrounding region, in particular, Afghanistan. The meeting was co-chaired by Japan and the World Bank. The meeting was attended by FODP members and observers from Australia, Canada, China, Denmark, Finland, France, Germany, Indonesia, Islamic Republic of Iran, Italy, Japan, Kuwait, Malaysia, The Netherlands, New Zealand, Norway, Oman, Pakistan, Republic of Korea, Russian Federation, Saudi Arabia, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States of America, EU, EC, Asian Development Bank, World Bank, Food and Agriculture Organisation, International Labour Organisation, International Monetary Fund, Islamic Development Bank, and the United Nations and its agencies: UNFPA, UNICEF, UNDP, UNHCR, UNODC and WFP.

The statement by co-chairs conveyed strong international support to the Government of Pakistan and its development strategy. It noted concern about the security situation in Pakistan, and the impact on development, the investment climate and economic growth. The most important outcome was the aid pledged of more than US$5 billion, including Australia’s contribution of A$120 million.

The FODP Summit in New York on 24 September was co-chaired by the United States of America, United Kingdom and Pakistan. The meeting was attended by FODP members, including: Australia, Canada, China, Denmark, France, Germany, Italy, Japan, The Netherlands, Norway, Pakistan, Saudi Arabia, Turkey, United Nations, Sweden, Spain, Republic of Korea, United Arab Emirates, United States, United Kingdom, EU, EC, Asian Development Bank, Islamic Development Bank and World Bank.

The statement by co-chairs conveyed a strong message of political support for Pakistan’s efforts to strengthen its democracy, combat extremism and terrorism, and enhance its development. The statement noted the establishment of a Multi-Donor Trust Fund for regions affected by terrorism, militancy and extremism. It also agreed to the FODP focusing on the reform of Pakistan’s energy sector, with the Asian Development Bank playing a role including by preparing a report on energy for the next ministerial meeting of the FODP. The statement endorsed the Pakistan Government’s Malakand strategy and reinforced the commitment of FODP members to offer further humanitarian and early recovery assistance for those in areas affected by conflict. It noted the Pakistan Government’s commitment to develop a comprehensive approach to addressing security and development in the Federally Administered Tribal Areas. Also highlighted was the need for comprehensive enhancement of Pakistan’s institutional capacity and the reinvigoration of the Pakistan Development Forum as a vehicle for substantive policy dialogue between the Government and its international partners. The statement recognised the value of the FODP as a political forum as well as a catalyst for mobilising concrete support for the Pakistani Government.
I visited Pakistan from 16-18 February 2009. During my visit, I met President Zardari, Chief of Army Staff Kayani, Prime Minister Gillani, Foreign Minister Qureshi, Advisor to the Prime Minister on Interior Affairs and Narcotics Control Malik and Minister of State for Economic Affairs Khar.

In Islamabad, I discussed the expansion of our bilateral relationship including enhanced economic links and ways in which Australia could assist Pakistan's efforts to combat terrorism. I also discussed the importance of Pakistan's determination to eliminate terrorist networks and overcome extremism.

The Australian Government has significantly increased its bilateral engagement with Pakistan including: doubling development assistance to $120 million over the next two years (2009-11); contributing $28 million in humanitarian assistance to Pakistan since August 2008; doubling training in Australia for the Pakistan military to 140 places, making Australia the second largest provider of overseas military training to Pakistan after the United States; and expanded law enforcement cooperation. In addition the Government has announced that it will further expand its cooperation with Pakistan by: establishing an Australia-Pakistan Development Partnership; expanding strategic dialogue; and holding regular meetings of the Australia-Pakistan Joint Trade Committee to support closer economic links.

**Asylum Seekers**

(Question No. 2482)

 **Senator Johnston** asked the Minister for Immigration and Citizenship, upon notice, on 25 November 2009:

With reference to asylum seekers, (a) how are the Government’s screening processes consistent with the 2004 United Nations High Commissioner for Refugees (UNHCR) statement of principles to protect asylum processes from abuse by persons involved in terrorist activities, and (b) what is the full range of background checks undertaken.

 **Senator Chris Evans**—The answer to the honourable senator’s question is as follows:

The statement of principles referred to in Senator Johnston’s question is not in fact statement by the United Nations High Commissioner for Refugees. The statement was actually adopted by the G8 at a meeting of Justice and Home Affairs Ministers in Washington DC on 11 May 2004. This G8 statement of principles is, however, posted on UNHCR’s Refworld site. The Refworld site is a refugee decision support reference site, containing a collection of reports relating to situations in countries of origin, policy documents and positions, and documents relating to international and national legal frameworks.

Australia is under no obligation to align its screening processes with those outlined in the G8 document. However, the principle of close cooperation between countries processing applications from asylum seekers to protect these processes from abuse by people who have been involved in terrorist activities as outlined in the G8 statement is one with which Australia strongly concurs.

To this end, Australia has developed strong relationships and information sharing practices with a number of countries, taking into account asylum seekers’ legitimate confidentiality and privacy interests, to ensure that people involved in terrorist activities are not afforded undeserved protection through the refugee status assessment process.

An example of these information sharing practices is that earlier this year, I announced that Australia has signed an agreement for biometric data sharing between Australia, Canada and the UK. Under this partnership, my Department will be able to securely and confidentially cross check fingerprints with Canadian and UK databases.

These data sharing arrangements will allow my Department to undertake more detailed identity enquiries if necessary, and to confirm if a client has had dealings with these countries. This will increase the chance of detecting persons of concern in immigration caseloads.
The range of background checks undertaken by my Department includes identity and character checks which include penal checks, where possible, with all countries in which the client has resided for more than 12 months during the previous 10 years.

Australia also conducts background checks in relation to national security and counter terrorism. However, my Department is not responsible for the processing of these checks other than to provide relevant information to the competent authority, the Australian Security Intelligence Organisation.

**North Atlantic Treaty Organisation**

(Question No. 2483)

Senator Johnston asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 November 2009:

1. How many people were considered for the role of Ambassador to the North Atlantic Treaty Organization (NATO) and/or Ambassador to the European Union.
2. (a) How many of those considered were recommended in writing to the Prime Minister; (b) on what dates were they recommended; and (c) were any of these candidates successful.
3. Did the Minister sign any document recommending anyone other than Dr Brendan Nelson to the role of Ambassador to NATO and/or Ambassador to the European Union.

Senator Faulkner—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

Consistent with long-standing practice of successive governments, it is not appropriate to elaborate on the decision-making process for any particular appointment.

**Uluru National Park**

(Question No. 2484)

Senator Birmingham asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 25 November 2009:

With reference to the new viewing area at Uluru-Kata Tjuta National Park, Talinguru Nyakunytjaku:

1. (a) What options were considered, including location and aspects of Uluru afforded by each location; and (b) what were the costings.
2. How, when and by whom was the location determined (including details of all consultations).
3. (a) How many options were considered at the time of the final determination of the location; and (b) what were those options.
4. What cultural considerations were given in relation to all the options considered.

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

1. (a) A 2005 study prepared by consulting engineers presented a series of options to address traffic, parking and pedestrian safety issues at what was then the Uluru Sunrise Viewing Area. This consultancy focused solely on options for resolving traffic issues at this site; the consultants did not consider cultural site issues nor alternate sites which might offer different aspects or expanded tourism opportunities.

Following consultation with the tourism industry and traditional owners, the Uluru-Kata Tjuta Board of Management agreed on the need for a site which might be used for multiple tourism experiences, and which might cope with expanded visitor numbers and the need for associated infrastructure such as toilet facilities, shelter, drinking water points and walking trails. By
early 2006 a new location approximately seven kilometres south-east of Uluru was identified by traditional owners and agreed by the Board.

(b) The initial (2005) study provided costings ranging from $50,000 (the ‘do nothing’ option) to $5.955 million for the limited options based around the existing site.

On 3 May 2006, the Parliamentary Secretary to the Minister for the Environment and Heritage, the Hon Greg Hunt MP, and Senator the Hon Nigel Scullion announced a new preferred location with the allocation of an initial $5.45 million to commence work on a new viewing area (now called Talinguru Nyakunytjaku). The Parliamentary Secretary attended an event at the new site to make the announcement.

On 8 May 2007, the Minister for the Environment and Heritage, the Hon Malcolm Turnbull MP, announced a budget allocation of an additional $15 million to enable its construction.

(2) On 25 October 2005, the Parliamentary Secretary, the Hon Greg Hunt MP, released the initial traffic and parking consultancy report for consultation with the tourism industry, asking for comments to be provided to the Central Australian Tourism Industry Association. During the consultation process, it became apparent that the options proposed in the traffic and parking study site had a range of constraints including limited capacity for future expansion and diversity of use. On-site consultations with traditional owners also revealed cultural site issues for both men and women. Traditional owners agreed an alternate site on 2 April 2006 and on 2 May 2006 the Central Land Council conveyed their formal consent to the proposed new location.

This new site was inspected by representatives of the tourism industry, including the Central Australian Tourism Industry Association and tour operators before the Parliamentary Secretary announced initial funding for the project on 3 May 2006, at an event at the new location.

This new location, in an area of the park not previously accessible to the public, required significant additional roadworks (approximately 11 kilometres of new roads), and the project design was based on a potential doubling of visitor numbers in the decades ahead, the provision of a performance area, shade shelters, drinking water points, 1.8 kilometres of walking tracks and associated interpretive signage and toilet facilities with solar power and connection to the park’s water supply and sewage treatment facility.

(3) (a) Two

(b) As outlined above, the two options were the upgrading of the previously existing sunrise viewing area and the Talinguru Nyakunytjaku location.

(4) Cultural considerations were a key part of the choice of site. Protection of culturally significant areas is a key obligation under the park lease and under World Heritage listing. The traditional owners are keen to share their land with visitors and chose the final location for its sweeping and previously inaccessible views of Uluru, Kata Tjuta and the desert oak landscapes from the sand dunes. This location has been carefully placed so that visitors do not walk over culturally sensitive areas or view men’s or women’s private sensitive sites. The site has also been configured with a performance area, so there is potential for a range of cultural activities and for an Indigenous business enterprise to service visitors. The site also provides for viewing of Uluru at sunrise without the distraction of oncoming vehicle headlights, and with vehicle and bus parking behind the dune viewing area, so as not to detract from the undisturbed views of Uluru and Kata Tjuta. The site is designed to be used throughout the day.
Parliament House: Indoor Plants
(Question No. 2485)

Senator Ian Macdonald asked the President of the Senate, upon notice, on 27 November 2009:

(a) Will pot plant greenery in offices of senators be permanently removed; and
(b) Will such greenery remain in offices of Australian Labor Party Ministers.

The President—The answer to the honourable senator’s question is as follows:

(a) The contract for the provision of indoor plants in suites and private circulation areas of Parliament House expires in January 2010 and will not be renewed. Termination of the contract is one of the measures required to offset significant cost increases facing the Department of Parliamentary Services (DPS) this year and into the future. Senators and Members were advised of this measure on 30 November via Information Circular 2009/56.

(b) Indoor plants funded by DPS will also be removed from Ministers’ offices.

Operation Catalyst
(Question No. 2486)

Senator Johnston asked the Minister for Defence, upon notice, on 27 November 2009:

With reference to the national welcome home parade to mark the end of Operation CATALYST on 21 November 2009:

(1) (a) Who was invited to this function; and (b) when were the invitations issued.
(2) (a) What assistance was provided to those invited for the following arrangements: (i) travel, (ii) accommodation, and (iii) transport; and (b) what was the cost of these arrangements.
(3) (a) What hospitality arrangements were made for this event; and (b) what was the cost of these arrangements.
(4) Were separate hospitality arrangements made for Very Important People (VIP) invited to this event; if so: (a) who was on the VIP list; and (b) what was the cost of these separate arrangements.
(5) Was an Australian Defence Force helicopter used to provide transport for any of the invited guests; if so: (a) which guests were transported in the helicopter; (b) where did the helicopter pick up the guests; (c) to where were the guests transported; (d) who requested that this form of transport be provided for the selected guests; (e) who approved the use of the helicopter to provide this transport service; and (f) what was the cost of using the helicopter for providing this service.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) (a) The Governor-General, Prime Minister and other Ministers, Leader of the Opposition, opposition spokespersons, federal and local representatives and opposition members, High Commissioners, Ambassadors and Defence Attachés of the countries Australia participated with in Iraq, Iraqi military attendees at Australian defence establishments, senior Defence executives, previous Australian Defence Force commanders of Operation Catalyst, a previous Australian ambassador to Iraq, widows of service men killed on Operation CATALYST and current serving and retired veterans. (b) 8 October to 20 November 2009.
(2) (a) (i) Air travel was provided for the Army representatives from Darwin, Townsville and Brisbane. Coach travel was provided for the Army representatives and the Band of Royal Australian Navy from Sydney. (ii) Accommodation was provided for the Army representatives from Darwin,
Townsville and Brisbane. (iii) Transport was provided for Chief of the Defence Force, Chief of Navy, Chief of Army and Chief of Air Force. (b) Approximately $130,000.

(3) (a) Afternoon tea in the Western Courtyard of the Australian War Memorial. (b) $8,240.

(4) No.

(5) Yes. Two Navy Agusta A109E helicopters were used to transport Chief of Defence Force, Chief of Navy, Chief of Army and Chief of Air Force from the Kokoda Foundation retreat to and from Canberra. Given schedule constraints, a third helicopter (a Navy Eurocopter AS350BA Squirrel) was also utilised as a contingency backup and for the transport of aircrew to provide safety briefings and flying helmet fittings. (a) Transferred guests comprised the Chief of Defence Force (Air Chief Marshal Houston), Chief of Navy (Vice Admiral Crane), Chief of Army (Lieutenant General Gillespie) and Chief of Air Force (Air Marshal Binskin). (b) and (c) The helicopters picked up all four guests from Bowral, NSW, and transported them to Canberra, ACT. On completion of the parade all four guests were returned to Bowral. (d) and (e) This task was requested by the Office of the Chief of the Defence Force and approved by the Chief of Navy. (f) $22,300, $16,000 for the two A109E helicopters and $6,300 for the AS350BA.

Royal Australian Air Force

(Question No. 2487)

Senator Bob Brown asked the Minister for Defence, upon notice, on 1 December 2009:

Further to the answer to question on notice no. 2377 (Senate Hansard, 25 November 2009, p. 110P), concerning the contamination of Warrill Creek in Queensland:

(1) When will the investigation report, that was due to be submitted to the Queensland Department of Environment and Resource Management (DERM) on 30 November 2009, be publicly released.

(2) When was the water first tested by: (a) the department; and (b) DERM.

(3) What types of tertiary treatment are employed at the Amberley Sewage Treatment Plant.

(4) Why did the department not contribute to the cost of testing local residents for exposure to heavy metals from Warrill Creek when it was discovered that the contamination had occurred.

(5) Has the department received advice that exposure to contamination may lead to health effects that are not chronic or acute; if so, who provided the advice.

(6) If the contamination of the creek represents a low risk to the public then why is DERM recommending that people limit their contact with the water.

(7) (a) What has the department done to publicise the existence of a hotline for concerned residents; and (b) what information are they given when they call.

Senator Faulkner—The answer to the honourable senator’s question is as follows:

(1) The Defence Response to the DERM Environmental Operations Notice was submitted on 30 November 2009. DERM will now review the test results and response findings. It is anticipated that details of the results will be publicly released prior to a community meeting on 17 December 2009.

(2) (a) Annual water quality monitoring indicated there may be a problem with the pre-treatment of some industrial waste water sources prior to entering the sewerage treatment plant. As part of a follow-up survey, sampling of sediment and surface water occurred across RAAF Amberley and the results were presented to Defence at a risk workshop on 31 August 2009. Defence’s validation sampling and testing of water and sediment in the vicinity of Warrill Creek was undertaken 16-17 September 2009, after consultation with DERM. (b) DERM began water testing for this issue on 7 September 2009.
(3) The RAAF Base Amberley Sewage Treatment Plant is not a tertiary treatment facility. It is a secondary biological treatment system built in 1956, consisting of an inlet screen, primary settling tanks (Imhoff tanks), biological trickle filters, secondary clarifiers and a chlorine contact tank. A flocculent dosing system was added in 2007 in an effort to improve sedimentation rates in the primary settling tanks.

(4) Defence is not aware of any evidence linking the Warrill Creek contamination issue and human health concerns. At no stage has DERM or Queensland Health, the appropriate state regulators for human health issues, advised Defence that either the level of heavy metal contamination identified or the exposure risk in Warrill Creek posed an unacceptable human health risk to local residents.

(5) Defence has received no advice from DERM or Queensland Health that the exposure risk of any potential contamination may lead to health effects that are not chronic or acute.

(6) DERM would be best placed to answer this question. Defence believes DERM is adopting a precautionary approach until details of both DERM and Defence’s investigations are finalised, the extent of contamination identified, the risks assessed, and DERM is satisfied with the integrity of Defence’s STP and its output monitoring program.

(7) (a) RAAF Base Amberley has an established public consultation forum which meets every 3 months, called the Amberley Consultative Working Group. The hotline was advised at this forum on 13 September 2009. An update was given on this issue at the 2 December 2009 meeting. Local Members and Counsellors are invited and attend when available, and the meetings are open to any members of the public. (b) In line with Defence procedures for any incident response scenario, a hotline was established as a single receiving point, to monitor and record any public queries, and ensure queries are tracked and a consistent message given. The contact officer was issued with question and answer information consistent with defence media releases and responses. To date, the hotline has received no calls from the general public regarding this issue.