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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
Deputy Manager of Opposition Business in the Senate—Senator Mitchell Peter Fifield

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
Hon. Kevin Rudd, MP

Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion
Hon. Julia Gillard, MP

Treasurer
Hon. Wayne Swan MP

Minister for Immigration and Citizenship and Leader of the Government in the Senate
Senator Hon. Chris Evans

Minister for Defence and Vice President of the Executive Council
Senator Hon. John Faulkner

Minister for Trade
Hon. Simon Crean MP

Minister for Foreign Affairs and Deputy Leader of the House
Hon. Stephen Smith MP

Minister for Health and Ageing
Hon. Nicola Roxon MP

Minister for Families, Housing, Community Services and Indigenous Affairs
Hon. Jenny Macklin MP

Minister for Finance and Deregulation
Hon. Lindsay Tanner MP

Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House
Hon. Anthony Albanese MP

Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Senator Hon. Stephen Conroy

Minister for Innovation, Industry, Science and Research
Senator Hon. Kim Carr

Minister for Climate Change, Energy Efficiency and Water
Senator Hon. Penny Wong

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

Attorney-General
Hon. Robert McClelland MP

Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate
Senator Hon. Joe Ludwig

Minister for Agriculture, Fisheries and Forestry
Hon. Tony Burke MP

Minister for Resources and Energy and Minister for Tourism
Hon. Martin Ferguson AM, MP

Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services
Hon. Chris Bowen, MP

[The above ministers constitute the cabinet]
| 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 and Energy Efficiency | Hon. Greg Combet AM, MP |
| Minister for Employment Participation and Minister Assisting the Prime Minister for 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
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9.30 am and read prayers.

ADDRESS BY THE PRESIDENT OF THE REPUBLIC OF INDONESIA

The PRESIDENT (9.31 am)—I table a letter I have received from the Speaker of the House of Representatives regarding today’s address by President Yudhoyono. The Speaker has asked me to remind senators that we are attending the House of Representatives chamber as visitors and that House of Representatives standing order 257(c) requiring visiting senators to observe the Speaker’s instructions regarding good order has been extended to apply to the chamber generally.

Copies of an information circular setting out arrangements have been circulated in the chamber and are being distributed to all senators’ offices. I understand that was done by electronic means. I circulated it as soon as I got it.

AUSTRALIAN CENTRE FOR RENEWABLE ENERGY BILL 2009

Second Reading

Debate resumed from 26 November, on motion by Senator Stephens:

That this bill be now read a second time.

Senator MINCHIN (South Australia) (9.31 am)—The Australian Centre for Renewable Energy Bill 2009 is broadly supported by the coalition. It is a bill that will establish the board of the Australian Centre for Renewable Energy and the position of chief executive officer of what will become known, no doubt, as ACRE. It creates a central body that is aimed at supporting the existing research, development and demonstration of low-emission and renewable energy technologies to improve their competitiveness. We are treating this bill as non-controversial and administrative in nature and we view this approach to coordinating the various renewable energy programs as appropriate and sensible.

The bill contains a number of provisions that relate to the role of the board in advising the minister on the best ways to promote the development, commercialisation and use of emerging renewable technologies. The functions of the board are contained in the bill and include advising the minister on improving existing program delivery, priority areas for government support and the provision of venture capital funding. The board will comprise a chair, the CEO as an ex-officio member of the board, and up to six other members appointed by the minister. The bill requires that the minister ensures that the proposed appointees to the board have knowledge of, or experience in, a field relevant to the functions of the board.

ACRE will consolidate a number of renewable energy programs including the Renewable Energy Demonstration Program and the Geothermal Drilling Program. The government states that ACRE will ‘complement’ the CPRS and the expanded renewable energy target by streamlining the current fragmented administration of renewable energy programs and support. So, while we agree the centre will support the coordination of renewable energy programs, a worthy aim—and it gives me more confidence that these are to be overseen by the Resources and Energy portfolio rather than other, unmentionable, departments—we do not support the tying of this bill in any way to Labor’s now twice failed CPRS, just as we did not support Labor’s attempts to tie their RET legislation to the passage of the CPRS.

In the context of the work that the Centre for Renewable Energy will oversee, an issue of concern for the opposition is the comparatively low level of government support for
geothermal energy. While the government likes to talk up the great potential of this emerging energy source there is little evidence that it is prepared to provide the type of support the geothermal sector needs to realise that potential. The Minister for Resources and Energy, Martin Ferguson MP, had this to say on opening the geothermal project in my home state, on the Limestone Coast, last week:

Geothermal energy is particularly important because of its potential to supply base-load electricity to the Australian grid from a zero-carbon renewable source. In doing so, it meets our objectives to increase energy security by diversifying energy sources, reduce Australia’s greenhouse gas emissions and to supply 20 per cent of Australia’s electricity by 2020 from renewable sources.

I could not disagree with a word of that. The minister has also often repeated Geoscience Australia’s estimates, such as:

... that if we were able to extract just one per cent of Australia’s geothermal energy, it would be equivalent to 26,000 times Australia’s total annual energy consumption.

I think that appropriately demonstrates the potential of geothermal energy. But, considering that great potential and the minister’s preparedness to talk up geothermal, the relatively low level of funding support the government has thus far provided is perplexing.

Last year the government announced its $4.5 billion Clean Energy Initiative, yet just over $200 million of that funding has been allocated to assisting the geothermal sector. This has included just $50 million to support the all-important geothermal drilling projects and some $153 million to support the development of two geothermal energy plants. By comparison, $2.4 billion was allocated for carbon capture and storage and $1.5 billion for Solar Flagships. The industry advises that the major hurdle to getting geothermal projects off the ground is the all-important proof-of-concept stage. That first stage can cost in the order of $30 million to $40 million per well and, following the GFC, securing initial finance for geothermal drilling is proving extremely difficult. So the clear message to the government is: if it seriously believes in the potential of geothermal energy to provide clean baseload power, it simply has to provide greater levels of support. Without the emergence of major geothermal projects over the coming years the 20 per cent renewable energy target will not be reached.

The need for this government to direct more support towards geothermal is especially acute given Labor’s complete and utter refusal to countenance even a debate about nuclear power in Australia. Here we have the Labor Party proclaiming itself as ‘true believers’ in the theory of global warming and the need to curtail anthropogenic CO2 emissions, yet it is not taking seriously the only two current zero emission sources of baseload power, geothermal and nuclear. Its support for geothermal is relatively paltry and it will not even discuss nuclear power. From our perspective, Labor’s hypocrisy in this matter is truly breathtaking.

When in government, the coalition provided significant support for renewable energy with more than $1 billion of the coalition’s $3.5 billion climate change funding allocated to renewable energy initiatives, including through funding for solar hot water rebates, the Renewable Energy Development Initiative, the Photovoltaic Rebate Program, Solar Cities, the Low Emissions Technology Demonstration Fund and the $25 million to develop renewable energy technology through the Asia-Pacific Partnership on Clean Development and Climate. We established the world’s first mandatory renewable energy target, which stimulated some $3½ billion of investment in renewable energy technologies since its introduction in 2001.
Our climate action spokesman, Mr Greg Hunt MP, worked with the current government to improve the renewable energy target in 2009, including through a full decoupling of the RET from the proposed CPRS, securing appropriate protection for key energy-intensive trade-exposed industries such as aluminium, ensuring protection of existing investment and jobs in the coalmine waste methane power generation industry, providing scope for industries which may be affected by the RET such as food processing, to refer their treatment to the Productivity Commission and tightening of regulations relating to RET eligibility for heat pumps.

Despite the concessions won by the coalition in that matter, we argued then that the RET needed further amendment to ensure that all renewable energy sources could find their place in the renewable energy market. Regrettably, these warnings were ignored by the government and Labor’s mismanagement of the renewable energy target has resulted in market distortions which saw the price of renewable energy certificates collapsing from around $50 to around $30.

In what is now very clearly a short-sighted and cynical political move, the government chose to use renewable energy certificates as a way of offsetting its decision to abruptly end the coalition’s $8,000 solar panel rebate. That has been a major distortion to the market for the certificates. It helped undermine the value of the certificates, putting at risk major new investment in large-scale renewable energy projects, including wind farms. We are pleased that the government has responded to pressure from the coalition, the Greens and the renewable energy sector by proposing major changes to the RET in a bid to restore some balance to the scheme and to provide investment certainty.

For our part, we will closely examine the detail of the government’s proposal to break the RET into two parts—a small-scale renewable energy scheme and a large-scale renewable energy target. Following the debacle of the government’s insulation program, we will need to be satisfied that it has not simply cobbled together another quick fix which could result in further problems such as a significant spike in electricity bills for average Australians. The two-tiered system proposed by the government, from our perspective, has all the hallmarks of a catch-up exercise. It follows the announcement by the Leader of the Opposition, Tony Abbott MP, that a coalition government will create a band within the renewable energy target to be reserved for large energy renewable projects—the over-50-megawatt projects—or for emerging technologies such as solar fields, geothermal, or tidal and wave projects over 10 megawatts. Clearly, there is some comparison between what the government has proposed and what we had earlier flagged.

Also, as part of our direct action plan to tackle climate change, we announced that a coalition government would introduce a range of initiatives to boost renewable energy use in Australian homes and communities, taking advantage of our abundant natural resources, including through 125 mid-scale solar projects in schools and communities and 25 geothermal or tidal power ‘micro’ projects to be established at appropriate venues.

In conclusion, I confirm that the coalition will support this bill. We see the establishment of the Australian Centre for Renewable Energy as a sensible move to provide more cohesion, under the Department of Resources, Energy and Tourism, for a range of renewable energy programs. But in relation to renewable energy we strongly urge the government to work closely with the coalition to address the current problems with the renewable energy target so that the scheme is
sustainable and provides appropriate levels of incentives for investment in the full range of renewable energy sources.

Senator MILNE (Tasmania) (9.42 am)—I rise today to support the establishment of a board for the Australian Centre for Renewable Energy; but, as the chamber is aware, amendments have been circulated and I would draw people’s attention to those. I will discuss those in the course of my speech in the second reading debate on this bill, the Australian Centre for Renewable Energy Bill 2009. Renewable energy is something that the Greens are passionate about. It is very clear that we need to make a transformation to a low carbon and then zero carbon economy as quickly as possible. One of the main drivers for that will be not only reducing demand for energy through energy efficiency but also creating additional supply.

I am interested in the remarks from Senator Minchin with regard to the renewable energy target. I regret that all the problems that have subsequently occurred with the renewable energy target were flagged by me in this parliament when the legislation went through. I moved amendments to address them at the time, to move the certificates generated by solar hot water heat pumps and the multiplier on top of the target, but they were not supported by the coalition or the government. All of the problems that I fore-shadowed have occurred. Whilst I do support the government finally acting to improve the renewable energy target, I am concerned. I do not support a banding approach because it is essentially a restrictive approach. It will restrict the technologies, the large-scale new technologies, especially if they do not come on stream in time. It will restrict the whole process.

I would agree with Senator Minchin’s remarks in relation to geothermal. These large-scale new technologies which are more expensive than wind are not supported, and they will not be supported under the current regimes as far as I can see. I will be watching that very closely. I would urge the coalition to think again about supporting the Greens’ gross national feed-in tariff regime so that we can bring on some of these new technologies. They are more expensive than wind; I acknowledge that. But we are not going to bring them on unless we organise a regime that supports them and gives certainty to investors in those fields over a long period of time, and that certainty will come from a feed-in tariff because it is not going to be reliant on ad hoc government subsidies which can stop and start and be turned on and off like a tap.

I come to the issue of the board for the Australian Centre for Renewable Energy. The key issue is that there is a bias and a hostility across the energy sector to renewable energy, particularly intermittent supply. There is hostility and has been for a long time. When you get together people who have been involved in the traditional energy sector, they will all stand up and go on and on saying: ‘You have to have coal. You have to have nuclear as baseload supply.’ They have no notional view about distributed energy, about intelligent grids or about managing a whole range of renewables. When I
Think about what is going on in Europe at the moment with the establishment of a renewable energy grid across nine countries. I just think it is light years ahead of where we are here in Australia. We are not going to get that kind of forward thinking unless we get people who are supportive of renewable energy on the board of the Australian Centre for Renewable Energy.

We are not going to get that unless that board is independent of the government. The minister, Martin Ferguson, does not believe in renewable energy. It is very clear that the remarks he makes are gestures in the field. There is no commitment from the government or from the minister. In fact, he is far more enthusiastic about the expansion of Olympic Dam and the uranium mining there. He is far more excited about liquefying coal as a transport fuel, and carbon capture and storage, which everybody knows is a pipe dream. He is much more enthusiastic about those than he has ever been about renewable energy, and that is reflected in the amount of money that is spent by this government in carbon capture and storage, and supporting oil and gas exploration, the old forms of energy, rather than looking at systemic whole-of-government coordinated approaches to the rollout of energy efficiency and renewables.

It is not well known in the Australian community that there is currently an interim board for the Australian Centre for Renewable Energy. Why am I concerned? I will tell you why: because of the current make-up of this interim board, because as I understand it the interim board is going to be the board once this legislation is passed. I would like Minister Carr, in responding, to confirm whether or not it is the case that the current interim board will become the permanent board. Or, what will be the process for selection? The interim board currently consists of Graeme Hunt, who is the chair. He is a minerals and energy consultant and he formerly headed up BHP-Billiton’s operations in South Australia and was in charge of the expansion of Olympic Dam. Isn’t that great! We have someone who is a competitor to renewable energy—that is, the uranium sector, the whole nuclear sector—on the interim board of the Australian Centre for Renewable Energy. Why would I have any confidence at all that we would have a board enthusiastic about going to distributed systems, about managing intermittent supply and so on, when we have someone there at the moment who was in charge of the expansion of Olympic Dam?

Then we go to a few of the others on the board. Let me talk about Ms Emma Stein, who is on that interim board. She works as a non-executive board director, mainly in the energy, oil and gas utilities and infrastructure sector. So she is a traditional energy person. I have absolutely no doubt that she has very fine skills in that regard. But this is a board overseeing renewable energy. What expertise does she have in that particular field? There is Mr Errol Talbot, as well. Let me talk about Mr John Ryan for a moment. He is currently a member of the Carbon Capture and Storage Flagships Program investment assessment panel as well as being a member of the Renewable Energy Development Program fund committee. But he received his Public Service Medal for his work on the Prime Minister’s task force into the development of uranium mining and nuclear energy in Australia—another one from the nuclear sector on the interim board for the Australian Centre for Renewable Energy.

There are others, of course. I would have to acknowledge Dr John Wright, who is on the interim board. He has got expertise in this field. According to several of his recent speeches he at least has some expertise in the matter. I look at Professor Mary O’Kane. Again, she has laudable skills. She is a former Vice-Chancellor at the University of
Adelaide and so on. She has been a board director. I absolutely do not question her skills in that regard, but I do in terms of her expertise on renewable energy.

Why do I say that is so important for people on the board of the Australian Centre for Renewable Energy? Because they are charged to oversee the Renewable Energy Demonstration Program, which looks at the technical and economic viability of renewable energy technologies for power generation through large-scale installations, support for the development of a range of renewable energy technologies for power generation, enhancement of Australia’s international leadership in renewable energy technology for power generation and attraction of private sector investment in renewable energy power generation. These are the people who are going to make decisions about applications for the money that is being distributed under this scheme. People who have no expertise in these technologies are going to be put in charge of overseeing the disbursement of funds for those project applications. That is unacceptable. It is why we have had failure after failure across the renewable energy sector in getting projects up. Consistently, the people who are appointed to government boards by governments effectively do not have expertise in the technologies they are set to oversee or, worse still, are actually hostile to or competitors of those technologies.

Why do I say that? Let me get to some of the other boards we have had in recent times, such as that of the Solar Flagships program. Martin Ferguson, the Minister for Resources and Energy, announced the seven-member Solar Flagships Council to assess the Solar Flagships program in February 2010. Dr Jenny Purdie, who joined Rio Tinto Alcan, is the General Manager of its business improvement technology for the Pacific. She is the Smelter Operations Manager at Comalco. There is also Kathy Hirschfeld, who is Managing Director and Refinery Manager of BP’s Bulwer Island refinery, and so on. And there are people like Mark Twidell who have expertise in the solar industry and Antony Cohen, who is the Chief Financial Officer of Better Place, which has a distributed notional view on transport but has nothing to do with large-scale solar power—but at least it is in the fields of understanding innovation in the sector. The rest are traditional energy people, including Mike Vertigan, who oversaw Basslink.

I do not dispute that these people have expertise in energy, but we are talking about the development of a new field. We are talking about investment in Australia and a vision for renewable energy, for distributed energy. We are talking about a vision for large-scale renewables, which will require intelligent grids to link up intermittent supply. These people have no expertise in that field, and they are the ones who are going to be making the decisions over Solar Flagships. Exactly the same thing happened with the energy white paper. You would think that if an energy white paper was under development it might include expertise in renewables if the future is in a low carbon or zero carbon economy. But, when I go to the committee looking at developing the white paper, who do I find on it? Representatives from Shell, BHP’s uranium division, Santos, Woodside, Rio Tinto, Origin, AGL, Xstrata, the Energy Supply Association of Australia and the Australian Petroleum Production and Exploration Association. Of the non-fossil-fuel representatives, there are the Australian Energy Market Operator; the Chair and Deputy Secretary of the Department of Resources, Energy and Tourism, Drew Clarke; the Secretary of the Victorian Department of Primary Industries; the PM’s National Security Adviser; and the CSIRO’s CEO, Megan Clark.
The point I make here is: where, apart from government appointees—people directly under government control in ministerial offices of an energy market operator—are the experts in the field of renewables, particularly large-scale renewables and new technologies? Where are they in the development of the white paper? People afterwards will ask, ‘What is the rationale for decisions that are being made under an energy white paper? What is the rationale for decisions about where the money is going to be disbursed under the Solar Flagships program?’ People equally are going to ask, ‘What is the rationale for the disbursement of funds under the programs that this Australian Centre for Renewable Energy is going to oversee?’ That is my point and that is why I, on behalf of the Greens, am moving two amendments, one of which says that the advice that the board provides to the minister must be tabled in the parliament so that we get to see what this board is recommending to the minister. That is fair given that this board is supposedly independent. The explanatory memorandum says that this board will be independent. If it is independent, what is it doing having the secretary of the department appoint the CEO, having the minister then appoint the members of the board and having the board served by staff who will be employees of the Department of Resources, Energy and Tourism?

Here we have a supposedly independent body under the Minister for Resources and Energy with a CEO who is an ex-officio member and up to six other members who are appointed by the minister based on their knowledge or experience in fields relevant to the ACRE board functions. Please, let us have some people on the board who have skills relevant to this field; otherwise, we will have the mess we have had across the sectors, with the industry asking, ‘Why weren’t we consulted? Why doesn’t the government actually understand what the industry needs?’ This has been a problem with the Solar Flagships program throughout. ‘When is the department going to talk to us? When are people going to listen?’ The same has happened with the renewable energy target. Industry has been saying from the start that these problems would occur, and the government would not listen, and now they are expecting the Australian people to believe that a minister with a track record of totally and absolutely slavishly adhering to and promoting a fossil fuel economy is going to appoint to this board people who are genuinely expert in the field when we have an interim board made up of people who do not have expertise in the field and in some cases have expertise in a competitive field or are hostile to the technologies they are meant to be overseeing. You could almost say that it was designed to fail.

That is why the Greens will be proposing a second amendment. The first will provide that the advice of the board be tabled so that people know what the board is advising the minister and then what the minister does will be transparent—it will be apparent if the advice of the board is changed or ignored. At least we will know what advice the board has given and the rationale for it.

The second thing the Greens are suggesting is that it is completely inappropriate for this to be described as an independent board when we have the secretary of the department appointing the CEO from the department and the minister appointing the board. That is not independent. We want this to be a statutory authority; we want it to be independent. We say that, as is the case now, if you have a statutory authority the appointment of the CEO should be made by the Governor-General on the recommendation of the minister. At least there would be a genuine separation of powers going on. All we have here is Martin Ferguson and the gov-
ernment establishing very clear lines of contacts through the CEO and the appointment of the board to make sure that the pet projects of those board members and/or the government get up. There will be no independence and no capacity to scrutinise what is happening on that board.

This is a very serious issue because it is a crucial point in the development of renewable energy in Australia. I will be very disappointed if the coalition does not support these amendments, because they are designed for transparency. They are designed to make sure that we have an independent authority, as the government says it is supposed to be. It is also important that the people involved in the development of new technologies—those involved in putting in project applications for government funding—have some assurance that the people who are overseeing the process actually (a) are interested in the technology, (b) are not hostile to it and (c) may even have some expertise in the field over which they are making decisions about disbursement of funds. How absolutely disheartening for people with expertise, innovation and exciting ideas to put their projects forward and be judged by somebody with no expertise in the field and, furthermore, an interest in nuclear or old fossil fuel style technology who is determined that the new field will not work. I urge the Senate to support the amendments that I will be moving.

Senator WORTLEY (South Australia) (10.02 am)—I rise to offer some brief remarks on the Australian Centre for Renewable Energy Bill 2009. It is becoming increasingly clear that a combination of technologies is required to ensure Australia’s energy security, and that is what the bill before us today aims to achieve. The partnering of renewable energy with clean coal and gas technologies is a key to reducing our greenhouse gas emissions. This strategy has clear added benefits for the national electricity market, industry development and community access.

On the issue of human induced climate change, those opposite agree it exists when convenient but deny its ramifications when politically expedient. They would have us believe that the scientific consensus is wrong. Indeed, Senator Minchin has linked climate change to some sort of sinister plot. On Four Corners recently he said that climate change:

For the extreme left … provides the opportunity to do what they’ve always wanted to do, to sort of de-industrialise the western world. You know the collapse of communism was a disaster for the left … and really they embraced environmentalism as their new religion.

This attitude is an attempt to hoodwink the electorate—to incite fear by pressing the old fear button. But I put it to you that the electorate knows better. The fostering and promotion of renewable energy strategies will not de-industrialise the Western world. The Rudd government intends to enable the harnessing of solar, wind and geothermal energy, of which we clearly have in abundance, for the benefit of the environment, the economy and the community. It is that simple.

In my own state of South Australia, we know that renewable energy is the way forward. We have proactively fostered working initiatives such as hot fractured rock geothermal exploration, solar energy in schools and other public buildings, including Parliament House, wind technology, tree planting, the plastic bag ban, feed-in tariff mechanisms and a highly successful refund-of-deposit plan for plastic bottles and aluminium cans.

The South Australian government’s geothermal regulatory and approvals framework, pursuant to the Petroleum and Geothermal Energy Act, proclaimed in 2000, has been
extraordinary in its outcomes to date. South Australia has attracted more than 58 per cent of geothermal investment in Australia for the period 2002 to 2013. Because these projects cover diverse geological provinces, testing is occurring over a range of potential sources of energy. Major petroleum exploration and production companies are involved, and the share market shows strong support. The implications are clear. This technology will enable us to reduce emissions, better adapt to the changing climate and deal with the changes that the future will undoubtedly bring in terms of carbon constrained economic settings.

On a more local level, our fiercely hot and dry environment has seen a revival of the backyard rainwater tanks so much a feature of South Australian homes in the past. Many feed into laundries and bathrooms, conserving precious drinking water; some serve the water needs of whole households. Meanwhile, greywater keeps gardens green.

All these initiatives and projects, from major corporate and government investment in geothermal exploration in the Cooper Basin and elsewhere to the commitment of individual householders to water conservation and reuse, help to husband our resources and maintain our increasingly fragile environment. The rationale for these initiatives, big and small, is as clear as it is urgent. Renewable energies are far from the margins of power generation technologies, as Professor Ian Lowe AO, Emeritus Professor of Science, Technology and Society at Griffith University in Brisbane and adjunct professor at Adelaide’s own Flinders University and the Sunshine Coast has noted. According to Professor Lowe, three-quarters of Iceland’s, half of Norway’s and a quarter of the installed energy capacity of California are powered by renewable energy. Worldwide, related industries employ almost two million people, while grid-connected solar energy is growing by 60 per cent every year. Just imagine the impact on employment potentials in our cities and more particularly in our regions, not to mention more competitive prices for cleaner power in those cities and regional areas.

As we speak, America and Spain are developing solar thermal power plants to generate electricity. Japan and Germany, which also invests in significant wind energy technology, have made great strides with solar technology, too. In Israel, solar hot water is mandatory. In Denmark, which is smaller than Tasmania, 5,000 wind turbines have been erected. Australia, the hottest and the driest continent on earth, with its astonishing scope of solar, wind, water and geothermal resources, has been left behind. In Australia, only eight per cent of electricity is presently sourced from renewable energy—less than the 10 per cent so sourced in 1997—due to the manifest indifference of the Howard government and the interests it represented. But while those opposite flail around, take the course of greatest expediency and bicker among themselves about the existence of human-induced climate change, we in South Australia are right behind the federal Labor government in its determination to get on with the job right across the country. The benefits are evident, and it is the generations to come who will reap those benefits if we act now.

The establishment of the Australian Centre for Renewable Energy, known as ACRE, is a crucial element in achieving our aim. As my colleague Senator Stephens said in this place late last year:

It is clear that there needs to be a more coordinated focus on renewable energy technology support. That is why the Government is establishing ACRE.

She went on to say that its:
... objectives will be to promote the development, commercialisation and deployment of renewable energy and enabling technologies and to improve their competitiveness.

With these objectives in mind, I now turn specifically to the Australian Centre for Renewable Energy Bill 2009. The bill defines renewable energy technologies as ‘technologies where the energy is generated from natural resources and which can be constantly replenished.’ Renewable energy technologies include ‘enabling technologies’. Which are ‘those technologies that enable renewable energy technologies to function more effectively within an electricity grid.’

The bill establishes the board of ACRE and the position of its chief executive officer. The board will comprise a range of experts in research, intellectual property, venture capital, science and engineering, commercialisation and other areas whose tasks will be to advise the government about how to support key energy and enabling technologies right down the innovation continuum.

The board’s functions will also include devising and implementing strategies to promote and fund renewable energy technologies; the funding of selected projects and measures; the improvement of current program delivery and the management of new programs; venture capital funding; the targeting of priority areas for government support; and other functions as the minister directs in writing. Not only will the board assess projects and measures referred to it by the government for consideration it will also foster existing links with state and territory government agencies and the private sector and establish fresh links with these with the intention of devising new ways to stimulate investment in the area. A statutory advisory board, ACRE will provide independent advice and adhere to the standards of probity, ethics and governance which are so much a hallmark of the Rudd Labor government.

As I have said, the bill establishes the position of ACRE’s chief executive officer. This position will recruit the leadership team for the organisation. The chief executive officer will be a senior executive officer of the Department of Resources and Energy. The bill also covers matters including ACRE’s constitution, the appointment of board members, remuneration, declarations of conflict of interest, the term and termination of appointments and so forth as well as voting, the conduct of meetings and related matters. The attributes, structures and functions of the board will be capable of amendment or abolition only by the parliament, and ACRE will report annually to the minister.

In closing, I stress that is the Rudd Labor government that has demonstrated the vision our country needs right now to take advantage of our unparalleled renewable natural resources; the Rudd government that has established the $4.5 billion Clean Energy Initiative; the Rudd government that has enacted the renewable energy target legislation; and the Rudd government that will establish ACRE and through that body lead a more effective application of policy and foster the development of innovative renewable energy, with its enabling technologies, for the benefit of the environment, the economy and the community. For the future wellbeing of all Australians, I commend the bill and wish the Australian Centre for Renewable Energy every success.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.14 am)—I would like to thank all senators who have contributed to the discussion on the Australian Centre for Renewable Energy Bill 2009, which establishes the Australian Centre for Renewable Energy as a key national body responsible for the delivery of renewable energy technology support. I acknowledge the bipartisan approach that the coalition has taken in respect of this bill.
However, I would like to respond to Senator Minchin’s comments with regard to government support for the geothermal industry. I am advised that this government has provided the geothermal industry with direct support in excess of $200 million to accelerate the development and deployment in Australia of geothermal technologies. This funding contributes to a total investment in the sector of now in excess of $720 million. The support has been provided in a manner to give the industry the opportunity to prove its technological viability on a commercial scale. I believe this to be a major contribution to the diversity of energy supplies in this country.

As for Senator Milne’s comments in regard to the approach that the government is taking on the establishment of this new national body, I indicate it is a disappointment to the government that Senator Milne chose to delay the passage of this bill by refusing to grant non-controversial status to the legislation last year. It is a disappointment to the government that the Greens take a position of seeking to block government legislation that would actually improve the capacity of this country to deal with environmental challenges. We have seen that in regard to the CPRS legislation, where effectively the Greens have voted with the coalition to block that legislation. It is a disappointment to me that, in regard to these particular measures before us, the Greens are seeking to argue a tendentious political point, on the one hand saying they support renewable energy deployment while on the other seeking to place obstacles in the way of the government as it tries to see that that actually happens. I would like to deal with the specifics of Senator Milne’s amendments in the committee stage of the bill. I indicate to the Senate that the government will not be supporting those amendments. I understand that Senator Milne will be seeking to move them together to allow us to debate them in a cognate manner. I commend the bill to the chamber.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator MILNE (Tasmania) (10.18 am)—by leave—I move Australian Greens amendments (1) and (2) on sheet 6057:

(1) Clause 5, page 3 (after line 30), after sub-clause (1), insert:

(1A) On receiving any advice provided by the Board under subsection (1), the Minister must cause a copy of the advice to be laid before each House of the Parliament within 5 sitting days of that House after the day on which the Minister receives the advice.

(2) Clauses 26 and 27, page 14 (lines 4 to 18), omit the clauses, substitute:

26 Chief Executive Officer

(1) There is to be a Chief Executive Officer of the Australian Centre for Renewable Energy.

(2) The Chief Executive Officer is to be appointed on a full-time basis.

(3) The Chief Executive Officer is to be appointed by the Governor-General by written instrument.

(4) The Chief Executive Officer is appointed for the period specified in his or her instrument of appointment. The period must not exceed 4 years.

Note: For re-appointment, see subsection 33(4A) of the Acts Interpretation Act 1901.

26A Duties

(1) The Chief Executive Officer is responsible for the day-to-day administration and management of the Australian Centre for Renewable Energy and the control of its operations.

(2) The Chief Executive Officer is to act in accordance with any policies deter-
minded, and any directions given, by the Board in writing.

(3) The Chief Executive Officer has such other duties (if any) not covered by this Act that are determined by the Governor-General.

26B Delegation

The Chief Executive Officer may, in writing, delegate to a member of the staff of the Australian Centre for Renewable Energy all or any of the duties or powers of the Chief Executive Officer, unless the regulations otherwise provide.

26C Outside employment

The Chief Executive Officer must not engage in paid employment outside the duties of the Chief Executive Officer’s office without the Minister’s approval.

26D Remuneration and allowances

(1) The Chief Executive Officer is to be paid the remuneration that is determined by the Remuneration Tribunal. If no determination of that remuneration by the Tribunal is in operation, the Chief Executive Officer is to be paid the remuneration that is prescribed in the regulations.

(2) The Chief Executive Officer is to be paid the allowances that are prescribed in the regulations.

(3) This section has effect subject to the Remuneration Tribunal Act 1973.

26E Leave of absence

(1) The Chief Executive Officer has the recreation leave entitlements that are determined by the Remuneration Tribunal.

(2) The Minister may grant the Chief Executive Officer leave of absence, other than recreation leave, on the terms and conditions as to remuneration or otherwise that the Minister determines.

26F Resignation

(1) The Chief Executive Officer may resign his or her appointment by giving the Governor-General a written resignation.

(2) The resignation takes effect on the day it is received by the Governor-General or, if a later day is specified in the resignation, on that later day.

26G Termination of appointment

(1) The Governor-General may terminate the appointment of the Chief Executive Officer for misbehaviour or physical or mental incapacity.

(2) The Governor-General may terminate the appointment of the Chief Executive Officer if:

(a) the Chief Executive Officer:
   (i) becomes bankrupt; or
   (ii) applies to take the benefit of any law for the relief of bankrupt or insolvent debtors; or
   (iii) compounds with his or her creditors; or
   (iv) makes an assignment of his or her remuneration for the benefit of his or her creditors; or
(b) the Minister is satisfied that the performance of the Chief Executive Officer has been unsatisfactory; or
(c) the Chief Executive Officer is absent, except on leave of absence, for 14 consecutive days or for 28 days in any 12 consecutive months; or
(d) the Chief Executive Officer engages, except with the Minister’s approval, in paid employment outside the duties of his or her office; or
(e) the Chief Executive Officer fails, without reasonable excuse, to comply with section 13 or 14.

26H Other terms and conditions

The Chief Executive Officer holds office on the terms and conditions (if any) in relation to matters not covered by this Act that are determined by the Governor-General.
261 Acting Chief Executive Officer

Acting Chief Executive Officer

(1) The Minister may appoint a person to act as the Chief Executive Officer:

(a) during a vacancy in the office of Chief Executive Officer, whether or not an appointment has previously been made to the office; or

(b) during any period, or during all periods, when the Chief Executive Officer:

(i) is absent from duty or Australia; or

(ii) is, for any reason, unable to perform the duties of the office.

Validation

(2) Anything done by or in relation to a person purporting to act under an appointment is not invalid merely because:

(a) the occasion for the appointment had not arisen; or

(b) there was a defect or irregularity in connection with the appointment; or

(c) the appointment had ceased to have effect; or

(d) the occasion to act had not arisen or had ceased.

Note: See section 33A of the Acts Interpretation Act 1901.

27 Staff

(1) The staff of the Australian Centre for Renewable Energy must be persons engaged under the Public Service Act 1999.

(2) For the purposes of the Public Service Act 1999:

(a) the Chief Executive and the staff of the Australian Centre for Renewable Energy together constitute a Statutory Agency; and

(b) the Chief Executive is the Head of that Statutory Agency.

Note: The Chief Executive may also engage consultants or other persons on behalf of the Commonwealth for the benefit of the Board (see section 44 of the Financial Management and Accountability Act 1997 as it applies in relation to the Australian Centre for Renewable Energy as an Agency).

Before I begin discussing the two amendments which I have moved to the Australian Centre for Renewable Energy Bill 2009, I will reply to Senator Carr. In no way did the Greens hold up consideration of this legislation. What we said was that we did not want it to be just waved through as non-controversial legislation when we had amendments that we wanted to discuss. The government could have put this on the Notice Paper at any time in the sittings last year, but it did not do so. You could hardly suggest that the Greens stopped the government putting this on the Notice Paper or bringing it on last year, as the government chose not to do so, so let us dismiss that immediately. It is true it was taken out of 'non-controversial' but that is the only thing that occurred and the government could have brought it on and discussed it at any time, so let us not have any nonsense about that.

It is the right of every senator in this place to have a matter that needs to be looked at debated. Given the mess that the government made of the renewable energy target, the mess that they made of the insulation scheme, the mess that they made of green loans and the mess that they made of just about every single one of the renewable energy and energy efficiency initiatives, the Greens, or any opposition member for that matter, would be derelict in their duty if they did not heavily scrutinise what the government want waved through as non-controversial. I note Senator Carr did not respond to my very specific question about whether the interim board would be the
board after this legislation has been passed. I do want an answer to that before we deal with these particular amendments.

As I indicated earlier, the first thing that my amendments do is say:

... On receiving any advice provided by the Board under subsection (1), the Minister must cause a copy of the advice to be laid before each House of the Parliament within 5 sitting days of that House after the day on which the Minister receives the advice.

That is purely and simply a transparency measure, saying that this is a supposedly independent board. Given the way it is set up, it is not. You could hardly say it is independent given that the bill provides, in the establishment of the ACRE, that the CEO will be an employee of the Department of Resources, Energy and Tourism under the direct direction of the minister. That is hardly what you would call an independent CEO position. We are saying that we want to see the advice that is given to the minister and the rationale for that advice—so allowing the parliament to scrutinise the government’s decision to see if it is in line with the advice or contrary to the advice and how it has been nuanced or whatever. That is a pure transparency measure. I indicate that I would have moved these amendments separately if I had been able to secure opposition support for either of them. Now that Senator Minchin is in the chamber, I would put again to Senator Minchin that, if it were the opposition’s intent to support the transparency measure at least and not the CEO part of the measures, then I would be quite happy to go back and move them separately so that that could occur. Senator Minchin, I would appreciate your remarks on that before we end this particular process. So that is the first thing.

The second thing is in terms of the chief executive officer. As it currently stands, even though the government says the board will be an independent body under the Minister for Resources and Energy, we know that the CEO is going to be an employee of the department, recommended by the secretary, and the minister will appoint the board. The advice from the board will go to the government in secret and the government will announce its decision. So I hardly think that is independent or transparent and it certainly would give no confidence to anyone in the renewable energy sector that they would ever get to the bottom of how decisions were made and the rationale for why they were made. We believe it is essential that the CEO has independence. That is why we have moved and set down that the chief executive officer be appointed by the Governor-General by written instrument, that the appointment be for a period specified not exceeding four years, that the CEO be responsible for the day-to-day administration and management of the centre, that the CEO not act in accordance with any policies determined or directions given by the board in writing, and the CEO have such other duties not covered by this act that are determined by the Governor-General. Then there are the delegation powers, remuneration, termination of appointment, acting and so on and so forth.

It is very clear that the CEO is to act in accordance with any policies determined and any directions given by the board in writing. If you had an independent board and a CEO who is appointed independently and who takes directions from the board, then you would not get the politicisation and the pork-barrelling that is able to occur in the way the government has set this up.

You might say, ‘Why are the Greens so suspicious?’ It is for the very reasons I set out in my speech on the second reading. The interim board gives me no confidence whatsoever that the people who have been appointed to it have sufficient expertise to make judgments about new renewable en-
ergy technologies—and a new concept for the delivery of energy in Australia, delivery of energy in a renewable energy context, in a distributed context, in an intermittent context and in the context of working with Infrastructure Australia to look at intelligent grids. This new field of renewable energy is really exciting and I am heartily disappointed when I look at a list that shows me there is Graham Hunt, Professor Mary O’Kane, John Ryan, Emma Stein, Errol Talbot, Dr John Wright and Drew Clarke. Out of that list there is really only Dr John Wright who has shown any real enthusiasm for renewable energy anywhere in the past.

As I was about to say at the end of my speech on the second reading, if I were one of the renewable energy technologies looking to apply for the $300 million under the scheme that it will be overseeing, I would not have the confidence that I was going to get the sort of hearing or consideration I would want under the Renewable Energy Demonstration Program. That is $300 million worth of funding and, as Senator Wortley read out, the duties of the board are to make decisions and recommendations about this.

I would like to hear specifically from the minister what processes, if the interim board is not to be the board, will be gone through to make sure that we get some leaders from the sector who have real expertise or from educational institutions and whatever who have real insight into the future. I note that Sarah Clough is the Acting CEO of ACRE and that she is currently a branch head in the Department of Resources and Energy and Tourism. This is consistent with the requirements under the government’s legislation that the person who is to be the CEO is to be a member of the department.

It is a critical issue of credibility. The community has every right, as indeed the Greens do, to question the board membership. There is a whole new renewable energy grid in northern Europe. Look across to the US administration and the appointment of people like Steven Chu. The minute President Obama appointed him there was confidence in the energy efficiency sector that there was someone who actually ‘got it’, who understood energy efficiency, who had worked in it, who knew exactly what needed to be done. There was a huge surge in confidence in the sector.

I do not have confidence in this interim board to deliver innovation and excitement for renewable energy. What is more, I am worried that there will be open hostility and competition, because how can you have a person who has been responsible for promoting nuclear energy and another person who got the Prime Minister’s medal for nuclear energy turning around and promoting renewable energy which is in direct competition with nuclear energy? That is the reality here. That is why I want the minister to confirm that the interim board is not to be the board and to indicate to the Senate how they are going to go about finding the right people for the board. I would like to hear an explanation as to what is wrong with requiring the board’s advice to be tabled so that we have transparency. Indeed, if it is supposed to be an independent board, why can we not have an independent CEO of this board?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.28 am)—Can I seek to address some of the matters that Senator Milne has raised. She has asked me to deal specifically with the question of whether the board was appointed on an interim basis or whether it will be the final board. The answer to that is that the interim board is the interim board and there will be a final board. The interim board will not be rolled over as the final board. The interim board includes a range of people of
high standing. I do not work on the assumption that people are not of high standing simply because they work for an industry that you do not like.

Senator Milne—Madam Temporary Chairman, I rise on a point of order. At no stage have I said that these people are not of high standing. What I said is that they are not experts in the field.

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

Senator Milne—I ask the minister to withdraw the implication that I have in some way besmirched these people in terms of being people of high standing, because I have not.

The TEMPORARY CHAIRMAN—There is no point of order.

Senator CARR—Senator Milne, I have a fundamentally different approach to these matters than you do. If my language was at times not to your liking, you ought to perhaps wait a little longer and I will give you something to complain about.

The assumption that a minister would make appointments to an interim board on the basis that they are going to cook the result I think is in itself offensive. It is offensive to Minister Martin Ferguson and it is offensive to this government to suggest that the government and a minister in this government would set up an interim board in such a way and, as you said, with a view to having a particular branch of the renewable energy sector excluded—’set up to fail’ I think were the words you used. What a ridiculous proposition. If you look at the names of the people on the interim board, a reasonable person would immediately see that the minister has sought to ensure that there are a range of skills available and that the government has access to the best advice that it can to ensure the success of this venture—not for it to fail.

These amendments really go to the proposition that you want to establish a statutory authority. There are a range of views about the relative merits of any particular government’s model. The opportunity to get to know officers in the period of office I have been able to enjoy has shown me that there are a wide range of views to meet different circumstances. I do not think any particular model is inherently superior to another, but to suggest that the statutory model is in itself inherently better than any of the other models that have been proposed is equally wrong.

In my direct experience in the portfolio of Innovation I have worked with statutory authorities like the long-established CSIRO. It has an independent culture, as you would put it, but it has a mode of working that is different from other bodies in the Department of Innovation, Industry, Science and Research, such as IP Australia, which is one of the foundation institutions of this federation and has always been part of the Australian Public Service. AusIndustry, which is part of the Australian Public Service, is seen by industry to be a body that delivers services in a highly competent and expert manner. It has the confidence of industry, but of course it is not a statutory authority.

What we are talking about here is the suggestion that somehow or other Australian public servants cannot be independent. That is the allegation that is being made. I find that an offensive remark as well. The Australian Public Service is made up of extremely competent, professional nation builders. They do not get everything right, but in my experience they are highly competent people who provide high-quality advice to government on most occasions. They are professional in their approach.
So what this amounts to here is the different values that you have towards public administration. In my experience trust is critical. I know officers in statutory authorities who have made mistakes, have provided ill-judged advice and have made errors, just as I know that in the Australian Public Service that happens. In our system of government ultimate responsibility for that comes back to the minister. It is the government that has to take ultimate responsibility for the action of officers, whether they be within the Public Service proper or employees of a statutory authority.

When it comes to the appointment of members of the board, the legislation we are considering here states:

…

(b) to the extent possible—that the members of the Board have, between them, experience in the following areas:

(i) finance, economics, law and project management;
(ii) the energy industry and energy markets;
(iii) technical development, science or engineering;
(iv) administration and program management.

Furthermore, the legislation states that, where the minister gives a direction to the board:

The Board must include in the report—that is, their annual report to parliament—details of any written directions given to it by the Minister under subsection 6(1) during the year.

Furthermore, the caveat on the directions in black and white in the legislation are:

(3) The Minister must not give directions about the content of any advice that may be given by the Board.

So there are a whole series of checks and balances in the legislation to preserve the integrity of the advice tendered to the minister by the board. That is the issue here.

If you presume that ‘independence’ means ‘separation from’ then I think, Senator, you are mistaken. If you take ‘independence’ to mean ‘integrity and professional competence’ then we are on common ground. That is my experience of the Australian Public Service. If you think that I cannot have a discussion with a senior officer and it not be based on a disagreement then you are mistaken. In fact, the whole point of it is that officers have to have the confidence and the trust to put different points of view. That is what the old expression ‘frank and fearless advice’ means. You cannot do that if the discussion has to be conducted through the pages of a newspaper. For the same reason, Senator Milne, you do not publish the internal workings of your political party, on occasions when there are differences that need to be discussed in a proper manner every word that is uttered ought not be published. In fact, that would inhibit the free flow of ideas and the proper assessment of options.

So what we have here is a proposition which the government is seeking to establish—and I understand it is supported by the opposition—whereby there are built-in safeguards, built-in protections to ensure the integrity of the advice. A statutory authority model, as proposed by Senator Milne, does have certain quite explicit disadvantage—namely, around cost—and it is not necessarily superior to the model that is proposed that this be an agency within the Department of Resources, Energy and Tourism. This model has the great advantage of allowing a much freer flow of ideas across the portfolio. What tends to happen with statutory authorities is that the level of communication throughout the portfolio is restricted. We are arguing that this is the best balance of accountability, integrity and cost-effectiveness. It means that we will be able to have access to advice in
the most professional manner and it will ensure that the government is able to administer projects to advance the cause of the development of renewable energy in a much more effective and timely manner.

Senator MINCHIN (South Australia) (10.39 am)—I indicate to the Senate that the opposition will not be supporting the Greens amendments, but I do defend the right and prerogative of the Greens to move these amendments. I think that it is a little rich of Senator Carr to criticise the Greens for allegedly delaying this Australian Centre for Renewable Energy Bill 2009 by acting in a fashion that meant it could not be dealt with as a noncontroversial bill. I think that is a bit rich. Senator Milne properly said that if the government were so anxious about the passage of this bill it could certainly have listed it for debate much earlier than it has. I think that it is the right of every party or any Independent in the Senate to bring forward amendments which enable debate of bills, and I think that Senator Milne is quite right to say, in the light of some of the mismanagement of government programs, that it is important that all of these new initiatives are tested on the floor of the parliament. So we certainly defend their right to bring these amendments to our attention and make us all think about the structure of the bill and the body that is being established in this case.

Nevertheless, it is the opposition’s considered view that the bill should stand as printed. In relation to the amendments the Greens have moved, I certainly respect their enthusiasm for transparency with respect to the first amendment that is proposed, but I find myself in that rather rare position of essentially agreeing with everything that Senator Carr said on that matter. This is not an experience that I have had very often, but I think that he is absolutely right in this matter. Certainly it is my experience in government that a body such as this, set up to advise the minister—and its role is to advise the minister—must be, and must be seen to be, able to give them advice, as the minister in the chamber properly said, ‘fearlessly and without favour’. Inevitably the publication of such advice will severely compromise the nature of the advice provided. This is a body set up to advise the minister; it is not a body set up to advise the parliament per se, and if the board is to tell the minister exactly what he needs to hear—it being a he in this case—I think it essential that that advice is provided on the basis as set out in the bill and not on the basis as would prevail were the Greens amendments to be carried. I think that would inevitably compromise the nature of that advice and the board would not function as well as it could or should. So we are not in a position to support that.

In addition, in relation to the board, while I do not know all the members and we do not yet quite know whether the interim board will be the permanent board, certainly I know some members of this board, and albeit at the expense of sounding parochial, I am disappointed that there is no South Australian. I do know Professor Mary O’Kane, for example, who has a lot of experience in my state, and John Ryan and Drew Clarke from the department. These are outstanding Australians and I think they will comprise a good board.

Their job is not to be a lobby group for the renewable energy industry. It is a body to provide advice to the minister on a range of matters and, most importantly—and I think in the wake of the debacle over home insulation—to provide advice on the running and implementation of programs, the management of renewable energy technology programs, improving existing program delivery, the provision of venture capital funding, and priorities for government. In fact, I think it is important that they bring a certain objectivity to the table and a certain degree of profes-
sional experience above and beyond direct involvement simply in renewable energy, because of the nature of advice that will be sought from them to ensure that the government has its priorities right, that the programs are being run well and cost-effectively. So it is not simply a lobby group inside the department for renewable energies. I think that a range experience needs to be brought to bear, and that board, on the face of it, would appear to have it.

With respect to, essentially, the second part of the Greens amendments, as Minister Carr properly said, it goes to the proposition that his advisory board should be a statutory authority. Again I find myself in complete agreement with Minister Carr on that matter. I do not think that it is at all appropriate in the circumstances, given the nature of this board and the task which it has, to contemplate it being a statutory authority.

The proposition is that it be established by legislation as an advisory board to the minister. It is not to run these programs itself or have any separate statutory role per se but to provide what I hope will be fearless and professional advice to the minister on the matters listed in the bill. I certainly shared the view of former Prime Minister John Howard that governments should be very wary about establishing new statutory authorities because they can develop a life of their own. I think that can detract from the capacity of the body in question to perform the functions that have been assigned to it. As I say, this is an advisory board. It is not being set up to perform particular functions or deliver programs or anything of that sort; it is being set up to provide advice to the minister. I think it will improve the coordination and delivery of renewable energy programs, but I do not think that will be at all enhanced or assisted by it becoming a statutory authority. I think that is completely over the top. As the minister pointed out, the minister must not give any directions about the content of any advice that may be given by the board—that is a legislative prohibition.

The opposition are confident about the board’s capacity to give independent advice. Presumably, it will be subject to full inquiry at the three Senate estimates hearings we have each year, and it is required to give an annual report. So the opposition and I are satisfied with the degree of accountability that this board will have. That is balanced against the need for it to be able to advise the minister in a way that enables it to be fearless and without favour, so we think the balance is right. I regret that we are not able to support the Greens amendments, but we defend vigorously their right to bring those amendments.

Senator MILNE (Tasmania) (10.46 am)—I thank the Senate for its consideration of the amendments. There are a few issues that I want to raise. Firstly, Senator Carr said this is an interim board. Obviously, an interim board ends when a permanent board is established; that is clear. He also said it will not be rolled over. What I asked was: will these individuals be the board? This is clearly a question the minister has avoided. Secondly, the minister said the board members need a range of skills—and I heard Senator Minchin say the same—and that they are not a lobby group for renewable energy. No, they are not. They are the board of the Australian Centre for Renewable Energy.

The board will advise the government on the state of renewable energy technologies in Australia, through knowledge of their own client base, on matters such as optimum collaboration and network models for renewable energy technology innovation and commercialisation; barriers to renewable energy
technology innovation and commercialisation; prospects for collaboration domestically and internationally; and the impact of regulation, and standards, skills and training requirements for the renewable technology industry. Therefore, they need some knowledge of it. They are charged with overseeing the disbursement of funds going to renewable energy, and they should have some expertise. So I ask the minister: apart from Dr John Wright, whose interest and role in renewables I acknowledged before, which of the current members of the board—Graham Hunt, Professor Mary O’Kane, John Ryan, Emma Stein, Errol Talbot and Drew Clarke—have any expertise in renewable energy? Wouldn’t it have been appropriate to have as chair someone who has a background in these technologies? The current interim chair is a minerals and energy consultant. He was formerly the head of BHP Billiton’s operations in South Australia and in charge of the expansion of Olympic Dam. If you are going to have someone from an industry sector chair a board to oversee renewable energy, why wouldn’t you have someone from that background and not someone who has come from the nuclear industry, which is not a renewable energy industry but in competition with the very things this board is supposed to be overseeing?

I am not saying that these people are not of high standing. At no stage do I want to suggest that they are not experts in a variety of fields. My criticism is that they are not experts in renewal energy and delivering the advice the government is asking for from this board. That is my point. I will be very interested to hear what the minister has to say about the expertise of those people on the interim board. Also, when the interim board becomes the permanent board will it consist of the same people? If not, what is the process for appointing the board? The minister said a statutory board has disadvantages, that there is a lack of communication and all those sorts of things. Really? Infrastructure Australia has a statutory board. Do you want to tell me that Infrastructure Australia has problems with communication across the department and that it does not work very well, that we should not have gone down that road and that it should have been a little advisory committee on the side?

That brings me to the issue of independence. I have never claimed to be independent from the Greens party. The minister says that I would not want the party’s internal mechanisms, meetings and things made public. I do not claim that I am independent of the Greens party. I am not. And that is the whole point of what I am saying here. The minister says the protection is that the minister cannot direct the board what to do. That is right. But the board makes a recommendation and a report, which is secret, goes to the minister. The minister then makes a decision about what to do, how to disburse the money, and that is made public. And we the community and the people in the renewable energy sector do not know whether what the minister has recommended is what the board recommended. We do not know whether pork-barrelling extraordinaire goes on in relation to which projects are recommended and which are not. That is the point of tabling the advice. If the government decides contrary to the advice it is given, the parliament and the community can make judgments about that and ask the minister why he made that decision.

As it is now, we are going to get a situation where the board will come before the estimates committee and the CEO will say: ‘Advice to the government is secret. I’m sorry, we can’t tell you what our advice to the minister is.’ So it is no use saying they come to estimates because, if they cannot say what their advice was, what is the good of it?
You just get the minister saying: ‘I got the advice and these are the decisions I made. Full stop.’ It is a lack of transparency. No amount of trying to wriggle around it and suggest that a statutory authority is no good will work here because you set up one for Infrastructure Australia. It must have been a model you thought would work for Infrastructure Australia, and that is because you know that the community is fed up with pork-barrelling of major infrastructure projects and wants to have a degree of independence of the board of Infrastructure Australia. So I do not accept the minister’s suggestion that a statutory authority will not work. It could work very well.

The issue is independence. The issue is expertise. So I look forward to hearing from the minister which of these people on the interim board has the expertise in renewable energy such that they could advise on the state of renewable energy technologies in Australia through knowledge of the client base. We want to know what they know about all of these things. As I said, I accept that Dr John Wright has some of those skills, but I am hard pressed to see where the skills are in the rest of that board.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.53 am)—Could I first deal with the issue of Senate processes. I am gratified to hear that Senator Minchin does agree with me on anything, so let us just see if I can try to broaden out that level of agreement. As you are a senator who has been here for 17 or so years now, I have absolutely no doubt that in the past you would have criticised senators for misusing the processes of this chamber, particularly when it comes to the question of non-controversial legislation. Senator, as a former Leader of the Government here, you at times complained, if I recall, of the slow passage of legislation. I will not be too unkind to you on that and actually pull out the *Hansards*, but the statement that you have suddenly found great merit in the sanctity of senators’ capacity to move amendments is gratifying—but not entirely convincing.

As to the claim that I am arguing that senators do not have the right to move amendments, you are mistaken. Not at any point have I said that Senator Milne does not have the right to move an amendment to any piece of legislation that she thinks should be amended. That is not the issue. The issue is that there is a provision in our standing orders to allow matters which are generally agreed in this chamber to be dealt with promptly and judiciously through that non-controversial legislation provision. For those who might have any interest in this at all, we often deal with legislation in this manner and whereby amendments are moved. The issue of non-controversial legislation goes to the question of whether or not there are divisions. A senator is entitled to move an amendment to a piece of legislation under the non-contro provision of standing orders, but normally we would not have divisions.

My proposition is that where it is generally known, and genuinely known, that the overwhelming bulk of our membership is going to support a provision, it is a reasonable conclusion that if a division were held it would be a mickey mouse division. The results would be foretold—as we are, I trust, about to see. And this position would have been the case back in November, as it is now. We are more than capable of putting a position in this chamber and making it known that we oppose a measure, moving an amendment and having it declared on the voices. That could have happened last year, and this legislation could have been well in operation five months ago. So I think it is a tendentious point at best, Senator, to suggest that I am arguing against the right of senators to move amendments when I am clearly not. I think that non-contro provision in our

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standing orders is extremely important to allow for the rapid passage of legislation on which there is fundamental agreement in this chamber. It ought be preserved and it ought not be used as a device whereby one or two senators can hold up legislation which is essentially agreed on an across-the-board basis here.

Turning to the issue that Senator Milne goes to with regard to the board processes, I want to reiterate that the appointment of the board will be subject to the usual government processes. My understanding is that significant appointments will go to cabinet. I cannot pre-empt the recommendation of another minister with regard to appointments because that is the process that actually occurs: ministers put recommendations on significant appointments and the decisions are made on the basis of those recommendations or rejected. I am advised that the interim board will not be automatically rolled over or appointed en bloc to the permanent board. There may well be individuals here that reappear on a permanent board, but it is not the government’s intention and I understand it is not the minister’s intention to proceed on the basis of rolling over the interim board to the permanent board. I trust that assists Senator Milne in that regard.

The second point she goes to is whether or not the chair should be a person with a background different from that of the chair that the minister has appointed for the interim board. The chair’s appointment has been made on the basis of his pre-eminent expertise in project management and financial management and not on the basis of his pre-eminent expertise in one branch of the energy industry. It is a presumption, in any event, to suggest that because a person may well be an expert in one field of the energy sector they are not capable of making judgments on a proper basis about other fields. I have come across numerous people who have actually been trained in the nuclear industry, are now working in other industries and provide high-quality advice to government. So I do not think it automatically should be assumed that because that person works in the nuclear industry they can never, ever take a meaningful role in bodies of this type.

The pre-eminent reason for the appointment, however, was the expertise in large project management, financial management and in ensuring that projects actually run well. That is what the appointment was based on. It is important that the minister has confidence in the board and it is important that the minister is able to discuss options with the board. But when it is all said and done, it is the role of ministers to make decisions. Ministers are responsible for decisions and ministers are held accountable for decisions. In the 17 years I have been here, I have seen ministers pulled apart on the basis of decisions they made. It really is a question of how well senators perform their duties if they are unhappy about what has occurred in any particular administrative issue.

The decisions of ministers will stand or fall on the quality of those decisions and ministers have to have confidence in the advice they are given but, at the end of the day, they do not have to accept advice. If that was the case, why would we be here? Why would any senator feel the need to front here at all if you work on the presumption that only technocrats can make decisions and that no other consideration should be entered into? Do we just publish a technocratic opinion? Do we roll over? Neither you nor I would ever accept such a proposition in real life and neither do governments of any persuasion. There will be occasions when ministers choose not to accept the advice that is tendered to them. That is a prerogative that ministers have to exercise from time to time.
It is the parliament’s job to hold people accountable. The estimates process is a very effective way of ensuring that governments are accountable. But its strengths and weaknesses ultimately depend on the quality of all participants, not just the officers and not just the minister but those who are actually pursuing an understanding of why governments have made the decisions that they have.

I disagree with the approach that you are making on this matter, Senator. At no point have I said that a statutory authority is superior or inferior in all circumstances. In fact, what I indicated to you was that in my own department I have experienced the whole range of government structures. Some are more suitable than others. In the government’s view, on the proper assessment of the options, the statutory authority model on this occasion is not the most effective way to proceed.

Senator MILNE (Tasmania) (11.03 am)—In the case of the minister’s arguments, less is probably more because the more you say, the more circular the argument becomes. A moment ago you were telling us that statutory authorities were inferior to the process that you are setting up and it had all these problems. I remind you that Infrastructure Australia is a statutory authority, which the government set up, and suddenly you do not have a view any more about what is superior, inferior or whatever else. The point is a statutory authority is independent.

I also note that Senator Carr did not respond to my request to name any one of the people on the interim board who have any expertise whatsoever in renewable energy except for Dr John Wright. As I said, I am hard pressed to see them—they are not there.

The minister also said that the chair was appointed because he has expertise in project management and finance management. I am sure there are plenty of people in the renewable energy field who also have expertise in project management and finance management and who do not come from BHP Billiton’s operations. We could have people from the renewable energy field as the expertise they have would be better because they would understand the difficulties of managing a project in a new field like renewable energy and would understand the difficulties associated with that. It is an irony—and not a reflection on the current interim board member—that there is not a nuclear project in the world that has come in on time or on budget. Inevitably, they are years delayed and multi-billions over budget. Anyway, the point of the issue is there would be people who have both project management and finance management experience as well as having come from the renewable energy sector.

I again note that the minister has said that it is not necessarily so that these people on the board will be appointed en bloc but that the minister will decide. I think that there is a high probability, given that the minister is not saying, that we will end up with a board that looks very much like this one and, I can assure you, I will be scrutinising that.

I am interested that the minister said estimates is where we will be able to discover the advice. I hope I will not be blocked in estimates with a response that says that is advice to the government and is not available. The point the minister makes is correct; we do not want technocrats making decisions. But we do want to know what technocrats advise so that then it is very clear whether the government has taken that advice or not taken that advice and then we know who is to be held accountable for any decisions that are made.

It is the issue of transparency and accountability and not that I want technocrats to decide. I do not want technocrats to decide but I want to be able to see. The fact that
they are not going to be made public means we will never know. Of course there have been ministers who have been torn apart because of decisions made about projects that have been less than transparent. One only needs to remember the whiteboard affair to go back to recall that that has been the case. There is no saying that you will not have similar kinds of pork-barrelling with this particular allocation of funds. You will never know because it will not be made public in that time frame.

I also want to thank Minister Carr for actually putting on record the government’s contempt for divisions in which the government and the coalition vote together against the minor parties or Independents in the Senate. It will, I am sure, horrify the public to know that the government and the coalition refer to them as mickey mouse divisions. Because they are matters on which the Independents and the rest of the crossbench have a different view to that of the major parties, the major parties choose to refer to that as a mickey mouse view in the scheme of things. I have never, ever seen a minister actually own up to that in this parliament. I am glad that Senator Carr has now put that on the record so that the contempt with which the major parties treat the processes in the Senate is now clear to people.

I would also remind Senator Carr that in the debate on the renewable energy target, when I moved amendments to put energy efficiency measures on top of the target, the resulting division is one you would have referred to as a mickey mouse division. But months later, with chaos in the industry and a collapse in the price, as a government you had to admit you made a mistake and had to fix the renewable energy target—something you had the opportunity to do at the time if you had taken what the Greens had been saying as a legitimate contribution to the debate, if you had actually looked at what we were saying, instead of coming in here and just going: ‘Mickey mouse—the Greens have moved that. We’re not going to do it.’

I would remind you also that all really progressive, interesting ideas do not start out as the majority view of both the Liberal and Labor parties in this country. It is rare that an innovation will be accepted by the mainstream. It takes a long time to argue for that, and the Greens know that full well. The whole idea of moving to a low-carbon, zero carbon economy was laughed at when I first came here in 2005. There was no support for a whole range of measures on renewable energy and energy efficiency, but now it is mainstream. People recognise that such measures are an imperative. In fact, Minister Wong herself has said time and again that they are a decade too late; but a decade ago Labor were not moving for them either. So I am grateful to Minister Carr that it will at least now be on the Hansard what the major parties’ view is of the propositions put forward by the crossbench as amendments to legislation in the Senate.

I recognise I am not going to get a further answer from Senator Carr as to which of the people on the interim board of the Australian Centre for Renewable Energy have expertise in renewable energy, because it is indefensible, and I am not going to get an answer from Senator Carr as to how the community will ever know what this board has recommended, in the absence of any undertaking to make that advice public or provide it with any level of independence. However, I think we have made the argument and I commend the amendments that I have moved.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (11.10 am)—I have been asked for the names of people on the board who have expertise. Drew Clarke is a longstanding secretary of the department of energy. I believe he would
qualify as a person of high standing and pre-eminent expertise in all fields of energy, including renewable energy. The Senate has already acknowledged John Ryan. Mary O’Kane, who has been chief scientist for New South Wales and whom I appointed to undertake the review of the CRC program, is a person with widespread experience in these fields as well.

So, Senator Milne, once again, the sort of sanctimonious, holier-than-thou approach that you have taken here is I think misplaced. I think there has been longstanding acknowledgment that the ‘mickey mouse’ reference goes to the fact that the overwhelming majority of senators will form a position on a matter and the division itself will be carried overwhelmingly. It is a term that has been used here for many decades.

The fact remains that if you are about wasting time and trying to frustrate a program then you can move a lot of divisions. There are many devices under the standing orders to prevent the consideration of government legislation or legislation from another party, if you choose. One of the facts of life that we all have to face is that there are occasions when we are going to put a position in this chamber and lose. There are more times than I care to recall when we simply said, ‘This is our position; we know it does not have majority support in this chamber,’ and we have had the position determined on the voices. There is no more rectitude in a position being determined by a division rather than on the voices in terms of the standing orders—none whatsoever.

I really do not appreciate being lectured on the sanctity of your position, Senator Milne—on your virtue versus that of others in the chamber. It is often the case that the positions of minorities become the positions of majorities over time. That is a well-known fact. It is often the case that we vote for positions in this chamber which are rejected and, subsequently, the minority position in the chamber is proved to be right. It is not a position that is confined to your end of the chamber. It is equally the case that people who masquerade as great innovators and pioneers of new ideas are often highly conservative defenders of the status quo. It is often the case that the Greens present themselves in a way that is contradicted by their actions, and that is something that you have done on many issues in regard to environmental politics. Senator, I guess that is a point on which you and I will never agree. I urge the Senate to vote on these amendments.

Senator XENOPHON (South Australia) (11.15 am)—In 60 seconds or less I can indicate that I support these amendments. I believe they have merit. I am surprised the coalition are not supporting these amendments, given that as I understand it with respect to the Preventative Health Taskforce they wanted a level of openness in the advice that the task force would give to the government—that is, for it to be published. I thought it would have been consistent to support at least the first amendment with respect to that. I think these would strengthen the bill. I congratulate the government on this bill, but I think it would be improved by the amendments proposed by the Greens.

Question put:
That the amendments (Senator Milne’s) be agreed to.

The committee divided. [11.19 am]
(The Temporary Chairman—Senator A Hurley)

Ayes............ 6
Noes............ 32
Majority........ 26
AYES
Brown, B.J.  
Ludlam, S.  
Siewert, R. *  
Hanson-Young, S.C.  
Milne, C.  
Xenophon, N.

NOES
Back, C.J.  
Bernardi, C.  
Bilyk, C.L.  
Boswell, R.L.D.  
Brown, C.L.  
Cameron, D.N.  
Carr, K.J.  
Cormann, M.H.P.  
Crossin, P.M.  
Farrell, D.E.  
Feeney, D.  
Fielding, S.  
Fierravanti-Wells, C.  
Furner, M.L.  
Hurley, A.  
Ludwig, J.W.  
Lundy, K.A.  
Marshall, G.  
McEwen, A.  
McLuscas, J.E.  
Minchin, N.H.  
Moore, C.  
Nash, F.  
O'Brien, K.W.K.  
Parry, S. *  
Polley, H.  
Pratt, L.C.  
Ryan, S.M.  
Stephens, U.  
Troeth, J.M.  
Williams, J.R.  
Wortley, D.

* denotes teller

Question negatived.
Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (11.23 am)—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES BILL 2009

Senator O'BRIEN (Tasmania) (11.24 am)—by leave—Yesterday during the vote on the Fairer Private Health Insurance Incentives Bill 2009 arrangements were entered into for the pairing of Senator Xenophon. In the reflection of those arrangements, the pairing was incorrectly attributed to the coalition. It was our obligation to pair; therefore, the vote of the government should have been reduced, not that of the opposition. That would not have the effect of change in the outcome, because the vote was tied. It would have delivered a majority against the legislation. That is the correct outcome of the vote. I understand that on that basis Senator Xenophon does not seek to have the vote put again, and I understand that that is acceptable to the opposition. The government apologises for incorrectly reflecting the pairing in the division and reports that to the Senate.

TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER SAFEGUARDS) BILL 2009

Second Reading

Debate resumed from 26 October, on motion by Senator Wong:

Senator MINCHIN (South Australia) (11.25 am)—In relation to the second reading debate on the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009, pursuant to a contingent notice standing in my name, I move:

That so much of the standing orders be suspended as would prevent me moving that further consideration of the bill be made an order of the day for five sitting days after the government response to the National Broadband Network Implementation Study is laid on the table.

In speaking to that motion I note that the government has had significant notice of this matter. In seeking the suspension of standing orders we are asking that the Senate be allowed to consider the urgency of this bill before the second reading debate commences. In our view this will allow full and detailed debate about the urgency of this bill and more detailed consideration of the government’s claims that this bill should be considered before its response to the NBN implementation study.
It is the coalition’s view that this bill is entirely related to the NBN. The NBN is mentioned some 150 times in the explanatory memorandum and in the second reading speech. Therefore, we do not believe that this bill should be considered in advance of the NBN implementation study. The Minister for Broadband, Communications and the Digital Economy, whom we make welcome in the chamber, has, frankly, used the guise of the NBN study to avoid providing the Senate with any detail whatsoever about his proposed broadband network. According to the minister, the implementation study will determine how much consumers will pay for services, which areas will be covered by fibre, the share structure of the company that operates the NBN, the total taxpayer contribution, when the rollout will commence and how long it is going to take. He refuses to provide any detail on these aspects in advance of the implementation study, but he now expects the Senate to support a bill—a quite radical and far-reaching bill—that is intrinsically connected to the NBN and, frankly, would not be here in the absence of the NBN and the conclusions of the implementation study, which is costing taxpayers some $25 million. We were told that that study would be delivered to us last month. The implementation study in and of itself will no doubt make recommendations about other legislative amendments to support the rollout of this NBN.

As we have said consistently throughout this debate, the bill is intrinsically linked to the NBN. It is, frankly, about blackmailing Telstra to cooperate with the NBN. As we know, the only way the NBN will ever be viable is through this avenue. It is evident throughout the explanatory memorandum and the second reading speech and is consistent with everything that the minister has been saying since this bill was introduced. It has only been since the minister realised that the Senate’s return to order for the production of documents could have an impact on his plans to force Telstra’s breakup that he has all of a sudden changed his tune and tried to claim that this bill has absolutely nothing to do with the NBN, which only he would believe. He should have thought of that before he crafted a bill which is based on a discussion paper about the NBN and before he framed the entire debate about this bill in the context of the NBN.

As David Forman, no great friend of the coalition but CEO of the Competitive Carriers’ Coalition, told the Senate inquiry into the legislation:

If you suggested to me that the NBN was likely to succeed in the absence of this legislation, I would suggest that is a pretty big bet.

Those are very accurate words.

Labor’s attack on Telstra is a form of legislative blackmail that we believe can only be seen as an admission that its new NBN policy cannot be implemented without effectively renationalising Telstra’s fixed line network. Labor cannot afford to have its NBN compete with Telstra. It wants its NBN to be a majority government owned monopoly and this legislation is aimed at forcing Telstra to participate, even though it has indicated it is in good-faith negotiations with the government. I would urge the Senate to support the suspension so that a thorough debate about the urgency of this bill can occur before we commence the second reading debate. Nothing in this bill is urgent. The consumer measures do not commence until 1 July 2010, so this bill can be dealt with in the next session of the parliament. The appropriate time for the Senate to consider these matters is when we have some more certainty about the NBN rollout and after the government has tabled its response to the $25 million NBN implementation study. Until that study is completed and the government re-
sponse is tabled, we in the Senate should not be asked to consider the structure of the telecommunications sector going forward, which is what this bill is all about when the government states that the structure will be altered by the decisions relating to the NBN. So I do urge the Senate to support this suspension so a full debate can proceed about the timing for the consideration of this bill.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (11.31 am)—The government does not support Senator Minchin’s proposal to suspend standing orders. How many bites of the cherry can you have? The Senate has already voted to allow this bill to proceed. But this is nothing new. After 11½ years of doing nothing and 18 failed broadband plans, those opposite have spent the last 2½ years avoiding having a policy in this sector. There is a good reason why they have been avoiding having a policy; it is because they have not got one. We had Senator Minchin in charge of this portfolio for nearly 18 months. There were 180 press releases and not a policy in sight because he has not moved from his sycophantic position of doing whatever Telstra asks. That is what the previous government’s position was and that is what the position of the current opposition is—‘Whatever Telstra and Sol Trujillo tell me to do, that is what I will do.’ Nothing has changed.

This country has suffered. This country has fallen behind the rest of the world. This country has fallen behind our near neighbours. Our children are getting a worse education. Our health sector could be massively improved if we had decent broadband infrastructure in this country. This opposition could be massively improved if we had decent broadband infrastructure in this country. This opposition has sought to delay at every stage. They are exposed as being a pack of frauds when it comes to wanting to deliver a broadband policy. They do not have one and we are seeing yet again an attempt to delay, obfuscate and obstruct. This is an opposition that blocked 41 bills last year, which is the record. There have been 110 years of this parliament and they set the record for blocking bills last year.

Opposition senators interjecting—

Senator CONROY—We have certainly pulled at a scab there. They are trying to pretend that they have accepted in some way the result of the last election. Get over it. You lost the last election and you are not in government. Let this government govern. Scrutinise and suggest amendments; that is fair. But you have opposed 41 bills, which is a record. Senator Minchin says it is not urgent, but that is what he said six months ago and what he said three months ago. With this bill due to be enacted on 1 July this year he is still suggesting that it should be held over because he believes that the implementation study is relevant to this bill. The implementation study is about the ongoing business plan for NBN Co.

Senator Back—What business plan?

Senator CONROY—You will be wiping the egg off your face soon enough. Senator Back. This bill is about the structure of the telecommunications sector. Many of those opposite privately support the structural separation of Telstra, but they are led by the dinosaur Luddite at the front table who is just clinging to his legacy where he helped to introduce a privatised monopoly, the world’s most vertically integrated monopoly, with almost no regulation just so he could fool a few shareholders by pumping up the dividend stream and look after the sale of Telstra. He had no policy about the future of the telecommunications sector and no policies about what was best for consumers. It was simply about what Senator Minchin could hang on his wall and say, ‘I flogged off Telstra; look how much I got for it.” That is all he is defending. He has no policy position on
the future structure of the telecommunications sector. Put aside that Senator Minchin’s own bill said, ‘Let’s have a review two years after privatisation.’ Guess what? It is two years hence. The government has decided that we believe this is the best structure for the future benefit of Australians and for the future benefit of all telecommunications consumers. Those opposite should be exposed as the frauds and charlatans they are. They have not had a broadband policy for 13 years and they are standing here as the emperor with no clothes. Their sole achievement was to flog off Telstra for as much as they could get for it.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Before we go to you, Senator Ludlam, I would remind senators that all interjections are disorderly but, if you are going to be disorderly, you have got to go back to your own seat.

Senator LUDLAM (Western Australia) (11.36 am)—This is quite clearly a rerun of the debate that we had late last year when we were discussing whether or not the government would hand over the documents that were produced in the course of the original RFP going back nearly two years now. There was a debate and a lot of argy-bargy at the time about whether those bills were relevant to the Telstra debates or not, or whether they were more strictly relevant to the NBN debate when we finally get to that at some stage.

I remind the chamber that at that time the government eventually established a Senate inquiry into these kinds of deadlocks—when the Senate orders production of documents and the executive says, ‘No, you can’t have them; you’ll just have to trust that we’re withholding them in the public interest.’ The government came back with an incredibly unsatisfactory position on that, joining with the opposition. At no stage since then have we seen the original RFP documents that were produced in the course of the government assessing whether or not it would proceed with its original intentions or go with an NBN project 10 times the scale.

At the time, however, the Senate agreed that the Telstra debate could proceed. That debate was originally scheduled for October and now, in early March, the debate still has not gone ahead. The government is negotiating with Telstra behind the scenes, with no checks and balances whatsoever, no role for any other party and no public scrutiny. I and many people in the industry believe that at some point we are going to be presented with a fait accompli. The debate on the Telstra bill may become redundant if it is delayed for too much longer.

Senator Minchin, who moved the procedural motion today which would effectively block any further debate on the Telstra bill until the implementation study is handed over, has a very strong point. The government last year, in many comments during Senate estimates hearings and at other times, answered any questions relating to the NBN, or indeed this debate, with, ‘Wait till you see the implementation study; all the answers will be in there.’ We were informed last year, and again a couple of weeks ago, that the minister alone will decide whether or not that implementation is ever made public. My understanding is that they have received it, they are reading it and they are making their minds up as to whether or not it will be provided to the parliament. Of course they should provide it to the parliament—it should have been provided to the parliament at the same time it was provided to the government—if they are expecting us to assess a public commitment to the NBN of upwards of $20 billion.

We do not support this further attempt to block debate of the Telstra bill. I believe that
this is all a delaying tactic. The implementation study should absolutely be tabled. We will be moving an order for the production of documents this afternoon to ensure that the study is tabled in full and that that information is provided to the public and the rest of the industry so that we can get an idea of what we are actually assessing and what we are going to be expected to debate when we get to the NBN bills.

However, I am not persuaded that the implementation study is essential to proceed with the Telstra debate. We have been ready to proceed with this debate since last October. We will not be supporting this motion. We will, however, be looking forward to coalition support for an order for the production of documents so that the implementation study is provided and put in the public domain, where it firmly belongs. But I do not support that should being used as a delaying tactic to continue to put off the debate on Telstra, which I believe we should have—whatever you believe about the merits of the bill itself—late last year, not in March.

Senator PARRY (Tasmania) (11.40 am)—I rise in support of Senator Minchin’s motion. It is incredible to expect that the Senate is going to consider quite an important structural issue for Telstra without the key ingredient, the study. The study needs to be tabled for us to consider properly the implications of the legislation that Senator Conroy insists he wants to discuss. Senator Conroy has had the opportunity on a lot of earlier occasions to introduce this legislation and he has failed to do so. It is typical of the mismanagement of the agenda by the government throughout this entire term of parliament.

It would be no surprise to those listening and those who read Hansard that the mismanagement of the program has been raised by us, by the minor parties and by the Independents on numerous occasions. It highlights the inadequacy of the number of sitting weeks that this chamber has been forced to again this year, after we have indicated to the Senate on countless occasions that the government needs to set a sitting agenda well in advance. We are on the record for the past two years saying: ‘Set the calendar early. Have a sufficient number of sitting weeks, not the minimal number we have this year and also had last year.’ Last year and this year we have the lowest number of sitting weeks outside an election period since the Second World War. It is atrocious. The legislation keeps building up. Senator Conroy wants his legislation through the Senate. He wants it discussed in a timely manner, yet he cannot organise the program. He cannot convince his colleagues to have sufficient sitting weeks in the year to consider these matters.

Worst of all is that Senator Conroy will not let us see a report which millions of dollars have been spent on and which is really at the core of this issue. It is a simple request. I think when members of the public look at this they will wonder why a government has decided to introduce legislation which has a major implementation study and not to table that study. Does the government have something to hide? Has the government realised that this implementation study might not necessarily have supporting comments for the government? All we need is simply to see that implementation study. That will assist the Senate with its deliberations.

For those reasons, for the reasons articulated by Senator Minchin and for some of the reasons that Senator Ludlam and the Greens have articulated— I am surprised we do not have more concrete support for this motion—it is important that we do not consider this bill until such time as the study has been presented and tabled. It is just logical. Why have a study at all if it is not going to be used
in the deliberation about the legislation? That does not make sense.

Senator Conroy—You’re a hypocrite. You’ve announced you’re voting against the bill; it doesn’t matter what’s in the study.

Senator PARRY—Senator Conroy needs to table the study. Once the study is tabled, we can have due consideration of this legislation.

Senator CORMANN (Western Australia) (11.44 am)—I also rise in support of the motion moved by our leader, Senator Minchin. This is an extraordinarily secretive government. This is a government that was elected on the promise of increased accountability and transparency. Everything was going to change on the election of the Rudd Labor government. Instead what we have experienced again and again is secretive government. I have experienced it myself as the chair of the Select Committee on Fuel and Energy. You would know very well, Mr Acting Deputy President Hutchins, how for months and months we were trying to get hold of a copy of modelling that had been commissioned by the government and was held by the Treasury. We were wanting to get access to some information that was critically important for us to scrutinise the government’s flawed emissions trading scheme.

Now here is yet another example. Here is Minister Conroy completely mismanaging his portfolio. In fact, if I were Minister Conroy I would start worrying about the shadow of Greg Combet coming in from behind. Look at the track record of this government in the communications portfolio. The shadow of Greg Combet I can see is starting to worry the minister. Look at him.

Senator Conroy—You should worry about your tie.

Senator CORMANN—Here we have got a $43 billion plan for the National Broadband Network, and when I say plan I am being very generous, because all we had was a couple of dot points on the back of a beer coaster. As the Prime Minister, Kevin Rudd, and Senator Conroy were supping in the Air Force jet flying somewhere between Washington and Perth perhaps—no, the Prime Minister does not spend much time in Perth. Perth is a place that the Prime Minister has not really discovered on his map yet. But here was Minister Conroy supping with the Prime Minister and he only had a beer coaster to write up a few dot points on how they would roll out this $43 billion plan for the National Broadband Network.

It is critically important, as the minister has said, that we properly scrutinise this legislation. The National Broadband Network implementation study is a key ingredient for us to do our job in this Senate. Of course we should delay further consideration of this legislation until the government has finally come clean with the report that the minister clearly is desperate to keep secret. What has the minister got to hide, I would ask you, Mr Acting Deputy President? If the minister was so keen to get this legislation progressed, if he was genuinely interested in getting this legislation progressed, he would have by now complied with the request that has been put forward by the Senate on a number of occasions. Maybe it is part of the minister’s secret plan to actually delay this legislation further. Maybe he is sitting on this implementation study because it suits his purposes to slow the continuation of this legislation through the Senate. Who knows what the minister’s true intentions are.

What I want to place on record is that this is an incredibly secretive government and the Australian people should be very concerned about the lack of transparency and accountability that again and again is demonstrated by this government. We have seen it when they kept secret the studies and the underlying information to the economic modelling...
on Labor’s flawed ETS and we see it again here. Labor expect the Senate and the Australian people to take them on trust even though again and again they have demonstrated that we cannot take them on trust. We are quite right and we urge the Senate to follow our recommendation that this legislation should not be further considered.

Senator Fifield—Pull your socks up, Stephen.

Senator Conroy—His tie is in his socks.

Senator Cormann—The minister can sit there and laugh and not take it seriously. Matters of accountability and transparency are obviously not very important for Minister Conroy. I can see that he is very amused by this debate going on at present. But I say it again, as I said before: this government was elected on a promise of increased accountability and increased transparency. We think that the government should actually start to follow their words with action. This government is all talk and no action. If this government was serious about increasing accountability and transparency in government, if it was serious about open government, it would support the call that has been made again and again by the Senate and table the National Broadband Network implementation study. (Time expired)

Senator Bernardi (South Australia) (11.49 am)—The mockery, derision and jokes from the other side of the chamber really underline their approach to an issue that is going to affect 1.4 million Telstra shareholders and 22 million Australians. It goes to the very heart of the competence of this minister. If you look at his management track record, he is meant to be a right-wing factional boss from Victoria and he was so incompetent that he had to merge it with the hard extreme Socialist left faction in Victoria and now plays second fiddle to his mentor, Kim Carr. You are a second-fiddle minister. There is no doubt about that and we know it, because your handling of this affair has been appalling and abominable. Whilst we are talking about this and sticking up for the people of Australia, you are there making jokes and laughing about people’s ties. You need to pull your socks up because you have failed at the most basic level of supplying the appropriate information so that this Senate can decide and discuss and debate this very important legislation. That, might I say, was cobbled together on the back of an envelope to spend $43 billion. You and your mentor, Kim Carr—no, he was not there, it was your other uber-boss, Prime Minister Kevin Rudd—between complaining about air dryers and sandwiches, you and he came up with a plan for a $43 billion tax spend that you have not even got prepared. You are not even prepared to table the implementation study.

At any level, putting aside your disgraceful partisan politics in this, you can only consider the Australian people would turn more from their government when they are going to spend $43 billion of taxpayer funds. They are going to try and offload half of that commitment to an unsuspecting telecommunications industry, and they have not even got the gumption to tell us who is going to miss out, where it is going to start and who is going to be included in this timeframe. They want us to decide on this important legislation without the adequate consideration of the documents and the information that the government has brought to their attention. The question can only be why. What are they trying to hide? Are they trying to cover something up? It is a reasonable series of questions the Australian people deserve to know the answers to. And when those questions are put to the minister, what do we get? More derision, more guffawing at the impertinence of those on the other side to question the very fabric of this minister’s intentions.
I have a concern: after wasting $30 million on their first tender process, which failed, and now spending a further $25 million dollars on an implementation study, which they are not prepared to share with the Australian people or the opposition parties, who are expected to hold a government to account, this government is trying to hide from the light of scrutiny. They are like cockroaches under a fridge—when you move the fridge, the cockroaches scurry everywhere. There is one master cockroach and we all know who that is, and there are junior cockroaches. We have an example of one in Minister Conroy. I do not like to cast aspersions but he is scurrying from the light of day, he is scurrying from scrutiny and transparency. He knows that his policies are deeply and desperately unpopular, not just with the Australian people but on his own side as well. We know that because this man wants to spend billions and billions of taxpayer funds on a broadband system but he will not tell us where it is going to start, where it is going to finish, who is going to miss out and how it is going to work. He is not prepared to tell us that and he is going to miss out and how it is going to work. He is facing a lot of grief from Senator Lundy and others who are rebelling against him. We will see how this goes.

It is an extraordinary minister who is so unconfident in his own ministerial portfolio that he is not prepared to put forward the documents which are necessary for a reasonable and rational decision to be made. If we cannot examine the documents, if we cannot make a reasonable assessment on behalf of the Australian people, we have to say no. That is what Senator Minchin's motion is about—suspending standing orders so that full scrutiny can be applied. (Time expired)

Question put:

That the motion (Senator Minchin's) be agreed to.

The Senate divided. [11.58 am]

(The Acting Deputy President—Senator Hutchins)

Ayes.......... 31
Noes.......... 32

Majority....... 1

AYES

NOES

PAIRS
Kroger, H.     Wong, P.     Joyce, B.     Hogg, J.J.     Cash, M.C.     Carr, K.J.
At 2.31 pm, senators assembled in the House of Representatives chamber for a joint sitting—

ADDRESS BY THE PRESIDENT OF THE REPUBLIC OF INDONESIA

His Excellency, Dr Susilo Bambang Yudhoyono, having been announced and escorted into the chamber—

The SPEAKER—On behalf of the House, I welcome as guests the President of the Senate and honourable senators to this sitting of the House of Representatives and the Senate to hear an address by His Excellency, Dr Susilo Bambang Yudhoyono, President of the Republic of Indonesia. Mr President, I welcome you to the House of Representatives chamber. Your address today is a significant occasion in the history of the House. I would also like to welcome Ibu Ani Bambang Yudhoyono, who is in the gallery this afternoon.

Mr RUDD (Griffith—Prime Minister) (2.33 pm)—Mr Speaker, Mr President, honourable members and honourable senators: today is only the fifth time in the 110-year history of this parliament that the two houses have met together to hear an address from a visiting head of state.

And today is the first time we have done so to hear an address from the President of the Republic of Indonesia.

In doing so, we symbolise the profound changes that have occurred in the relationship between our two countries.

Mr President, we welcome you as our neighbour.

Mr President, we welcome you as our friend.

And we welcome you now as a member of the family of democracies—a nation which now celebrates political freedom, a nation whose parliament is as loud, noisy and robust as the parliament in which we are now assembled and a nation where freedom of the press is now exercised without constraint, without restraint and without fear of repression.

Mr President, these are profound changes in which you have played no small part—and we are delighted to welcome you now as a fellow democracy.

Indonesia’s Achievements

The people of Indonesia enjoy a free media, an open society and religious tolerance.

They live in a multiparty democracy in which transitions to power take place according to law.

In Indonesia, democracy now has strong foundations.

And Indonesia’s economy continues to grow, disproving the argument of some that democracy somehow impedes development.

Indonesia now has the third-fastest-growing economy in the region and the third-fastest-growing economy of all those which make up the G20 of large economies around the world.

It has withstood the global economic crisis well.

This has been underpinned by a bold economic stimulus package of Indonesia’s and bold measures to underpin the stability of the Indonesian financial system.

Your national poverty reduction program is expected to benefit at least 35 million people.

Your nation of nearly 240 million spread across some 17,000 islands still faces many
challenges—as do we in Australia with fewer millions and fewer islands.

But you have weathered the storm of the global financial crisis well through the strength of your leadership, and you have decided to exercise that leadership in order to avoid the alternative—mass unemployment—that would have brought great suffering to the people of Indonesia.

**Australia-Indonesia Relations**

A strong friendship means standing shoulder to shoulder not only when times are good but also in the face of the greatest of adversities.

At the time of the devastating Victorian bushfires, President Yudhoyono and the people of Indonesia did not hesitate to send their assistance to us.

At the time, Mr President, you wrote me a letter of sympathy and support containing the following words:

> In the spirit of the Australia-Indonesia partnership, Australia’s success is also Indonesia’s success, and its misery is also Indonesia’s misery.

These were eloquent words. No sentiment better encapsulates the 21st century relationship we seek between our two nations, between our two democracies.

Mr President, we are neighbours by circumstance, but we are friends because we have chosen to be friends.

Indonesia sent aid when bushfires struck Victoria.

Australia, too, sent aid workers, doctors and engineers to help the relief, recovery and reconstruction after the Padang earthquake in September of last year.

Australia sent police officers to work with their Indonesian counterparts in the aftermath of the terrorist bombings in Jakarta, as we did after the Bali bombings in which so many, many Australian lives were lost.

And we will never forget the unspeakable tragedy of the tsunami when, as nations, we stood shoulder to shoulder together in responding to the violence of nature and you wept with us as we mourned the loss of our own military personnel who were killed while helping in the recovery.

Challenges like these, whether natural disasters or man-made scourges, have brought our countries and our people closer together.

Mr President, our modern relationship has been forged in much adversity—adversity which has deepened rather than strained the bonds between us.

Mr President, we are now building a culture of cooperation between us across so many fields.

We are investing in a joint disaster reduction facility.

We are partnering with Indonesia in building its own natural disaster rapid response force.

Our law enforcement agencies are working closely together on a daily basis to deal with the continuing threat of terrorism and, Mr President, today we congratulate the government of Indonesia on its further extraordinary success in fighting terrorism within its own country.

As co-chairs of the Bali process, we are also pursuing a far-reaching regional response to people smuggling and to irregular migration and I would thank the government of Indonesia for their strong and continuing support.

Through bodies such as the Bali Democracy Forum and the Regional Interfaith Dialogue, we are working hand in hand to foster tolerance, pluralism and democracy across our wider region.

We are also working together in the institutions of our region—in the East Asia Summit and in APEC. In the future shape of
our region’s architecture, together we are helping to build the habits of cooperation across our wider region.

Globally, we now work together intimately in the councils of the G20 on the great challenges which now lie ahead for the international economy.

We also work together on the great challenges that respect no international boundaries, such as the challenge of climate change, on which your own leadership at Bali just over two years ago was so important.

As neighbours with different histories, as neighbours with different cultures and as neighbours with different challenges of economic development, we now come together on the global stage to shape a common future together.

Mr President, historically, so much of our engagement has focused on managing the bilateral relationship between us.

Now, our relationship enters into a new phase, when together we work in the great institutions of our region and the world to build a better region and to build a better world.

As you and I have so often shared in private, we also have the potential to demonstrate to the world at large how two such vastly different nations—one an emerging economy, the other a developed economy; one Muslim, the other of Judeo-Christian origins; one a founding member of the non-aligned movement and the other, one of the oldest allies of the United States—can work comfortably, seamlessly and positively together and in partnership in the great councils of our region and the world.

Mr President, Australia’s relationship with Indonesia is comprehensive, it is dynamic, it is economic, it is in foreign policy and it is in security policy, and in all these domains, the potential is vast.

We are ambitious for the future of our relationship.

We are committed to a new partnership for a new century for Australia and for Indonesia.

Your visit and your address to the joint meeting of the Australian houses of parliament further strengthen the ties between our two nations and they reflect, Mr President, the esteem in which Australia holds our nations’ friendship and the esteem in which we hold you as President of the Indonesian Republic.

Mr President, you are a welcome guest in this parliament.

Honourable members—Hear, hear!

Mr ABBOTT (Warringah—Leader of the Opposition) (2.42 pm)—I rise to support the remarks of the Prime Minister. This is one of those rare and historic occasions on which the leader of another country addresses a joint sitting of parliament. Mr President, you follow the leaders of the world’s most powerful country, of the world’s most populous country and of Australia’s oldest ally in addressing this parliament. It is fitting that you do so, as the leader of the world’s fourth largest country, third largest democracy, largest Muslim society and as a fellow member, with Australia, of the G20.

Our two countries know what can be achieved when we work together. We worked together to rebuild mutual trust after 1999. We worked together to fight terrorism, particularly after Bali in 2002. We worked together to rebuild Aceh after the tsunami in 2004 and the subsequent earthquake and we have worked together to end people smuggling since 2001.

We have worked to end people smuggling before. It worked when we worked together before. People smuggling has started again and we can stop it again, provided it is done
cooperatively and with a clear understanding of our mutual interests and with the right policies in place here in Australia.

Let me say that multilateral diplomacy is very important, but it is no substitute for deep bilateral engagement, because it is hard to make friends with everyone unless you are strengthening your individual friendships. I want to commend the Prime Minister for focusing this week on the vital friendship between Indonesia and Australia rather than on nebulous new communities.

Mr President, Indonesia is one of the world’s rising powers. We have been with you when you needed us and we are confident that you will be with us when we need you.

Honourable members—Hear, hear!

The SPEAKER—Mr President, it gives me great pleasure to invite you to address the House.

HIS EXCELLENCY Dr SUSILO BAMBANG YUDHOYONO (2.45 pm)—Bismillah ir-Rahman ir-Rahim.

Honourable Harry Jenkins, MP, Speaker of the House of Representatives; honourable Senator John Hogg, President of the Senate; honourable Kevin Rudd, MP, Prime Minister; honourable Tony Abbott, MP, Leader of the Opposition; honourable members of the federal Parliament of Australia; excellencies; ladies and gentlemen: I am greatly honoured and privileged to be given this rare opportunity to address this august chamber. May I also once again thank the government and people of Australia for the warm and gracious welcome you have extended to me and my delegation. It is really good to be back here, and thank you for the wonderful lunch. I also know that many officers reported for work on Monday, although it was a public holiday, to prepare for this visit. For that, please accept my gratitude and also convey my appreciation to your families.

The last time I spoke here was at a luncheon in this building in 2005. I am grateful for the invitation to address the Australian parliament today. I know that you invite foreign leaders to address this chamber only on very rare, very auspicious occasions, so I am very humbled by the honour of this historic occasion.

I have come to this great country to bring a message of goodwill and friendship from the good people of Indonesia. It is an important message that I trust will be well received in this great hall. I hope that it will also be heard beyond this parliament, in the homes and workplaces of all Australians. That message is very clear and simple: Australia and Indonesia have a great future together. We are not just neighbours, we are not just friends; we are strategic partners. We are equal stakeholders in a common future with much to gain if we get this relationship right and much to lose if we get it wrong.

Australia and Indonesia have evolved a special relationship. To illustrate the depth of our relations, let me take a few moments to mention the names of some very distinguished Australian citizens: Matthew Davey, Matthew Goodall, Paul Kimlin, Jonathan King, Stephen Slattert, Scott Bennet, Paul McCarthy, Lynne Rowbottom and Wendy Jones. They were selfless soldiers who died in a helicopter crash while helping Indonesian earthquake victims in Nias, Indonesia. Morgan Mellish, Mark Scott, Brice Steele, Allison Sudradjat and Elizabeth O’Neill were dedicated reporters, officers and diplomats who died in a plane crash in Yogyakarta while preparing a bilateral visit. And a highly-committed embassy trade official, Craig Senger, lost his life in the latest Marriott Hotel bombing in Jakarta.

These are ordinary names to the ear but they belong to very extraordinary people: heroes. These fine Australian men and
women made the ultimate sacrifice in the cause of friendship, solidarity and humanity. Let us give them a big hand to show our deep respect and appreciation. Let us honour them by continuing their noble work to build bridges and help one another, for that is the business we are in.

We have come a long way together. In the last 60 years of our diplomatic relations we have gone through many ups and downs, many generational changes, many political eras and many crises. We in Indonesia will always remember that Australia resolutely stood by us when Indonesia was struggling for our God-given right to independence and statehood. We remember how Prime Minister Chifley, foreign minister Evatt and diplomat Sir Richard Kirby actively supported Indonesia during critical moments of diplomacy in the United Nations—a standard collegiate with that of the Netherlands. That was one of the finest hours of our relationship, and we have had many more high points since. Our intense and fruitful cooperation to bring the Bali bomber to justice and Australia’s outpouring of sympathy and rescue and relief efforts in the wake of the tsunami tragedy of 2004 were the emotional turning points of our bilateral relations.

I will always remember when Australian servicemen went all out to help us during the tsunami tragedy in Aceh and Nias. It was Indonesia’s darkest tragedy ever, but I was so proud to see Australian soldiers and TNI troops working together to save lives and bring relief to the suffering. We are two nations united by grief. It mattered to us in Indonesia that we were able to lend a helping hand to the Australian people during the bushfires in Victoria early last year. Yet over the decades ours was not always an easy relationship. One Indonesian observer in the 1980s described it as a love-hate relationship. There were periods when we were burdened by mistrust and suspicions at both ends. There were times when it felt like we were just reacting to events and were in a state of drift. There were moments when we felt as if our worlds were just too far apart. During the East Timor crisis in the late 1990s our relations hit an all-time low.

Today Indonesia looks at Australia in a different way. Australia means different things to the Indonesian generation of today. Australia is now a country of choice for Indonesian students and tourists. Indonesians admire Australia’s high standard of living, social dynamism, openness and generosity. They can watch the Australian Open on their TVs. They watch your soap operas and Australian stars such as Hugh Jackman, Mel Gibson, Nicole Kidman and the late Steve Irwin. They all have many fans in Indonesia.

Indeed, I know of no other Western country where Bahasa Indonesia is widely taught in the school curriculum. I know of no other Western country with more Indonesianists in your governments, universities and think tanks, and no other Western country has more Indonesians studying in their universities and high schools. Here I wish to extend my deepest gratitude to the professors, teachers, students and families across Australia who have been so kind and generous in welcoming tens of thousands of Indonesian students into your campuses and your homes. I have heard heart-warming stories from various Indonesians who studied and worked in this country, including from my son Ibas, who spent five years at Curtin University. So allow me to say on behalf of many Indonesian parents, ‘Terima kasih, Australia’—‘Thank you, Australia’.

Excellencies, ladies and gentlemen, a watershed event in our relation is the comprehensive partnership that we entered into in 2005 and the agreement and the framework for security cooperation—or the Lombok treaty—that we signed the following year.
The comprehensive partnership has locked us in a vision of two countries that are compelled to work closer together in pursuit of common objectives. The Lombok treaty entered into force in February 2008 through an exchange of notes in Perth. The plan of action for the agreement was signed in November 2008. For Indonesia, the Lombok treaty is a landmark since it makes possible forward-looking cooperation in the fields of traditional as well as non-traditional security. Let me stress that the Lombok treaty created neither a security alliance nor an exclusive club. It recognises the complexity of the security issues that our two countries are confronting together; hence, it is a treaty committing both sides to working together to address these complex issues. Moreover, both sides commit themselves to respecting each other’s sovereignty and territorial integrity. That means each side will in no way support any separatist movement against the other. Thus, the treaty is a paradigm shift in the notions of security, threat, mutual respect and cooperation. By signing onto this agreement we were changing course and reinvented Indonesian-Australian relations for the better. I commend the bipartisan stance of Australia that is firmly committed to the new partnership with Indonesia.

The same spirit prevails on the Indonesian side. Indonesia has a proliferation of political parties but, whichever is in power, a constructive relationship with Australia will always be of the highest priority. And what a difference it has made: in recent years, the contents of our relations have expanded. Our respective officials have become much more comfortable with each other and the pace of our interaction has picked up. Imagine: in our first 55 years of relations only three Indonesian presidents visited Australia, an average of one every 18 years or so. In the last six years I have visited Australia three times, an average of once every two years. Indeed, I have made it a policy to include Australia in my first batch of bilateral visits after each of my presidential inaugurations It is also of enormous diplomatic significance that Prime Minister John Howard and Prime Minister Kevin Rudd attended Indonesia’s presidential inaugurations in 2004 and 2009. But we should not be complacent. We must nurture our partnership patiently, prudently and creatively. The worst step we can take is to take this partnership for granted. We have to continue to earn each other’s trust, for trust is at the heart of our bilateral relations.

Excellencies, friends, the Australian-Indonesian partnership today is solid and strong, but just how far this partnership will take us will depend on our ability to address a set of challenges. Let me highlight at least four of them. The first challenge is to bring a change in each other’s mindset. I was taken aback when I learned that in a recent Lowy Institute survey 54 per cent of Australian respondents doubted that Indonesia would act responsibly in its international relations. Indeed, the most persistent problem in our relations is the persistence of age-old stereotypes—misleading, simplistic mental caricature that depicts the other side in a bad light. Even in the age of cable television and internet, there are Australians who still see Indonesia as an authoritarian country, as a military dictatorship, as a hotbed of Islamic extremism or even as an expansionist power. On the other hand, in Indonesia there are people who remain afflicted with Australia-phobia—those who believe that the notion of White Australia still persists, that Australia harbours ill intention toward Indonesia and is either sympathetic to or supports separatist elements in our country.

We must expunge this preposterous mental caricature if we are to achieve a more resilient partnership. I want all Australians to know that Indonesia is a beautiful archipelago. We are infinitely more than a beach
playground with coconut trees. Indonesia is the world's third-largest democracy and the largest country in South-East Asia. We are passionate about our independence, moderation, religious freedom and tolerance; and, far from being hostile, we want to create a strategic environment marked by a million friends and zero enemies.

Indonesians are proud people who cherish our national unity and territorial integrity above all else. Our nationalism is all about forging harmony and unity among our many ethnic and religious groups. That is why the success of peace and reconciliation in Aceh and Papua is not trivial but a matter of national survival for us Indonesians. We would like Australians to understand and appreciate that.

The bottom line is that we still have a lot of work to do when it comes to people-to-people contact and when it comes to appreciating the facts of each other’s national life. That is why I keenly welcome the Asian language studies program initiated by the Australian government. I hope the program makes Australia not only the most Asian literate country but also the most Indonesian literate country. Through its mission in Australia, Indonesia is supporting this program by providing Indonesian language teaching assistance in several primary and high schools in Australia. We are offering free language courses and establishing Bahasa Indonesia language centres in Perth and Canberra. We will do more of these in the future.

The second challenge to our partnership is how to manage relations that are bound to become more complex, more dense and more hectic. It is the law of diplomacy that as two countries get closer and interact at an increasing velocity we will experience some speed bumps. When we have a growth in traffic of hundreds of thousands of our citizens and official crisscrossing we should expect problems to surface. Our job is not to lament these problems but to solve them. That is why I welcome the bilateral arrangement for consular notification and a system that was agreed at this visit.

In the face of problems like that, we need to put in place more pragmatic ways of diplomatic consultation. Hence, I am glad that the Australia-Indonesia Ministerial Forum has progressed very well. Indonesia has quite a few bilateral forums with so many ministers on both sides taking part in extensive policy discussions. I am told that since Prime Minister Rudd assumed office we have had 69 ministerial visits both ways. That is an impressive number. We must sustain this good momentum.

For the same reason I am glad that our respective legislators are vigorously engaged with each other. As I stand before the parliament of this great country, I wish to thank the parliamentary group on Indonesia, chaired by the Hon. Jim Turnour MP, and its counterpart in Indonesia. Because of their initiative we have better policy coordination between our countries today.

In that same spirit I am pleased to announce that Prime Minister Kevin Rudd and I agreed today to upgrade our partnership with an annual leader’s retreat that is to take place alternately between Indonesia and Australia, and a two-plus-two annual meeting involving the foreign and defence ministers of both countries. I am sure that this new arrangement will further cement Indonesia-Australia relations and enhance trust between us.

The third challenge is how to make our partnership more opportunity driven. We know that it is already a rich and dense relationship between our countries, especially in the people-to-people contact, but we have much to do to really connect with our true
potential. Indonesia is one of the world’s emerging economies and South-East Asia’s largest economy with a GDP of US$514 billion, the third-highest growth among G20 countries, a large market of 240 million people with a growing and sizable middle class, and a wealth of natural resources. Australia is a developed country—the 18th largest economy in the world, one of the world’s most competitive and innovative economies, with the best corporate governance and one of the easiest places to do business, with a GDP of US$920 billion.

The prospect of Australia and Indonesia is indeed bright and exciting, but these impressive statistics need to be reflected in our partnership. Our bilateral trade stands at US$6.7 billion in 2009, which grew 18 per cent in the last five years, but it is still growing at a much lower rate than Australia’s trade with ASEAN. Australian investment flows to Indonesia, which in 2009 was at US$79 million with 26 projects, ranked at No.12. Meanwhile, services account for only 10 per cent of our total trade. So we need to do better to harness these economic benefits. We need to encourage our private sector to do more business with one another. On that note I do welcome Australia’s effort in fostering greater economic linkages with the eastern part of Indonesia.

The fourth challenge for our partnership is how to address new issues. Just look at the list of issues that has defined recent Indonesia-Australia relations and captured public imagination in recent years and you will know what I mean: terrorism, tsunami, people smuggling and drug offenders. We live in a different time and we face different sorts of challenges. Both our countries are facing a new strategic reality where non-traditional threats are becoming more permanent. Terrorism, infectious diseases, financial crises and climate change, to mention only a few, threaten the lives and wellbeing of our citizens.

Our partnerships, to be relevant, must develop the capacity to deal with these new issues. In fact, the unique part of the Australia-Indonesia partnership in the 21st century is how we cooperate beyond the bilateral context to tackle issues of global significance. I believe that Indonesia and Australia are on the same page on the need to foster a more democratic world order to reflect the changing global political and economic landscape. We are both firm believers in the virtue of multilateral relations and in the need to reform the United Nations system. In anticipation of what may well be the Asian century, Indonesia and Australia are also committed to strengthen and evolve the regional architecture to meet the challenges that lie in wait. It is important that such regional architecture evolves in ways that ensure a new equilibrium and usher in new geopolitics and geo economics of cooperation.

In addressing the global financial crisis, I am pleased that I was able to work closely with Prime Minister Kevin Rudd, through many phone calls back and forth, to push for the realisation of the historic G20 summit which commenced in Washington DC in 2008. It is a sign of the times that Indonesia and Australia now are part of the premier forum for international economic cooperation. We both share a strong interest in advancing the G20 process, reforming the international financial architecture and promoting balanced, sustained and inclusive growth. We also need to ensure that the G20 leaders avoid the danger of complacency that will result in the reform process losing steam. Prime Minister Rudd and I have kept in close consultation on international economic issues—and, yes, we do wink at one another during G20 meetings!
Prime Minister Kevin Rudd and I have also been in close touch on the issue of people-smuggling. Given the regional circumstances, this is an issue that seems likely to go on in the short term. Indonesia and Australia believe in the imperative of the Bali process, which recognises that people-smuggling is a regional problem that requires a regional solution involving the origin, transit and destination countries to work together. What is our response? At this visit, we have finally worked out a bilateral mechanism of cooperation to deal with this issue so that future people-smuggling cases can be handled in a predictable and coordinated way. We will continue to work together to advance the Bali process. We will speed up the process of relocating illegal migrants now stranded in Indonesia to another country. Now that we know much more about their modus operandi, our respective authorities will intensify their cooperation to disrupt people-smuggling activities. To strengthen our legal instruments, the Indonesian government will soon introduce to parliament a law that will criminalise those involved in people-smuggling. Those found guilty will be sent to prison for up to five years.

In the fight against terrorism, the Indonesian National Police and the Australian Federal Police will continue to work closely together, including in intelligence sharing, information exchange and capacity building. We in Indonesia continue to be relentless in our fight against terrorism. We have scored some major successes against dangerous terrorists such as Dr Azahari, Noordin Mohammed Top and their associates. In recent weeks, we were able to disrupt terrorist cells operating and training in Aceh and in other places in Indonesia which had some connections with other terrorist cells in the region. Just yesterday, our police authorities raided an important terrorist cell in a suburb of Jakarta and put several terrorist operatives out of commission. In any case, the Indonesian authorities will continue to hunt them down and do all we can to prevent them from harming our people. I agree completely with Prime Minister Rudd, who said in the aftermath of the Marriott bombing:

… any terrorist attack anywhere is an attack on us all. Any terrorist attack on our friends in Indonesia is an attack on our neighbours.

Another major concern that we share is climate change. Prime Minister Rudd and I have worked closely since the Bali climate conference two years ago. Last December, we were both part of a meeting of 26 leaders that produced the Copenhagen Accord. But, beyond the multilateral forum, there is much that can be done between us while waiting for the new global climate treaty to take place.

I appreciate the opportunity to work constructively on the Indonesia-Australia Forest Carbon Partnership. Indonesia also appreciates Australia’s support for the Coral Triangle Initiative, which Indonesia initiated and which has become a collaborative effort with Malaysia, the Philippines, Papua New Guinea, Solomon Islands, Timor-Leste and Brunei Darussalam. This initiative will conserve the world’s greatest marine biodiversity area—in our region—known as the ‘Amazon of the seas’. The livelihoods of some 120 million people around this marine area are dependent on it.

In the same spirit of conserving our marine and coastal resources, we hosted the Manado World Ocean Conference, which Australia strongly supported. We worked with Australia to ensure the mainstreaming of ocean issues in the Copenhagen Accord. I wish to acknowledge Australia’s support for Indonesia’s initiative of forming the group of 11 tropical forest nations, or F-11. This group has contributed so much to the conservation and sustainable management of tropi-
eral forests, which are the lungs of the earth. In caring for our precious forest resources, we in the F-11 are also fostering the larger cause of sustainable development.

In the political field, we are cooperating to strengthen a positive trend in our region, the growth of democracy. I am grateful to the Australian government for strongly supporting the Bali Democracy Forum, which we launched in December 2008. The Bali Democracy Forum is the only intergovernmental forum in Asia on the issue of democracy. As peace-loving democracies, we are strong advocates of disarmament, particularly the eradication of nuclear weapons and their means of delivery. Thus Australia played a pivotal role in the establishment of the nuclear-weapon-free zone in the Pacific, while Indonesia was a key player in the creation of a South-East Asian nuclear-weapon-free zone.

Through the International Commission on Nuclear Nonproliferation and Disarmament, which is led by Australia and Japan, and other forums we are working closely together towards the attainment of a world of zero nuclear weapons. Because of efforts like these, perhaps in our lifetime we will no longer have to fear the possible tragedy of a nuclear holocaust.

Excellencies, ladies and gentlemen, Australia and Indonesia have become better nations, stronger nations, because we have each other for a friend and partner. We will get stronger and we will together contribute more to the peace, security and equitable prosperity of our region and the world in the years ahead. We will do that by faithfully pursuing our enhanced, comprehensive partnership.

Finally, I look forward to a day in the near future when policymakers, academicians, journalists and other opinion leaders all over the world take a good look at the things we are doing so well together and say: ‘These two used to be worlds apart but they now have a fair dinkum partnership. Why cannot we all do likewise?’ And because others will follow our example, the world will become a better place to live in. I thank you.

The SPEAKER (3.15 pm)—Bapak Presiden, terima kasih. On behalf of the House, I thank you for your address and the important messages, for your friendship and good humour, and for your ongoing work in strengthening the Indonesia-Australia relationship. I wish you, your wife, your ministers and the members of parliament and governors accompanying you a successful, safe and enjoyable stay in Australia. Selamat sukses! I thank the President of the Senate and the senators for their attendance and impeccable behaviour. The sitting is suspended until the ringing of the bells.

Joint sitting suspended at 3.18 pm

Senate resumed at 4 pm

NOTICES

Presentation

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (4.00 pm)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010, allowing it to be considered during this period of sittings.

I also table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

Purpose of the Bill

The bill implements the Board of Taxation’s recommendations arising from the review of the
legal framework for the administration of the GST, including:

- GST adjustments for third party payments;
- tax invoices and attribution.

Reasons for Urgency

While the bill commences on 1 July 2010, a range of measures contained within it must receive passage well in advance of their start date to provide certainty and to allow sufficient time for the Australian Taxation Office, businesses and the tax profession to make system changes in order to be ready to comply with the new law by 1 July 2010.

Senator Ludlam to move on the next day of sitting:

That there be laid on the table by the Minister for Broadband, Communications and the Digital Economy, no later than 10 am on Wednesday, 17 March 2010, a copy of the National Broadband Network Implementation Study.

Senator Fierravanti-Wells to move on the next day of sitting:

That—
(a) Parts 8, 9 and 10 of Schedule 1 of the National Health (Pharmaceutical Benefits – Therapeutic Groups) Determination 2010 (Instrument Number PB 1 of 2010), made under subsection 84AG(1) of the National Health Act 1953, be disallowed; and
(b) Amendment determination – Drugs on F1 and drugs in Part A of F2 (Instrument number PB 2 of 2010), made under subsections 85AB(1) and 85AC(1) of the National Health Act 1953, be disallowed.

Senator Siewert to move on the next day of sitting:

That the Senate—
(a) notes that:
(i) Thursday, 11 March 2010 is World Kidney Day,
(ii) World Kidney Day is a global health awareness campaign focusing on the importance of our kidneys, and on reducing the frequency and impact of kidney disease and its associated health problems worldwide, and
(iii) the focus of World Kidney Day is diabetes which, along with high blood pressure are the key risk factors in chronic kidney disease;
(b) recognises the early detection of kidney disease can reduce the risk of complications and thereby dramatically reduce the growing burden of disability and death from chronic renal disease;
(c) acknowledges that Type 2 diabetes is the fastest growing chronic disease in Australia, with on average 1 500 new cases identified every week and nearly one in four Australians having either impaired glucose metabolism or diabetes;
(d) calls attention to the alarmingly high rates of diabetes, high blood pressure and renal disease within Aboriginal Australians, noting:
(i) Aboriginal people are 3.4 times more likely than non-Aboriginal people to have diabetes or pre-diabetes,
(ii) the Kimberly population has the 4th highest prevalence of Type 2 diabetes in the world,
(iii) gestational diabetes is up to 20 per cent higher in the Aboriginal population compared with the non-Aboriginal population, and
(iv) kidney disease is 10 times more likely to occur in Aboriginal people when compared with non-Aboriginal people;
(e) notes the special ecumenical service for renal sufferers being held on 11 March 2010 in Alice Springs in recognition of the anguish experienced by Nura Ward and others like her who must leave their homelands forever to receive dialysis in a city far from their family and culture; and
(f) calls:
(i) on the Federal Government to put greater resources into education and prevention for diabetes and kidney disease, particularly targeting Aboriginal
communities and others at high risk, and
(ii) for a much greater commitment to planning to meet the emerging need for services and support for those with renal disease, particularly in regional and remote communities.

Senator Carol Brown to move on the next day of sitting:
That the Joint Standing Committee on Electoral Matters be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Monday, 15 March 2010, from 12.30 pm.

Senator Ludwig to move on the next day of sitting:
That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010, allowing it to be considered during this period of sittings.

Senator Johnston to move on the next day of sitting:
That the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity:
(a) be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 11 March 2010, from noon; and
(b) be authorised to hold a public meeting during the sitting of the Senate on Thursday, 11 March 2010, from 12.15 pm, to take evidence for the committee’s inquiry into the examination of the annual report 2008-09 of the Integrity Commissioner.

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 Ombudsman Act 1976 to establish the Education Ombudsman, and for related purposes, Ombudsman Amendment (Education Ombudsman) Bill 2010.

Senator Xenophon to move on the next day of sitting:
That the following matters be referred to the Economics References Committee for inquiry and report by 24 June 2010:
(a) the appropriateness of applying the Public Benefit Test currently in place in the United Kingdom’s Charities Act 2006, including balancing benefits against any detriment or harm, to charitable and religious organisations in Australia with respect to their tax exempt status;
(b) whether there is a need to amend Division 50 of the Income Tax Assessment Act 1997 to accommodate such as test; and
(c) any related matters.

Postponement
The following items of business were postponed:
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 11 March 2010.
General business notice of motion no. 728 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for today, relating to an independent inquiry into a certain Australian Defence Force operation in Afghanistan, postponed till 11 March 2010.
The Leader of the Australian Greens (Senator Bob Brown), by leave, moved—That general business notice of motion no. 730 standing in his name for today, relating to ATM fees, be postponed till 11 March 2010.

COMMITTEES

Environment, Communications and the Arts References Committee

Reference

Senator BIRMINGHAM (South Australia) (4.02 pm)—I move:
That the following matters be referred to the Environment, Communications and the Arts References Committee for inquiry and report by 21 June 2010:

(a) the Government’s Green Loans Program (the program), with particular reference to:

(i) the administration of the program from a pricing, probity and efficiency perspective, including:

(A) the basis on which the Government determined the amounts of the loan to be made available and Government subsidy thereof,

(b) regulation of Home Sustainability Assessment practices, including the promotion of assessments,

(c) accreditation of Home Sustainability Assessors,

(d) ensuring value for money for taxpayers,

(e) waste, inefficiency and mismanagement within the program,

(f) ensuring the program achieves its stated aims of improving water and energy efficiency, and

(g) the consultation and advice received from financial institutions regarding their participation,

(ii) an examination of:

(A) employment and investment in Home Sustainability Assessments resulting from the program, including that resulting from Government statements regarding the number of accredited assessors,

(b) the effectiveness of the booking system,

(c) the effectiveness and timeliness of Home Sustainability Assessment reports being provided,

(d) the early reduction by the Government in the number of Green Loans to be offered, and subsequent discontinuation of the loans, including by financial institutions in advance of the Government’s announced date of discontinuation,

(e) homeowner actions for which Green Loans have been sought and approved,

(f) the level of evaluation of homeowner action following any Home Sustainability Assessment, and

(g) what advice was provided to the Government on the feasibility and effectiveness of the program, including to what degree the Government acted on this advice, and

(iii) an analysis of the effectiveness of the program as a means to improve the water and energy efficiency of homes, including comparison with alternative policy measures;

(b) consideration of measures to reduce or eliminate waste and mismanagement, and to ensure value for money for the remainder of the program, noting the commitment of funding for an additional 600,000 free Home Sustainability Assessments despite the discontinuation of the loans; and

(c) other related matters.

Question agreed to.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (4.03 pm)—I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—The government opposed this motion. The Minister for Climate Change, Energy Efficiency and Water, Senator Penny Wong, will be making a ministerial statement on the Green Loans Program this afternoon.

Economics Legislation Committee

Extension of Time

Senator O’BRIEN (Tasmania) (4.04 pm)—At the request of Senator Hurley, I move:
That the time for the presentation of the report of the Economics Legislation Committee on the Safe Climate (Energy Efficient Non-Residential Buildings Scheme) Bill 2009 be extended to 17 March 2010.

Question agreed to.

Finance and Public Administration Legislation Committee

Meeting

Senator O’BRIEN (Tasmania) (4.04 pm)—At the request of Senator Polley, I move:

That the Finance and Public Administration Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 11 March 2010, from 3.30 pm, to take evidence for the committee’s inquiry into the provisions of the Governance of Australian Government Superannuation Schemes Bill 2010 and two related bills.

Question agreed to.

DIALYSIS SERVICES

Senator SIEWERT (Western Australia) (4.04 pm)—I move:

That the Senate—

(a) congratulates the Western Australian Government on its commitment to negotiate an agreement with the Northern Territory Government so that renal patients living east of Warburton can, once again, access dialysis services in the Northern Territory;

(b) notes that the Northern Territory Government has expressed a willingness to establish a similar agreement with the South Australian Government so that people from the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands with end-stage renal disease can access ongoing dialysis treatment in Alice Springs;

(c) expresses concern that, to date, the South Australian Government has been unable or unwilling to negotiate such an agreement;

(d) asks the South Australian Minister for Health, John Hill, to advise what impediments, if any, are preventing his Government from entering into such an agreement;

(e) calls on the Commonwealth Minister for Health and Ageing, Nicola Roxon, to urge the South Australian Government to commit to the establishment of such an agreement as a matter of priority; and

(f) highlights the need for the Commonwealth Government to play a more active role in the development of a properly-funded, long-term response to renal disease across Central Australia.

Question agreed to.

BURMA

Senator LUDLAM (Western Australia) (4.05 pm)—I move:

That the Senate—

(a) notes that:

(i) 9 March is an international day of action to raise awareness about the new military offensive against Karen civilians by the Burmese Army in Karen State, eastern Burma,

(ii) since mid January 2010 more than 2 000 civilians have been forced to flee new attacks in eastern Burma with villagers being shot on sight, more than 70 homes have been destroyed, schools and health clinics burnt down and the blocking of aid to people hiding in the jungle,

(iii) human rights abuses in Burma are widespread and systematic with the main perpetrator being the Burmese military,

(iv) gender-based violence, including rape against women and girls, is used as a weapon by the Burmese military,

(v) in the week beginning 28 February 2010, in New York, an International Tribunal on Crimes against Women in Burma, presided over by two Nobel Peace Prize winners and human rights experts, recommended that the United Nations Security Council refer Burma to the International Criminal Court and
that countries in the Asia-Pacific not invest in Burma’s oil and gas industry, and

(vi) Burma’s oil and gas industry is the regime’s largest source of income and directly contributes to the financial stability of the military regime; and

(b) calls on the Australian Government to:

(i) work with other governments to establish a commission of inquiry to investigate crimes against humanity and war crimes being committed in Burma, and

(ii) ensure that Australian companies with links to Burma’s oil and gas industry are not contributing to the financial stability of the military regime.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (4.05 pm)—I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—The Australian government does not support this motion. As has been stated on numerous occasions, the government objects to using formal motions to deal with complex international matters, particularly those involving other governments. As Mr Smith said in his comprehensive statement on 8 February, Australia has long been appalled by both the Burmese military’s suppression of the democratic aspirations of the Burmese people and its disrespect for their human rights.

The government holds grave concerns about indications of heightened tensions between the regime and Burma’s many armed ethnic groups. We have consistently urged the Burmese authorities to engage in dialogue with all Burma’s ethnic groups to seek non-military solutions to these long-running conflicts.

The motion refers to the establishment of a commission of inquiry. In order for a commission of inquiry to be effective, it would require the cooperation of the relevant state—Burma, in this case—and would face significant practical obstacles in getting established. Australia’s existing sanction measures—financial sanctions and travel restrictions—are carefully targeted to place pressure on senior members of the Burmese regime and their supporters. Until we see significant change from Burma’s authorities, the Australian government will maintain a policy of targeted financial sanctions. I thank the Senate.

Senator LUDLAM (Western Australia) (4.06 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDLAM—The minister has presumably pointed out the two aspects of the motion that the government does disagree with. I would note for the record that, after receiving support from the government and from the opposition on a number of motions—some of them quite controversial—relating to foreign policy, it seems that the minister will only stand up and read one of those statements if it is an issue that the government disagrees with or does not like. I would ask that if this is not the time to debate these sorts of issues, then when is it time?

Much of the motion that is before us relates to the Senate simply noting the facts on the ground. I do not think the government disputed them, and I did not hear the minister disputing them. But what he did stand up and say was that we will not be able to proceed with the United Nations commission of inquiry without the support of the Burmese regime—which is factually not true—and that the sanctions regime is appropriate and working well as is.
The point that I am trying to make by way of this motion is that neither of those contentions is true. It is absolutely unconscionable that Australian investors are able to work in Burma, as we speak. There is drilling equipment moving from South-East Asia into gas fields off the coast of Burma right now, with Australian investors based in Western Australia in partnership with a regime that the minister just stood up and roundly condemned. I do not understand what complex or delicate foreign policy matter exists in simply reversing the government’s long-standing position of maintaining weak and inadequate sanctions that are at odds with many of our partners in the region and other countries that we would consider our peers. It is absolutely time that the government stood up strongly and made our sanctions bite, particularly in this all-important election year. As for the matter of the UN commission of inquiry, this is a boat that is going to leave without Australia. We need to lend our weight to moves within the United Nations for a commission of inquiry to lay the grounds for crimes against humanity, which we know are occurring, and it is time that Australia got on board.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (4.08 pm)—I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—It only relates to the procedural matters that Senator Ludlam raised. These are notices of motion. You asked for formality. Formality was granted; no-one denied you formality. If you want them dealt with in this way, and you have asked for them to be dealt with in this way, do not complain if you do not like the way they are being dealt with. You asked for them to be dealt with in this way.

If you want them to be debated, do not ask for formality, and they will then be dealt with in general business. That would be the course that you could adopt. But do not complain about the procedure when you asked for it for yourself. I thank the Senate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.09 pm)—I ask leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator BOB BROWN—What a fatuous statement from the minister that was! He wants the movers of motions here to relegate to general business—and that means no debating time, effectively—matters that ought to be dealt with in this period of motions. Let me suggest to the government and to the minister that if the government wants to afford the Greens and other people in the parliament the ability to debate important issues like its own failure to adequately levy sanctions against the ruthless regime in Burma, then just flag that to us and we will have a debate. All you have to do is deny formality and we will suspend all the other processes that are required and go into a full debate, if that is what the government truly wants. But it is quite fatuous of the government to say, ‘Oh, well, there is another procedure.’

If the government is going to allow a debate on the issue of its failures as far as Burma is concerned, which enhances the Burmese ability to repress Aung San Suu Kyi, who is still under house arrest, then the Greens would welcome that greatly. I will speak to Senator Ludwig about that matter and, if we can facilitate that debate in the coming week, the Greens will be very happy to take the government up on that offer to have a decent debate, for the government to take it seriously and to organise that it be held in real business time in this parliament.
Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (4.11 pm)—I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—The Senate may have misheard what I said. What I plainly said was that if you ask for leave then you are requesting the Senate to deal with the motion in a specific way and you should then not complain about that process when we give you leave to make a short statement. If you want the matter dealt with as a formal motion, then do not ask for leave and it will be referred to general business time. That is the procedure in this place and the Senate will determine the procedure, as always, by the will of the Senate, not by a wish or a request by you in fact misquoting what I said.

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

The Senate divided. [4.17 pm]

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

Ayes............. 6
Noes............. 35
Majority......... 29

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

NOES
Arbib, M.V. Barnett, G.
Bernardi, C. Bilyk, C.L.
Bishop, T.M. Brown, C.L.
Bushby, D.C. * Cameron, D.N.
Colbeck, R. Cooman, H.I.
Crossin, P.M. Farrell, D.E.
Feeney, D. Ferguson, A.B.
Fielding, S. Fifield, M.P.
Forsyth, M.G. Furner, M.L.
Hurley, A. Hutchins, S.P.

Question negatived.

TIBET

Senator LUDLAM (Western Australia) (4.20 pm)—I move:
That the Senate—
(a) notes:
(i) that 10 March 2010 is the 51st anniversary of the Tibetan uprising and the Dalai Lama’s exile to India and the 2nd anniversary of the beginning of widespread unrest across Tibetan areas in 2008,
(ii) the continuing human rights concerns in Tibet, noted publicly in Beijing by our Prime Minister (Mr Rudd) on 9 April 2008,
(iii) the resumption of direct contact between Chinese officials and representatives of the Dalai Lama on 26 January 2010 after a gap of 15 months,
(iv) the meeting, on 18 February 2010, between the Dalai Lama and the President of the United States of America, Barack Obama, in the White House, and later that day, between the Dalai Lama and the Secretary of State, Hillary Clinton, and the Under Secretary of State and Special Coordinator for Tibetan Issues, Maria Otero,
(v) that the Dalai Lama’s Middle-Way policy for the peaceful resolution of the Tibetan situation respects the territorial integrity of the People’s Republic of China and seeks to resolve the Tibetan issue within the framework of the Constitution of the People’s Republic of China, and
(vi) the right of the Tibetan people to maintain their unique language, religion and culture under international law; and

(b) calls on the Australian Government to:

(i) continue to monitor the progress of talks between the Chinese Government and representatives of the Dalai Lama,

(ii) follow President Barack Obama in explicitly supporting the Dalai Lama’s Middle-Way policy for a peaceful resolution of the Tibetan situation, and

(iii) renew and strengthen its support for a peaceful, lasting and mutually-agreeable resolution of the Tibetan situation, including entering into substantive multilateral initiatives with other concerned governments to encourage meaningful negotiations on the points raised in the Memorandum on Genuine Autonomy for the Tibetan People.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (4.20 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—The Australian government does not support this motion. As has been stated on previous occasions, the government objects to using formal motions to deal with complex international matters, particularly those involving other governments. However, for the record, I would like to make some points on the government’s position on Tibet. Australia recognises Chinese sovereignty over Tibet. However, we have continuing concerns over the human rights situation in Tibet, including constraints on freedom of expression and cultural and religious rights and the use of capital punishment. The Australian government closely monitors the human rights situation in Tibet and raises its concerns directly with China at various levels, including exchanges between political leaders and senior officials, the annual bilateral human rights dialogue and diplomatic channels. We also raise individual cases of concern with the Chinese authorities.

The government supports direct negotiation between representatives of his Holiness the Dalai Lama and the Chinese government. We were disappointed that the ninth round of negotiations, which took place in Beijing in February, did not make progress. However, we note that both sides are willing to hold further talks. The government will of course continue to monitor the progress of those talks closely. However, we do not intend to provide a running commentary on a particular position taken by one side or the other in the negotiating process. Since the two parties are dealing directly with each other, we do not see any value in multilateral initiatives that seek to apply external pressure on the process. I thank the Senate.

Senator LUDLAM (Western Australia) (4.22 pm)—I seek leave to make a very brief statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDLAM—I just want to draw the attention of senators to the motion, No. 721 on the Notice Paper. You might like to have a quick look at what it is you are about to vote down, which I presume is what is about to occur. This motion does not actually call on the government to do anything except note the facts of the situation on the ground. I acknowledge that the previous motion, on Burma, actually did call on the Australian government to undertake some significant and quite important changes in Australian foreign policy on that matter. This one does not. It asks the government, in fact, to do exactly what the minister just said, in his exact words: to continue to monitor the progress of talks between the Chinese government and representatives of the Dalai Lama,
and other similar clauses. You are about to vote down something that is so innocuous I was almost embarrassed to put it up. This is not about delicate matters of foreign policy, and yet the entire chamber seems, on instinct, prepared to simply line up and knock it off. This is a long way—

Honourable senators interjecting—

The DEPUTY PRESIDENT—Order!

The DEPUTY PRESIDENT—Order! I want to hear Senator Ludlam.

Senator LUDLAM—I will take that interjection from Senator Milne because I have absolutely no doubt that there is a lot of support in this chamber for the aspirations of the Tibetan people under the leadership of His Holiness the Dalai Lama. A number of us here have had the honour of meeting the Dalai Lama or his representatives in Australia at different times—but don’t come out and do that and then vote down something that effectively calls on the Senate to note the facts on the ground, which is really all we are doing here today. It is an awful shame that the major parties will vote it down. I just ask you to read the motion. I know that does not always happen; we are all busy people. Just read what it is you are about to vote down. I would greatly appreciate that.

Question put:

That the motion (Senator Ludlam’s) be agreed to.

The Senate divided. [4.25 pm]

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

Ayes………… 6
N oes………… 31
M ajority……… 25

AYES
Brown, B.J.
Ludlam, S.
Siewert, R. *

NOES
Arbib, M.V.
Bernardi, C.
Birmingham, S.
Brown, C.L.
Cameron, D.N.
Farrell, D.E.
Ferguson, A.B.
Fifield, M.P.
Hurley, A.
Ludwig, J.W.
McEwen, A.
Moore, C.
Parry, S.
Pratt, L.C.
Sterle, G.
Wortley, D.

* denotes teller

Question negatived.

AUSTRALIAN WAR MEMORIAL

Senator BARNETT (Tasmania) (4.28 pm)—I seek leave to amend general business notice of motion No. 720, standing in my name and the name of Senator Williams, by omitting in subparagraph (a)(iii) the following words ‘and in many ways demeaned the fine military service and contribution from both these states’.

Leave granted.

Senator BARNETT—I, and on behalf of Senator Williams, move the motion as amended:

That the Senate—

(a) notes:

(i) the Australian War Memorial is organising an important and unique nationwide tour of nine Victoria Cross medals to coincide with the 95th anniversary of Gallipoli,

(ii) the tour commences in Perth, Western Australia, in March 2010 and is scheduled to visit South Australia, the North-
ern Territory, Victoria, and to conclude in Brisbane, Queensland, in November 2010, and

(iii) the exclusion of Tasmania and New South Wales is very disappointing;

(b) calls on the Australian War Memorial to extend the tour to both Tasmania and New South Wales; and

(c) requests the Government to take whatever steps are necessary to ensure this objective is achieved.

Senator O'BRIEN (Tasmania) (4.28 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator O'BRIEN—I thank the Senate. This exhibition is funded by Mr Kerry Stokes. Locations for the exhibition were chosen by the Australian War Memorial, which is an independent cultural institution. The Australian War Memorial Council is made up of eminent Australians appointed by government and is an independent decision-making body. It is not the practice of this government, nor has it been the practice of previous governments, to interfere with the decisions of the Australian War Memorial. On aspects of this motion which go to activities other than those of the government, the government would not have difficulty in supporting it, but given its wording and the fact that just recently Senator Barnett has indicated that he would prefer to put the motion today rather than reconsider another form of words we government senators will be forced to oppose this motion.

We will not be calling for a division. We recognise that the motion of Senators Barnett and Williams will have majority support, with the coalition and the Greens, in the chamber.

Question negatived.

**SEA SHEPHERD CONSERVATION SOCIETY SHIPS**

Order

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.30 pm)—I move:

That there be laid on the table by the Minister representing the Prime Minister, the Minister representing the Minister for Foreign Affairs, the Minister representing the Minister for Environment Protection, Heritage and the Arts and the Minister representing the Minister for Home Affairs, no later than 15 March 2010, any documents relating to the Australian Federal Police’s search of the *Sea Shepherd* Conservation Society ships *Bob Barker* and *Steve Irwin* in Hobart on Saturday, 6 March 2010, including, but not limited to, correspondence, whether written or in email form, briefing papers and/or memoranda.

Question put.

The Senate divided. [4.32 pm]

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

Ayes

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

Noes

| Arbib, M.V. | Bernardi, C. |
| Bilyk, C.L. | Birmingham, S. |
| Bishop, T.M. | Brown, C.L. |
| Bushby, D.C. * | Cameron, D.N. |
| Colbeck, R. | Farrell, D.E. |
| Feeney, D. | Ferguson, A.B. |
| Fifield, M.P. | Foster, M.L. |
| Hurley, A. | Hutchins, S.P. |
| Ludwig, J.W. | Marshall, G. |
| McEwen, A. | McLucas, J.E. |
| Moore, C. | Nash, F. |
| O'Brien, K.W.K. | Parry, S. |
| Polley, H. | Pratt, L.C. |

Majority

| 7 | 30 |

AYES

| Brown, B.J. |
| Fielding, S. |
| Hanson-Young, S.C. |
| Milne, C. |
| Xenophon, N. |

NOES

| Arbib, M.V. |
| Bilyk, C.L. |
| Bishop, T.M. |
| Bushby, D.C. * |
| Colbeck, R. |
| Feeney, D. |
| Fifield, M.P. |
| Hurley, A. |
| Ludwig, J.W. |
| McEwen, A. |
| Moore, C. |
| O'Brien, K.W.K. |
| Polley, H. |
WEST PAPUA

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.34 pm)—I move:

That the Senate calls on the Government to work with the Government of Indonesia to allow West Papua to participate in the act of self-determination to be carried out in accordance with international practice as determined by the United Nations.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (4.35 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—I thank the Senate.

The Australian government does not support this motion. Australia respects Indonesia’s territorial integrity, including its sovereignty over Papua and West Papua. The government strongly supports the development of the Papuan provinces as stable and prosperous parts of the Republic of Indonesia, including through the effective implementation of special autonomy and respect for human rights.

Question put.

The Senate divided. [4.36 pm]

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

Ayes…………… 6
Noes…………… 31
Majority……….. 25

AYES

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

NOES

Arbib, M.V.  Bernardi, C.
Bilyk, C.L.  Birmingham, S.
Bishop, T.M.  Brown, C.L.
Bushby, D.C.  Cameron, D.N.
Colbeck, R.  Farrell, D.E.
Feeney, D.  Ferguson, A.B.
Fielding, S.  Fifield, M.P.
Furner, M.L.  Hurley, A.
Hutchins, S.P.  Ludwig, J.W.
Marshall, G.  McEwen, A.
McLucas, J.E.  Moore, C.
Nash, F.  O’Brien, K.W.K.  *
Parry, S.  Polley, H.
Pratt, L.C.  Stephens, U.
Sterle, G.  Troeth, J.M.
Wortley, D.  * denotes teller

Question negatived.

NOTICES

Postponement

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.39 pm)—by leave—I move:

That general business notice of motion no. 730 standing in my name for today, relating to ATM fees, be postponed till the next day of sitting.

Question agreed to.

FORMER BRITISH CHILD MIGRANTS

Senator SIEWERT (Western Australia) (4.39 pm)—I, and on behalf of Senators Humphries and Moore, move:

That the Senate—

(a) welcomes the British Government’s apology made on 24 February 2010 to the thousands of children who were sent to Australia between 1937 and 1967 under child migration schemes; and

(b) congratulates the British Government on this initiative and the announcement of their commitment to providing support to both the child migrants and their families.

Question agreed to.
WHALING
Senator SIEWERT (Western Australia) (4.40 pm)—I move:
That the Senate—
(a) recognises the Australian community’s strong interest in the issue of illegal whaling;
(b) acknowledges the Government’s stated interest in pursuing legal action on this issue; and
(c) requests that the Australian Government send an embassy observer to the trial of Greenpeace activists Junichi Sato and Toru Suzuki, who are on trial in Japan for their role in exposing corruption in the government-funded whaling industry.

Question put.
The Senate divided. [4.41 pm]
(The Deputy President—Senator the Hon. AB Ferguson)

Ayes…………. 7
Noes…………. 30
Majority……. 23

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

NOES
Arbib, M.V. Bernardi, C.
Bilyk, C.L. Birmingham, S.
Bishop, T.M. Brown, C.L.
Bushby, D.C. * Cameron, D.N.
Colbeck, R. Farrell, D.E.
Fenney, D. Ferguson, A.B.
Fifield, M.P. Furner, M.L.
Hurley, A. Hutchins, S.P.
Ludwig, J.W. Marshall, G.
McEwen, A. McLucas, J.E.
Moore, C. Nash, F.
O’Brien, K.W.K. Parry, S.
Polley, H. Pratt, L.C.
Stephens, U. Sterle, G.
Troeth, J.M. Wortley, D.

* denotes teller

INTERNATIONAL LABOUR ORGANISATION CONVENTIONS
Senator SIEWERT (Western Australia) (4.44 pm)—I move:
That the Senate—
(a) notes the International Labour Organisation’s ‘Report of the Committee of Experts on the Application of Conventions and Recommendations’ from the 99th Session of the International Labour Council;
(b) acknowledges that the Committee of Experts has consistently found that the powers and actions of the Australian Building and Construction Commission (ABCC) are contrary to the ‘Freedom of Association and Protection of the Right to Organise Convention, 1948’ (No. 87) and the ‘Right to Organise and Collective Bargaining Convention, 1949’ (No. 98) and in its most recent report found the actions of the ABCC inconsistent with the ‘Labour Inspection Convention, 1947’ (No. 81);
(c) further acknowledges that the Committee of Experts raises concerns about the compliance of the Fair Work Act 2009 (the Act) with the conventions of the International Labour Organisation (ILO), notably in respect of the right to strike and collective bargaining; and
(d) calls on the Government to:
(i) implement its election promise and abolish the ABCC, and
(ii) review the Act to ensure its compliance with ILO conventions.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (4.44 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—Thank you. The government opposes Senator Siewert’s motion. In doing so, I note that the ILO’s Committee of Experts recent report is one of the
most favourable reports ever issued by the committee to an Australian government. On the senator’s first point, prior to the 2007 federal election the Rudd government made clear our intention to abolish the Australian Building and Construction Commission. Since our election we have consulted widely and introduced a balanced and sensible bill that meets this commitment. Despite the government’s mandate and the unprecedented level of consultation that preceded the bill, the opposition is opposing that bill. Importantly, even the construction industry acknowledges our mandate for change, with the Australian Constructors Association last week calling on the opposition and Independent senators to reach agreement with the government on the government’s legislative framework for the building industry.

In relation to the senator’s second point, the Committee of Experts report is in fact a strong endorsement of this government’s fair work system. I am pleased to advise the Senate that for the first time since 2001 the Committee of Experts has not expressed concern in relation to Australia’s compliance with ILO conventions and has acknowledged that the government’s Fair Work Act addresses the key concerns that the ILO repeatedly raised in relation to Work Choices.

Senator SIEWERT (Western Australia) (4.45 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator SIEWERT—I will make it very short. That the panel of experts report is the most favourable we have had in a while does not mean much given Australia’s record. That it is better than some of the others does not mean that the government are meeting their requirements or that it should not get rid of the ABCC. The government made a very clear promise they would abolish the ABCC by January this year. They have not done it. They have not met their promise. The current bill does not meet their promise—that is, to abolish the ABCC. It keeps most of the punitive approach of the ABCC legislation in, for a start, coercive powers. For the government to stand behind a report that is slightly better, which says they have done slightly better than they have in the past, means nothing. They have not met their promise to abolish the ABCC. That is a very clear breach of that promise.

Question put:

That the motion (Senator Siewert’s) be agreed to.

The Senate divided. [4.48 pm]

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

Ayes……………. 5
Noes……………. 34
Majority………. 29

AYES

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

NOES

Arbib, M.V. Back, C.J.
Bernardi, C. Bilyk, C.L.
Birmingham, S. Bishop, T.M.
Brown, C.L. Bushby, D.C.
Cameron, D.N. Colbeck, R.
Farrell, D.E. Feeney, D.
Ferguson, A.B. Fielding, S.
Fifield, M.P. Furner, M.L.
Hurley, A. Hutchins, S.P.
Ludwig, J.W. Marshall, G.
McEwen, A. McLucas, J.E.
Moore, C. Nash, F.
O’Brien, K.W.K. * Pratt, L.C.
Polley, H. Sterle, G.
Stephens, U. Troeth, J.M.
Wortley, D. Xenophon, N.

* denotes teller

Question negatived.
On behalf of Senator Coonan, I present the third report of 2010 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 3 of 2010.

Ordered that the report be printed.

MINISTERIAL STATEMENTS

Green Loans Program

Senator WONG (South Australia—Minister for Climate Change and Water) (4.50 pm)—by leave—I thank the Senate. As the Senate would be aware, some two days ago I was sworn in as the Minister for Climate Change, Energy Efficiency and Water, adding energy efficiency to my existing portfolio responsibilities. This change recognises the inextricable link between the challenge of becoming more energy efficient and the challenge of tackling climate change. The change also means that the energy efficiency programs previously administered by the Department of the Environment, Water, Heritage and the Arts will now be delivered by the new Department of Climate Change and Energy Efficiency.

One such program for which I am now responsible is the Green Loans Program. This program recognises the public benefit in helping households identify how they can improve their efficiency and reduce their impact on the climate and the environment. There has been strong demand for this. Australians want to do their bit. We should be finding ways to help them. Nevertheless, there have been problems with this program. Given that reality, I have asked my new department for a frank assessment of the program’s status and design. In the meantime, I am conscious of the concerns that have been raised by the community, and by members and senators. I therefore believe it is appropriate to update the Senate on the current situation with the Green Loans Program.

When the Green Loans Program was launched in July 2009, it was intended to have three components aimed at assisting Australian households to improve their energy and water efficiency. The first was a free home sustainability assessment. A trained assessor visits the home and talks with householders about the sustainability of the home and their current practices. The assessor then compiles an assessment report indicating what the householder might do to save energy and water, and to improve their sustainability. The second was a $50 Green Rewards Card for households who had participated in a home sustainability assessment. This was for the purchase of small items to improve efficiency—for example, energy efficient light globes and the like. The third was access to an interest free green loan, for amounts of up to $10,000 over a maximum period of four years.

The experience of the first six months of the Green Loans Program led the government to announce significant changes to the program on 19 February 2010. These were:

- An additional 600,000 assessments, on top of the 360,000 assessments already available under the program;
- A cap of 5,000 on the number of assessors who would be contracted to deliver household sustainability assessments under the program;
- A weekly cap of 15,000 assessment bookings and a daily and weekly cap per assessor of three and five assessments respectively;
- Changed booking arrangements such that each booking call to the call centre
can only be made by or on behalf of individual assessors; and

- Discontinuation of the loans component of the program.

The government began implementing these changes from 19 February 2010. In line with agreements between the government and relevant financial institutions, loans under the program will be discontinued from 22 March 2010.

As I said, there have been a number of problems with this program. It is apparent that the program had a number of design flaws, and that aspects of the program have not been administered to the standard that the government and community expect. Since assuming responsibility for this program, I have put in place an immediate process to fully identify and get to the bottom of these problems. My priority in the coming weeks and months is to deliver on the fundamental policy objective: to provide high-quality, timely and useful sustainability assessments to Australian households. In order to do that, it is important to address the issues with the program—issues that have become evident to me over the past week through the complaints I have heard from households and green loans assessors. I will deal with each of these issues in turn.

**Household sustainability assessment reports**

First, to the issue of household sustainability assessment reports. As at 28 February 2010, 305,327 home sustainability assessments had been booked and, of these, 210,864 had been completed. This is clearly a very popular element of the program. However, only around 84,000 reports produced as a result of those home sustainability assessments had been sent out to households as at 28 February 2010. There are currently around 100,000 reports that have been submitted to the Department of the Environment, Water, Heritage and the Arts but which had not yet been sent out to households at the time responsibility moved to the Department of Climate Change and Energy Efficiency. The remaining reports have not yet been submitted to the department by assessors following completion of the home sustainability assessment. The delay in sending reports is unacceptable. Performance, in terms of the time it takes for households to receive their report after having an assessment completed, must be significantly improved. I have asked my department for further advice on what actions can be taken to improve performance in this area.

**Number of assessors**

Second, to the number of assessors. Currently, there are around 4,000 assessors contracted to the department to conduct home sustainability assessments under the Green Loans Program. The government’s changes to the program on 19 February indicated that the number of assessors to be contracted under the program would be capped at 5,000. For an assessor to be contracted under the program, they must first complete a set training course and seek accreditation through the Association of Building Sustainability Assessors, or ABSA. They can then apply to the department to be contracted to take part in the Green Loans Program.

I am advised that ABSA’s figures indicate that there are approximately 7,500 people, including those already contracted, who have completed assessor training and been accredited with ABSA. I understand ABSA figures estimate approximately a further 1,800 people have completed training but have not been accredited. Clearly, this is a very difficult situation, with more accredited assessors than available contracts. It is a hard fact that there are going to be people who are accredited who will not be contracted under the program.
Payment of assessors

Third, the prompt payment of invoices is another area that has attracted criticism. I understand there are more than 1,500 invoices currently in hand and that work is underway to process those quickly. In line with government requirements, my department will be working toward having all correctly submitted invoices paid within 30 days. I am advised that only a very small percentage of correct invoices received to date from assessors—that is, less than four per cent—have been paid outside the 30-day period. However, it is apparent that many assessors are experiencing delays in payment. It is also clear that part of the problem appears to lie in ensuring that each invoice contains the correct information so it can be processed.

Around 50 per cent of invoices received by the Department of the Environment, Water, Heritage and the Arts have been incorrect or incomplete when first submitted, creating delays in payment. This figure, while still too high, is an improvement on earlier figures indicating that around 70 per cent of invoices were incorrect or incomplete when first submitted. The 30-day timeframe for payment applies from the date at which a complete and correct invoice is received.

To address the problems with invoicing, the Department of the Environment, Water, Heritage and the Arts developed a template for assessors to use, along with a step-by-step guide to filling in the template. Departmental staff have also been contacting assessors directly if they have submitted an incorrect invoice to explain what needs to be fixed. These practices will continue under my new department. Given the large number of invoices currently on hand and expected in coming weeks, I have asked my department to provide additional resources to ensure that correct invoices are paid within the required timeframes. I have also asked my department to hold discussions with ABSA about how it can assist its members to submit correct invoices.

Green Rewards Cards

Fourth, when the Green Loans Program was rolled out in July 2009, households receiving a home sustainability assessment were eligible for a $50 Green Rewards Card. However, no Green Rewards Cards have been distributed to households to date. I have asked my department to provide further detail on how this might be addressed quickly, and will consider this matter further when I receive that advice.

Applications for green loans

Fifth, there is the issue of the loans themselves. In the first six months of the program there was a low uptake of loans. This was due to a number of factors, including the slowness with which assessment reports were made available to households and a potentially lower appetite to enter into debt in the latter half of last year given the global financial crisis. As at 28 February 2010, participating financial institutions advised that they had received 2,864 applications for green loans and had approved 1,705.

DEWHA has been working, and my department will continue to work, with the financial institutions to assist in processing applications before 22 March 2010, which is the cut-off date for loans to have been approved and contracts signed, in line with the government’s announcement on the discontinuation of this component of the program. I am aware that a number of financial institutions have stopped taking new applications for green loans, instead choosing to focus on processing the loan applications they already have to hand ahead of the 22 March 2010 deadline. As at 28 February, I am advised that all correct invoices received from the financial institutions had been paid.
Hotlines

Sixth, the government understands that there are many households and assessors seeking information on the Green Loans Program at the moment. There are currently two call centres operating for the program. The booking hotline receives bookings for assessments from assessors and households, and provides advice to financial institutions. As at 3 March 2010, the average wait time for the booking centre was less than 10 seconds for all categories of callers, and the maximum wait time was less than two minutes.

A second hotline was established on 20 February to provide information on the changes to the program. On 20 and 21 February, the call centre performed outbound calls to inform assessors of the changes to the program. Since 22 February, the call centre has been receiving inbound calls. The demand for information through the information hotline has been considerable. I understand that the average wait time for callers is down to less than three minutes at this point in time.

The department has also set up a centralised process for dealing with written enquiries, via the ‘contact us’ tab on the green loans website. Unfortunately, due to the volume of written enquiries received, particularly since the program changes were announced, the time taken to respond to these enquiries has been considerable. To give the Senate some sense of the scale of this, the Department of the Environment, Water, Heritage and the Arts received more than 7,500 written enquiries over the period 25 February to 9 March 2010—that is significantly more enquiries than were received over the course of several months previously.

I understand that people may be frustrated about the timeliness of responses to email and online queries. I have asked the secretary of my department to consider the need for additional resources in this area to ensure enquiries are responded to within reasonable time frames. I would ask households and assessors to bear with the government as we work through the many outstanding inquiries. The government will endeavour to make information on the program available via the internet, the information line, and via direct communications with assessors as we work through the implementation issues associated with this program.

Household assessments

Seventh, it is important that this program has a stronger compliance and audit component to ensure that assessments have been properly completed. I have asked the secretary to ensure that existing compliance and audit activity for this program is expanded and fast-tracked and that further advice be provided to me on this issue as soon as possible. We have an obligation to ensure that public funds are being used responsibly, and for the intended purpose.

Training standards of assessors

Eighth, there has also been some criticism of the quality of training provided to assessors by training organisations. This is of particular concern to me because it goes to the public confidence in the quality of the assessment reports which households are receiving, and in the program itself. The compliance regime which I have directed the department to expand will be focusing on the quality of assessment reports provided by assessors. This will be important information to help us identify the risk of assessors not meeting their obligations under their contract.

I have also asked my department to provide me with options to assure and improve the professional standard of assessors contracted to the program. Work is already in train to put in place a nationally accredited
training module for assessors. The timing of this is subject to Commonwealth and state and territory processes in the training sphere and is likely to be some months away. Because this accredited training module is still some time away, I intend to explore interim mechanisms to improve confidence in assessors’ professional standards as soon as possible.

Next steps

It is obvious, from the information I have provided to the Senate today, that the challenges for the Green Loans Program are many. The government acknowledges these challenges. The problems which exist are not acceptable and that is why I am taking steps to address them. As I have indicated, I have asked my department to provide significant additional resources to:

- address the backlog of assessment reports not yet provided to households;
- reduce any delay in payment of correct invoices from assessors, and ensure assessors are informed of correct invoicing techniques;
- expand and fast-track the compliance regime for the program to ensure quality assessments are being provided;
- provide me with advice on interim steps to assure and improve the professional standards of assessors;
- provide me with advice regarding the Green Rewards Card; and
- further improve customer service standards by ensuring the wait times on telephone hotlines remain as low as possible, and that there is significant improvement in the time taken to respond to email and online enquiries.

These are significant problems to overcome, and they may take some time to address. However, I have made it clear that these problems should be rectified as soon as possible. Addressing these issues is only the beginning of a process of improvement in this area. There are a number of reviews currently underway which will provide additional information to the government on what further action, if any, ought to be taken.

Stakeholder consultation

I will shortly be meeting with representatives from the assessor industry body, ABSA, for the first time to discuss this program. I will also be meeting with assessors to discuss their concerns. I want to signal now that the way in which I intend to address the many problems with this program is to engage fully with its stakeholders. I want to work with them to help resolve these problems.

Reviews underway

I want to turn now, in closing, to a number of reviews which are currently underway in relation to this program. Prior to the Green Loans Program moving into my portfolio, Minister Garrett had instructed the Secretary of the Department of the Environment, Water, Heritage and the Arts to immediately implement an independent external process of inquiry in relation to all contractual agreements and procurement processes entered into during the final design and implementation of the Green Loans Program. This inquiry is underway and will report in April 2010.

Minister Garrett also initiated an audit of the assessor accreditation process and adherence to the terms of the Protocol for Assessor Accrediting Organisations between the department and ABSA as the accrediting organisation. This is being conducted by external audit firm PricewaterhouseCoopers. This audit is due to conclude shortly. Further, the Australian National Audit Office has started a performance audit of the Green Loans Program. The Auditor-General currently expects
to complete this audit in the second half of the year.

Management of this program in the short term needs to have regard to both the timelines of these reviews and the issues these reviews have been set up to consider. Approximately 4,000 assessors are presently contracted to take part in the program. As I have outlined, the government is reviewing the relevant contracts and processes to ensure assessors currently contracted to conduct assessments are meeting all of the program requirements, and will take further action as is necessary. I also intend to take the opportunity to consider the findings of the reviews into contractual arrangements and procurement under this program, and into accreditation processes, before proceeding to finalise additional assessor contracts. This will enable the outcomes of the reviews to inform both subsequent and current contracting arrangements. In the meantime, new bookings will continue to be accepted, existing assessors contracted under the program can continue to complete assessments in line with the cap of five assessments per week and three assessments per day, and households that have booked assessments will continue to receive their assessments.

In closing, I make clear again that the government is committed to delivering programs that are effective and deliver value for money. In regard to the Green Loans Program, I will be working quickly to achieve these objectives. I thank the Senate for the courtesy of allowing me to make this statement.

Senator BIRMINGHAM (South Australia) (5.09 pm)—by leave—I move:

That the Senate take note of the statement.

At the outset, I thank the minister for the courtesy of providing a copy of the statement shortly before making her remarks. This is clearly ‘air the dirty laundry’ day for the government. The visit by President Yudhoyono and the media attention that goes with that visit have not only this minister come in here and make a statement on the Green Loans Program but, as I understand it, Minister Combet make a similar statement, on the Home Insulation Program, in the other place. These two poor, unfortunate government ministers have had to pick up the mess left by Minister Garrett in his portfolio. They have come out today to air the dirty laundry and reveal what a comprehensive mess and disaster he made of his portfolio.

It is safe to say that in the Green Loans Program there has been mismanagement of monumental proportions. The only reason the Green Loans Program has not consistently been on the front pages over the last couple of weeks, as the failure upon failure of it has been realised, is that it has had to compete with the human tragedy of the Home Insulation Program for disgraceful management and poor policymaking by this government. It has had to compete with another program equally mismanaged by Minister Garrett. The fact that Minister Garrett continues to occupy a seat around the cabinet table, despite his failures in the Home Insulation Program and his failures in the Green Loans Program—which Minister Wong has just so comprehensively outlined—is an indictment of the government’s and the Prime Minister’s standards of ministerial conduct.

Today the minister has outlined all of the dirty linen in green loans. She has made, in many ways, a full confessional. In making that full confessional, there has been talk of reviews and lots of nice attempts at comfort but no changes and no actions to address the problems that have been encountered in this program. In fairness, the minister has had just two days in the portfolio and it has been a little under two weeks since the Prime Minister announced the changes. But, frankly, this government should not just be
saying, ‘We’ve got a massive problem’; they should be saying, ‘We’ve got a massive problem and we have a plan to fix it.’ It is the plan to fix it that is so sorely lacking.

The problems in this program have been evident not just over the last couple of weeks but from day one. This was originally an election policy the government took to the election. In the election 2007 policy document *Solar schools—solar homes* the promise was to:

Offer low interest Green Loans of up to $10,000 each to make 200,000 existing homes more energy and water efficient, with subsidised environmental audits and free Green Renovations packs.

The government funded its policy in the 2008 budget, the first budget of the Rudd government. We started asking questions in the budget estimates in May 2008 and we were aghast—I know that Senator Milne was there as well—to see just how poorly planned this program was. We were so aghast that, in the press release I put out after those budget estimates, on 29 May 2008, I said:

His own program now appears too hard for Mr Garrett to actually deliver.

Those words, sadly, seem a little prophetic today. Minister Garrett was two weeks ago stripped of responsibility because he could not deliver on this program. He could not deliver because, as was evident, his departmental officials had no idea what they were doing.

At that time, alarm bells should have been ringing inside government about the Green Loans Program. Instead, they charged ahead. Just like with the Home Insulation Program, they failed to listen to the warnings, they failed to acknowledge that the department did not have the skills or the capacity to deliver and they simply charged ahead blindly into the future, hoping it would all work out for the best.

On this program, they did not even have the excuse that it was part of the stimulus package. That is the excuse that gets wheeled out for the Home Insulation Program—that it was part of the stimulus package and therefore needed to be done quickly. This one was not even part of the stimulus package. Then, they scaled back the program before it even started. By the time it became operational, in July 2009, they had wound back the promise of 200,000 green loans to 75,000 green loans. Yet they still could not get it right in the implementation.

Let us go through some of the issues that the minister highlighted in her ministerial statement. She acknowledged that 210,864 home sustainability assessments have been completed. Of those, around 84,000 reports have been returned from the department to households. Around 100,000 reports that have been submitted to the Department of the Environment, Water, Heritage and the Arts have not yet been sent out to households. Well over half of the reports completed in this program, which has been operating since July last year, a hundred thousand of them, are languishing in the department of environment somewhere not getting back to households. It is abject failure of process to return reports that have been completed on people’s homes, completed by homeowners who acted in good faith in getting a home sustainability assessment undertaken by assessors who acted in good faith in getting a home sustainability assessment undertaken by assessors who acted in good faith in going in there and completing that assessment and returning it to the department of environment, and 100,000 of them, more than half, have languished in the department ever since then.

The minister highlighted the number of assessors. She said there are around 4,000 assessors contracted to the department.
Those 4,000 assessors and the approximately 7,500 people who have actually been accredited with ABSA or the further 1,800 people who have completed training—so 9,300 trained assessors all up—wonder why there is not enough work to go around, why they have not been able to get through to the booking service, what has gone wrong. Most of all they wonder why there are so many of them. Why are there more than 9,000 trained assessors out there and why are there 4,000 contracted to the department? Assessors made their decision to get involved based on statements such as Minister Garrett’s press release of 8 May 2009, when he said there would be 1,000 home sustainability assessors, or the statement of Ms Robyn Kruk, the secretary of the department, to the Australian Economic Forum on 20 August 2009 when she said the program would be delivered through training 1,000 home sustainability assessors. So the government went out there and told people, ‘You might like to become a home sustainability assessor and we will accredit 1,000 of you,’ and somehow accidentally ended up with 4,000 of them.

How on earth does this happen? How does this government consider itself to be remotely capable in the management of this program when it ends up with four times the number of assessors trained to what it said it would have? It is a remarkable failure. Of course, these people have paid money to become assessors, have taken time out of their lives to become assessors, have set up business plans on the premise of becoming assessors, have set their lives up on this premise, only to discover that the government did not live up to its word, did not deliver on the promises it made and has failed them miserably as a result. It has failed to pay them as well. There are 1,500 invoices currently waiting in the department of environment to pay assessors. Indeed, it has failed to obviously put in place a clear process for how those invoices should be submitted, because around 50 per cent of invoices received by the department of environment have been incorrect or incomplete when first submitted. I find it hard to believe that 50 per cent of assessors are getting it wrong. The department must have put in place a totally flawed framework, and indeed the previous minister’s statement indicates that it was previously as high as 70 per cent of invoices being incorrect.

The minister said that there were three key pillars to this program, one being the home assessment, another being the green loan, and the third being the Green Rewards Card. This program was started in July 2009 and people who got an assessment were meant to be getting a $50 Green Rewards Card. What did the minister tell us today? No Green Rewards Cards have been distributed to households to date. When questioned at estimates just a few weeks ago, the department had no idea how they were going to provide them to households. So they have had since July last year when the program started, let alone more than a year before that when the budget funding was first announced, to work out how to send $50 cards to people—and they could not even send one of them out, for the more than 300,000 assessments that have been undertaken. It is an absolute outrage and a complete failure in the department, and indeed of the minister for not asking and finding out what on earth was going wrong. Why wasn’t the minister bringing the departmental officials in and saying, ‘How can you be getting every single aspect of this program so fundamentally wrong?’

We look at the applications for green loans and at Minister Garrett when he announced changes to the Green Loans Program on 19 February. He said they were going to discontinue the loans component of green loans. It sounds like something out of The Hollowmen that the government now has a Green Loans
Program that does not have any loans. But that strange fact aside, he said that they were doing so because it had proven to be less popular. We now know it had proven to be less popular because more than half the assessments undertaken never made it back to households, because 100,000 of them were languishing in the department or even more probably at that time failing to get back to households. But they said they would give people until 22 March to apply. We know that there are still 100,000 assessments languishing there, therefore those homeowners cannot apply for a green loan. They do not have any chance to do so.

The minister today said that she was aware that a number of financial institutions have stopped taking new applications. Let us look at that number. Back on 14 February, before the loans component was suspended, there were 16 participating financial institutions and eight which were developing a product to offer. Today what does the green loans website say? It says that only three of them are left. So ‘a number’ is basically all of them. I understand that when contacted today the Berrima District Credit Union said that it is not offering green loans anymore, and the Community First Credit Union said that it had pulled out as well. So there is only one left, and that is the AWA Credit Union, available to Alcoa employees, contractors and their families. So the only people up until the 22 March deadline that the government has put in place for people to apply for a green loan who can still actually put an application in are employees of Alcoa—the only people in Australia are employees of Alcoa. The minister says a number of financial institutions have stopped taking new applications; they all have. Australians can no longer take out a green loan despite the government’s assurances that they had until 22 March.

The minister indicated that DEWHA is struggling to keep up with the more than 7,500 written inquiries and complaints it received over the period 25 February to 9 March. I am sure Senator Milne would agree that our offices have received a fair number of written inquiries and complaints over that period too, that we have all heard from people screaming and complaining, wanting to know what the government is going to do to fix this mess. The minister promised that work was already in train to put in place a nationally accredited training module for assessors—some would say a little too late because 300,000 of the 900,000-odd assessments have already been concluded. There will probably be more than that by the time this training module is put into place. So the government now is questioning whether the training was appropriate for the assessors it has had in the field for so long. The government employed more than four times the number than it intended at the start and is now trying to work through a training program to fix things. Well the horse has well and truly bolted. It is a little late in many ways to be closing the gate but better to get things right now than never, I guess.

The minister said that she will soon meet for the first time with representatives from the assessor body, ABSA. Again, I acknowledge she has been the minister for only two days but in the two weeks since the Prime Minister made this announcement I would have thought the association representing the assessors would have been one of the first groups the minister would have met. I suggest to the minister that, as ABSA officials are in the building at present—I know because I was meant to be meeting with them right now—perhaps she could meet with them today to discuss the many concerns of the thousands of registered assessors. The minister indicated that a lot of reviews are under way. That, of course, is the process of
the Rudd government—if in doubt, review; if in doubt, set up another inquiry. That is the way they promise that things will be fixed.

There is an independent, external process being put in place for reviewing within the department of the environment. I trust that will shift across to the new department. There is an audit and report under way which will be completed by April. An audit of assessor accreditation processes is being undertaken by PricewaterhouseCoopers. The commitment I would like to hear from the minister, which she has not made, is that all of these reviews and all of these audits will be released publicly, so that we can see just how wrong the government got it and, more importantly, the recommendations, so that we can hold the government to account to fix this debacle. The minister should today commit to publicly releasing these audits, these reviews, as soon as they are completed. The government has poorly managed this program and should be held to account for how it will be administered in the future.

There are a litany of flaws and failings in the minister’s statement today, but they are cold, hard words and little else for the people affected by this program—the assessors and homeowners who have acted in good faith, the small business people and people concerned about the environment who acted in good faith to do their best to improve their homes, only to be so severely let down by the government. The minister’s statement is full of cold words but has little on action, little that will explain to people out there, to the assessors, how the thousands of assessors, who are now effectively unemployed because of the government, will manage to find work.

The government put in place a cap of 5,000, yet there are around 9,600 assessors. How is the government going to support all of those assessors? With the cap on assessments that can be put in place by the government, will there be enough work even for the lucky 5,000? Having accredited 4,000, how will the government choose the other 1,000? What will be the merit process be? The government has not outlined any of those points. What of the homeowners who invited assessors into their homes to conduct an assessment in the belief that they could apply for a green loan? What is the government going to do for those who have had assessments, some as far back as October of last year, who at least know that there are no longer green loans available, those 100,000 who are still waiting to get their report back? What is the government going to do for them?

What is fundamentally missing from the minister’s statement today is any sense of how the government is going to evaluate the success of undertaking nearly one million home sustainability assessments across Australia. At least under its original model there was the green loans component. We could see how many people took out a loan and could measure what they did with that loan. Now people will get an audit undertaken and that audit will be returned to them, we hope, a little more speedily than has been the case to date, but the government will have no idea what people do in response to that audit. There is no evaluation process in place, there are no evaluation mechanisms and the government should be saying how it is going to measure the benefit from a program spending $150 million-plus of taxpayers’ money. We know there will be lots of paper flying around but what will be the environmental benefit; what will be the energy efficiency benefit; what will be the water savings? These are the things the government needs to spell out and needs to ensure are quite clearly measured.

Lastly, we had a burst of honesty last Friday from Dr Parkinson, the head of the De-
partment of Climate Change. When briefing staff, he acknowledged that his department has no more skills in program delivery than the department of environment, which has just been stripped of this program. I am pleased to hear the minister say that she has instructed the department to commit extra staff resources. Lord knows they have plenty to go around—staff who have been hired to work on the ETS who have nothing to do at present. I am pleased to know that she is reallocating those staff to work on this program and presumably on the home insulation debacle as well, but she needs to ensure that they know about program delivery not just about policy development. Otherwise, we will see the same tragic mistakes, mistakes which result in a waste of money, loss of opportunity, loss of jobs and a disaster for all Australians.

Senator MILNE (Tasmania) (5.29 pm)—I rise to comment on and to note the statement of the Minister for Climate Change, Energy Efficiency and Water on the Green Loans Program. This is a tragedy. It is a tragedy for the environment and the economy and it is a great human tragedy as well. It is one that should never have occurred. This was a great idea: retrofitting Australia’s houses to be energy efficient is something that the Greens have been advocating for a long time. It was a way of creating jobs and building critical mass for the technologies involved. It was part of a transition to a low-carbon economy. It was about cutting power bills for people by making their houses more energy-efficient and therefore cutting their demand. It was all the things you would want: it was a new direction in education and training, it was the right direction for the economy and it was about saving energy and cutting people’s cost of living. It had all of those elements going for it and yet it was mismanaged in the most appalling way by the Department of the Environment, Water, Heritage and the Arts and by Minister Garrett’s oversight of that department.

To begin with, I will comment on the complete lack of recognition in this statement of the human tragedy that has been the green loans scheme. First of all, it is a human tragedy for the assessors. We have in front of us lists of numbers. I was the first person to point out in this place that Minister Garrett had said this would be limited to between 1,000 and 2,000 assessors. I raised with the minister some months ago the fact that ABSA had pointed out, and they were warned a long time ago, that they were going to exceed that number and there were going to be a whole lot more assessors who were trained and accredited. But the government did nothing. It was denied by the department. It has been denied in estimates—it has been denied and denied. If I had the time I would go back through all the department’s answers in estimates and see who misled the Senate over that time. But I do not have time for that because I actually want to address what has gone on here.

Let me explain about this human tragedy, Madam Acting Deputy President. I have received hundreds of emails from assessors and the stories are incredibly similar. People have left good jobs in many cases to retrain as a home sustainability assessor. People trying to get back into the workforce saw this as worthwhile, purposeful work for the future in a growth industry. Companies took on additional people in order to do this work. And what was the cost to them? The costs were manyfold but on average people paid around $3,000 for training and they had to pay for insurance and accreditation. Many of these people did not have that money and some of them had to borrow money or to sell things. Some of them used their credit cards—maxed out their credit cards—in order to be able to do this. In fact, there is one story online today from someone who says:
... I left my comfortable desk job last year, set up my own business, and trained to become a government-licensed Home Sustainability Assessor. Three months later, I still haven’t done a damn thing for the environment. I don’t even have a licence. My family is surviving on credit cards, and I am edging dangerously closer to bankruptcy every day. So how did it come to this?

That is a story I am being told by a lot of people. Today there are about 10,000 people across Australia who have outlaid money in good faith and who are now being told, ‘Sorry, that’s it. The government got it wrong, so we have transferred responsibility to another minister. We’re not looking back, we’re looking forward. We’re working out how we’re going to address this into the future.’ I can appreciate Minister Wong’s point of view: that is what she has been charged with and that is what she must do. But the community expects a few answers here. Who is going to be held responsible for the fact that many people are now in financial difficulties? Many people’s hopes are dashed. Who is actually responsible for this? The community wants accountability and I have been asking this government about accountability for the green loans scheme from day one.

The thing that goes with accountability is compensation. The Prime Minister took personal responsibility for the insulation debacle. He said, ‘Insulation companies lost money because of the government’s mismanagement and we are going to pay compensation.’ Something has to be done here too. Something has to be done for these people. We have people trained, accredited and registered as assessors. We have others trained and accredited, and others trained but not yet accredited. The government says that at the end of this process the number of assessors is going to be capped at 5,000. The point is: some of the people who are trained, accredited and registered have appalling training; some have excellent training and some who have been trained recently but are not yet accredited have excellent training. So we have a complete hotchpotch of quality in the training that is being provided to people even though they have had to pay a relatively similar amount for that training. I would like to know from the minister what she is going to do.

I would also like to alert the minister that in that department Stephen Berry led people to believe that the government, at government expense, would train people to upgrade their qualifications to certificate IV. I told the government that in estimates and have provided evidence of that to the government. Therefore, I want to know from the government: is it going to pay to allow those assessors who want to stay in the business to upgrade their qualifications, so they have a good level of training, at government expense? And, given that they were misled about the nature of the scheme, is there going to be compensation for people who decide they are not going to proceed with trying to get accreditation or registration? One issue that the government has not mentioned here is compensation—it clearly needs to be looked at and paid. It is a question of fairness.

The other human tragedy is the consumers. People in good faith had booked a home sustainability assessment. In some cases, people turned up at the door and said: ‘I am not even going to bother to come inside. I don’t need to come inside. Tick and flick—have you got this, have you got that? Tick the box—okay, here’s your assessment money from the government and off I go.’ So there were sharks and cowboys all over the place in this program. Other people spent two or three hours going right through the house, explaining to people what was going on and how they could be helped, and so on and so forth. But, when these reports came
back from the government to those 84,000 or so consumers who received one, the reports will be of incredibly uneven value because of the way in which they were done.

Another matter which the minister did not mention but which I wanted to look at was that RMIT worked on the tool that underpinned the software for this program. That tool was changed at various times through the program so that what was emphasised as being important changed in how the reports came out, in many cases making fools of the assessors who had said to the householder, ‘Well, the best value for money would be X and the report coming out says no, it would be Y.’ That issue of the usefulness or otherwise of the tool is important.

The quality of these assessments for the household is even more critical now because, since they are not going to get a green loan, they are probably going to be thinking that on this list of things that probably could be done there is something they might save up to do. If the report is wrong, worthless or skewed in the wrong direction, then they are going to be working in their home for something that is not going to deliver them energy efficiency benefits. There needs to be an audit which goes back and looks at what the house was, what the report was and the accuracy of that report and the weighting of this tool. For example, air leaks in houses should be one of the basic things that should be done, yet in some of these reports that is not weighted as a basic thing that you would do for energy efficiency.

Let me go to the part played by the banks. Now that there are no loans, people are going to finally be very angry—because there are only 84,000 reports out there at the moment. So, out of 210,864 people who have had their assessments done, 126,864 households are not now able to apply for a green loan. They cannot apply for one without the report and even if the report comes it is too late—the banks are not offering. Why aren’t they?

The government was meant to have a contractual arrangement with financial institutions. The government says the loans are meant to be available until 22 March, so how can they just all pull out of it and say they are not offering these any more?

We have heard reports of people who got the $10,000 and offset their mortgage with it. They have not spent it on any of the technology that they supposedly got the loans for because the banks do not care. As long as the government pays the interest subsidy on the loan, the banks are not going to go out to check whether the householder has actually bought anything with it or whether they are just using it as an offset on their mortgage. All kinds of problems are associated with this.

On the human level for the assessors, whilst it might sound reasonable for the government to cap the number of assessments to five per week, it has now condemned people in this program to a very small amount of part-time work. So a lot of assessors who went into this thinking it would be a full-time career now will have to abandon it altogether because they will get only two days work when they want full-time work. We are going to lose a lot of the good, well-trained assessors from the program because the government has now declared it to be simply a part-time program. The other thing that the government did not address in this statement is how five companies got to have special arrangements with the government when individual self-employed assessors and small business did not. How did that happen? We still have not heard why Fieldforce had a special arrangement with the government whereby they could bypass the booking system. The minister did not talk about why the government failed to deliver the online booking service that was promised and why we
continue to end up with the call centre and the chaos that has gone on with the call centre ever since.

There are so many issues here that really need to be looked at. Frankly, this has been very badly designed. It is not like a lot of other programs where if one thing goes wrong there is a domino effect and the whole thing falls over. This was flawed in its design and flawed in its implementation. Every aspect of the design was wrong. For example, an audit program was built into the pilot phase of the Green Loans Program. It was never implemented. There was no audit function in this program. Who is responsible for that? Is it the minister? Is it the department? Is it the secretary? Apparently, it is nobody now because we are looking to the future; we are not looking to the past. The fact that there are people around Australia who have been ruined financially because they took the government at its word does not seem to matter now because we are moving forward; we are not looking back. The Greens are looking back and forward at the same time. I wrote a letter to the Auditor-General and said that this program was a complete mess. I do not write to the Auditor-General lightly. I said, ‘You really need to look at this use of taxpayers’ money, the management of the department, because the minister has carefully made sure that the internal audits that were being done were looking not internally at the department’s workings but at the department’s association with ABSA and the department’s association with other people.’

I am very pleased that, as a result of my letter to him, the Auditor-General has agreed to do a full audit of the department and how all this debacle occurred. But that is not going to take us forward on the key questions that I think the government has to address. The first is that it needs to reinstate some green loans. You have to be able to borrow some money when you get your report; otherwise, what is the point? You will have a report in your hand but to no end. Where are you going to get the money from to actually implement the report? Secondly, the government needs to look to the quality of the reports that have already been done and conduct a reality check on the ground in those houses to make sure that the reports are reasonable.

Third, there will have to be an audit of the nature of the training that all the auditors did and some fair process, because it simply would not be fair to keep the 4,000-odd people who are registered with the government at the moment and to keep out other people who have been trained and accredited when there is such uneven quality. That means offering people the opportunity to upgrade their training at Commonwealth expense or, alternatively, offering for them to be compensated and to be able to withdraw from the scheme. We have got to have some way of doing this fairly, and it is no use saying: ‘I’m sorry. This is a hard decision. Some people are going to miss out.’ They are going to miss out because the government made such a mess of this in the first place. It is absolutely imperative that the government recognise, as they did with the insulation scheme, that there needs to be compensation. They need to sort this out now in a fair and just way and make sure that there is some compensation and that people are allowed to leave. I particularly want to hold the government to account for Stephen Berry’s promise that the government would fund upgrading to certificate IV, and for saying there was no training program in place in the first place. Yes, that is true, but there was a training program in Victoria that could have been used as an interim measure. Perhaps the minister will see that as an interim measure.

How can it be that the department embraces and launches a program and they do not even have a template of how you invoice
for this particular program? They do not even have software that works. They do not even have their online booking service that they promised from day one. They do not even have their audit function. They have not got anything in place when it is launched. Then this debacle ensues over months and months. When people bring it to the parliament, the government says: ‘No, everything’s fine. We’ve fixed the software.’ Wrong. The software has never worked properly in terms of this program. ‘Oh, we’ve got the online booking system ready but we’re just not switching it on because if we do there’ll be this whole rush at the green loans.’ Well, the booking system was promised from day one. So I want to know: who is responsible to make sure we never have this debacle in project delivery again?

I want to make sure that we have a green loans program moving into the future that has green loans at the end of it and that has high-quality assessment reports on households that people can have confidence in and know are an accurate assessment of the energy efficiency of their home and the improvements that could be made. But I want to make sure that there is a fair and just way for some of the people who have in good faith entered this program to now be able to leave it, in terms of their training. It is a disgrace that you have people out there, as this person says—and he is not the only one—surviving on credit cards, edging dangerously closer to bankruptcy every day. Several people have had to sell their car, for example. There are all sorts of human tragedies here. It must be addressed.

The Prime Minister cannot take responsibility for insulation just because the community is so outraged about the fact that people have died as a result of that program. The community had every right to be outraged about that, and the Prime Minister was right to start looking at taking personal responsibility and at compensation. But on this one he has to do the same, and even more so, because this was not rushed through in the stimulus package. This was an election promise in 2007. It was in the 2008 budget and it began on 1 July 2009. It was a supposedly well thought through election promise, a budget responsibility. It had a lead time since the government came into it. And it was an utter and complete debacle. How can that be? How can it be that a Rudd government promise with all that lead time ends up with every single aspect of the program being mismanaged, to the tragedy of families around Australia, to loss for the environment, and to loss of consumer confidence in the transformative nature of these programs to the low-carbon economy? That is something that the government will be held to account for by the community as we approach the federal election.

Question agreed to.

AUDITOR-GENERAL’S REPORTS

Report No. 24 of 2009-10

The ACTING DEPUTY PRESIDENT (Senator Crossin) (5.50 pm)—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 24 of 2009-10: Performance audit—Procurement of explosive ordnance for the Australian Defence Force.

COMMITTEES

National Capital and External Territories Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Crossin) (5.50 pm)—A message has been received from the House of Representatives informing the Senate of the appointment of Mr Johnson to the Joint Standing Committee on the National Capital and External Territories in place of Mr Secker.
FISHERIES LEGISLATION AMENDMENT BILL 2009

First Reading

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (5.51 pm)—I move:

That the following bill be introduced: a Bill for an Act to amend the law in relation to fisheries, and for related purposes.

Question agreed to.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (5.51 pm)—I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (5.52 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

FISHERIES LEGISLATION AMENDMENT BILL 2009

The Fisheries Legislation Amendment Bill makes amendments to fisheries legislation in three distinct areas.

It will facilitate significant reform by the Australian Fisheries Management Authority (AFMA) of its administration of fishing in Commonwealth waters though the introduction of an innovative electronic decision-making system, known as ‘eLicensing’. It will also clarify the types of defensive equipment fisheries officers can carry when investigating suspected illegal fishing activities. Finally, it will clarify provisions regarding fish receiver licences in the Torres Strait.

The first measure, which facilitates electronic decision-making, amends the Fisheries Management Act 1991 to provide an express power for AFMA to arrange for certain licensing decisions to be made electronically. This measure will significantly assist AFMA to achieve its legislative objective of implementing efficient and cost effective fisheries management on behalf of the Commonwealth.

AFMA has invested significant resources into the development of eLicensing. It is the central component of a package of electronic services being introduced by AFMA that are aimed at improving the cost effective management of Commonwealth fisheries, and improving the capacity of industry to manage their day-to-day business processes via the internet. The mechanism is a self-service portal developed by AFMA, known as ‘GOFish’.

GOFish allows fishing concession holders to log in via the internet and complete a range of licensing transactions, such as transferring fishing concessions, nominating a vessel to their fishing concession, updating their client information, viewing their quota holdings, and applying for the regrant of a permit on the expiry of the previous permit.

The eLicensing system enables a range of high volume, routine licensing decisions under the Act to be made electronically. The system is expected to provide a much higher standard of service, especially as the fishing industry will be able to make ‘real-time’ transactions for routine administrative functions. AFMA anticipates that 80 per cent of transactions will be conducted through eLicensing by 2011.

The Bill authorises AFMA to approve the use of a computer program, under AFMA’s control, to make decisions under specified provisions of the Fisheries Management Act 1991. The specified decisions to be made will be high volume, routine decisions that do not require the exercise of judgement by an AFMA officer.

For example, where a fishing concession holder applies for a permit upon the expiry of the previous permit, the only relevant considerations—which are built into the rules applied by the com-
puter program—might be that all outstanding levies have been paid and the concession holder is not the subject of any compliance action.

Complex decisions, that is, decisions that require the exercise of discretion, will be identified by the system and referred for manual processing by an AFMA officer.

As with any decision made electronically, it is possible that on occasion the computer program may make an incorrect decision. For example, this may occur because of a data entry error, or a virus that affects the program. The Bill provides AFMA with express authority in these circumstances, to revoke and replace the decision with a correct decision that would have been made had it been processed manually by an AFMA officer.

It should also be noted that participation in eLicensing will be optional, although user testing of GOFish with industry indicates that most industry members will elect to use the service. This testing has also shown eLicensing to be fast, reliable and user friendly and there is an expectation that it will result in lower costs for the fishing industry.

In this respect, I note that eLicensing was developed in consultation with the fishing industry via the AFMA Cost Reduction Working Group, and is expected to result in cost savings for both AFMA and industry. A reduction in AFMA’s administrative costs will directly result in a reduction in the costs passed onto industry through fees and annual levies.

Associated with eLicensing, the Bill makes it easier for concession holders to transfer their fishing concessions. AFMA still maintains its licensing role, but rather than AFMA approving transfers of fishing concessions, AFMA will simply register transfers of fishing concessions. AFMA’s discretion to refuse to register a transfer of a fishing concession will however apply to certain prescribed circumstances which will be limited and guided by policy considerations.

The removal of these trading impediments will allow the market to operate with greater efficiency, which will in turn enable AFMA to better achieve legislative objectives. This includes the objective of maximising the net economic returns to the Australian community from the management of Commonwealth fisheries.

The second measure which the Bill facilitates is the issuing of defensive equipment to AFMA fisheries officers.

Under the Fisheries Management Act 1991, AFMA is responsible for the investigation of illegal fishing activities by both domestic and foreign fishers in the Australian Fishing Zone and Commonwealth managed fisheries.

Under revised arrangements with the states which came into force on 1 July 2009, AFMA compliance officers have taken on the more frontline role of conducting patrols and inspecting vessels. This role was previously undertaken by state and territory fisheries officers.

Work undertaken by AFMA compliance officers is potentially dangerous. There are a number of documented assaults against fisheries officers engaged in such work, and it is essential that these officers are adequately equipped and trained to ensure their own safety in appropriate circumstances.

While the ability of AFMA to issue officers with the necessary defensive equipment is implicit in the existing legislation, the Bill will amend the Fisheries Management Act 1991 to provide express authority for Commonwealth officers to be issued with, and carry prescribed defensive equipment in the course of their duties.

The equipment prescribed by the Bill includes: bullet-proof vests, extendable batons, handcuffs, and any other equipment prescribed by regulations made under the Fisheries Management Act 1991.

 Appropriately, the Bill requires that officers are only authorised to carry and use defensive equipment if they have undertaken training in how to effectively, lawfully and safely carry, use and store the equipment.

The third measure of the Bill will amend the Torres Strait Fisheries Act 1984 (the Act).

Currently, an unintended regulatory burden is placed on individuals to comply with the Act in order to avoid committing an offence. Previous amendments to the Act, implemented under the Fisheries Legislation Amendment Act 2007, meant that in practice, all persons along the entire supply chain were required to hold a fish receiver licence. This arguably includes those who have
mere possession and control of fish but who do not intend to sell the fish.

The Bill will amend the legislation to clarify those persons required to hold a fish receiver licence. This will support the implementation and integrity of an effective quota monitoring system in Torres Strait fisheries. Through these requirements, AFMA can quantify the commercial take of fish for stock assessment purposes and determine sustainable harvest levels.

Systems to regulate and monitor the amount of fish being caught for commercial purposes are paramount for effective fisheries management. The fish receiver licence is one of the measures that the Protected Zone Joint Authority will utilise as part of a quota monitoring system along with other reporting tools such as log books, docket books and catch disposal records.

The Bill will therefore ensure that a fish receiver licence will be required by the appropriate persons within the Protected Zone who receive fish that they are intending to sell, but who do not have some other type of licence that requires them to report the fish that they handle. Or, if the fish is disposed of immediately outside the Protected Zone by a commercially licensed fisher or transporter, the first person in that chain who is intending to sell the fish, must hold a fish receiver licence.

A person intending to use the fish for personal consumption will not be required to hold a fish receiver licence.

In conclusion, the Bill supports AFMA’s obligations to reduce industry costs while continuing to offer a high standard of service and ensures that AFMA’s officers possess the requisite defensive equipment in order to conduct their duties in a safe and effective manner.

Finally the Bill requires that fish caught commercially in the Torres Strait are disposed for their sale or commercial processing only to the holder of a fish receiver licence.

Debate (on motion by Senator Stephens) adjourned.

CRIMES LEGISLATION AMENDMENT (SEXUAL OFFENCES AGAINST CHILDREN) BILL 2010

TAX LAWS AMENDMENT (2010 GST ADMINISTRATION MEASURES No. 1) BILL 2010

First Reading

Bills received from the House of Representatives.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (5.52 pm)—I indicate to the Senate that 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 and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (5.52 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—

CRIMES LEGISLATION AMENDMENT (SEXUAL OFFENCES AGAINST CHILDREN) BILL 2010

General introduction

The Convention on the Rights of the Child, which was ratified by Australia in 1990 and has achieved almost universal ratification, imposes an obligation on States to protect children, at both the national and international level, from sexual exploitation and abuse.
In 1994, the then Keating Labor Government enacted a suite of new criminal offences targeting Australians who engage in the sexual abuse of children overseas, sometimes referred to as ‘child sex tourism’. The introduction of these offences fulfilled Australia’s international obligations to protect children internationally from sexual exploitation. As a result, Australia has an extensive framework in place to prevent, investigate and prosecute all forms of child exploitation. Since then, sadly, the Commonwealth’s response to abuse overseas has stagnated.

This Government is committed to taking all necessary action to prevent harm to children from occurring both in Australia and overseas. The sexual exploitation of children is devastating to the children involved, their families, and their communities.

We have a duty to ensure that with overseas travel commonplace, and the internet making information about destinations more accessible, that Commonwealth laws provide a significant deterrent to abuse and a sound basis for prosecuting offenders.

Equally, rapidly changing technologies and the anonymity that the Internet provides have resulted in unprecedented opportunities for child sex offenders. Our laws need to keep pace with the speed of technological change.

In 2005, the Commonwealth also enacted a range of offences directed at the use of a ‘carriage service’, such as the Internet or a mobile phone, for the sexual exploitation of children. This action was taken in response to the increasing use by offenders of new technical tools, such as the Internet, to engage in the sexual exploitation of children.

This Bill will implement a range of reforms to the 1994 and 2005 offence regimes to ensure that they remain effective and continue to meet the needs of law enforcement agencies in combating contemporary offending.

The proposed reforms will support the Australian Federal Police (AFP), who play a significant role in ensuring children and young people are safe, whether in a real or virtual environment.

The AFP, through its High Tech Crime Operations unit, is responsible for the investigation of crimes associated with Online Child Sex Exploitation and Child Sex Tourism. The Child Protection Operations teams investigate and target offenders who travel offshore and commit sexual offences or sexual exploitation against children. The AFP works closely with foreign law enforcement agencies prosecuting these offenders in the foreign countries or using extra territorial laws and conducting the prosecutions in Australia. The AFP also combats online child sexual exploitation in partnership with State, Territory and International law enforcement agencies, government organisations and industry.

Broader consultation on the proposed reforms between September and October 2008 indicated strong support for the measures in this Bill – from State and Territory Governments, Child Safety Commissioners, and child protection organisations like Child Wise and Save the Children. Save the Children indicated that the changes to the child-sex related offences would “definitely strengthen Australia’s capacity to prosecute would be child sex offenders”, whilst Child Wise supported reforms that would see Australia “again be the leaders in international best practice in relation to the legislation and policing of child sex tourism”.

1. Child sex tourism

The Bill improves the existing child sex tourism regime by introducing a number of critical new offences. These new offences ensure that conduct that would be criminal if it occurred in Australia is also criminal if it is perpetrated by Australians overseas.

The Bill introduces new offences for steps leading up to actual sexual activity with a child. Australians who are grooming or procuring a child for sexual activity overseas may be punished by up to 12 years or 15 years imprisonment respectively. Preparing for or planning sexual activity with a child overseas will be punishable by 10 years jail. These offences will make it easier for law enforcement to intervene before actual sexual activity takes place, preventing physical harm to the child occurring.

The Government believes that particularly serious conduct should be recognised in Australia’s child sex tourism offence regime, through the introduc-
tion of specific offences that carry higher penalties.
Children with disabilities are particularly vulnerable to becoming victims of sexual abuse. Abuse is also often perpetrated by people who are in a position of trust in a child’s life. Abuse is also often perpetrated systematically, over an extended period of time.

The Bill introduces new aggravated offences where the offender is in a position of trust or authority or where the child victim has a mental impairment and a new offence of persistent sexual abuse of a child, all carrying maximum penalties of 25 years imprisonment.
In addition, new offences of sexual activity with a young person between 16 and 18 where the offender is in a position of trust will subject offenders to penalties of up to ten years imprisonment. These offences are consistent with State and Territory child sex offences which apply domestically.

The Bill increases penalties for existing child sex tourism offences from 17 to 20 years imprisonment for sexual intercourse with a child under 16 years, and from 12 to 15 years for other sexual activity with a child under 16 years. The Bill also streamlines these offences and makes a clear distinction between these very serious offences, and the new procuring offences.

2. Overseas child pornography and child abuse material offences
Although dealings in child pornography and child abuse material can often be intimately connected with child sex tourism, there are currently no offences applying extraterritorially to dealings in such material by Australians.

Many destination countries lack effective laws against child pornography and child abuse material, or the capacity to enforce them and current Commonwealth, State and Territory offences only criminalise dealings in child pornography or child abuse material within Australia.

The Bill will insert new offences for dealings in child pornography or child abuse material overseas, ensuring that Australians engaging in such behaviour overseas can be prosecuted in Australia.
Child pornography and child abuse material involve the abuse of children and the amplification and broadcast of the original offence through distribution of the material.

Offenders who are found to be possessing, controlling, producing, distributing, or obtaining such material outside Australia will be subject to maximum penalties of 15 years imprisonment. If the offence involves more than one person and conduct on several occasions, it will be punishable by 25 years imprisonment.

This aggravated offence is directed at people who are involved in heinous child pornography and abuse networks and is intended to reflect the increased levels of harm to children resulting from the demand created by these networks.

3. Online offences
Recent cases have demonstrated the scale of contemporary networks. The Internet has allowed the development of organised, technologically sophisticated rings of child sexual abusers.

The Bill also introduces a new aggravated offence directed at online child pornography networks where the perpetrator is in Australia. This offence will also be subject to the high penalty of 25 years imprisonment, reflecting the gravity of harm caused.

Unfortunately, the Internet is creating demand for new material of ever greater levels of depravity and corruption, and the technology provides new opportunities for abuse to take place.

To combat this, the Bill introduces two new Internet offences. The first is directed at the use of a carriage service to transmit indecent communications to a child, carrying a maximum penalty of seven years imprisonment. The offence will prevent the use of the Internet or mobile phone to expose children to pornographic or indecent material.

The second will criminalise using a carriage service for sexual activity with a child. Changes in
technology mean that offenders can commit sexual offences against children online without meeting in ‘real life’. For example, an offender might engage in a sexual act in front of a web cam while a child watches online. The offence carries a maximum penalty of 15 years.

Existing carriage service offences criminalise using the Internet or other carriage service, to groom or procure a child for sexual activity. They also criminalise using a carriage service for child pornography or child abuse material. The Bill also raises maximum penalties for existing online child pornography and child abuse material offences, from 10 to 15 years imprisonment.

This Bill will strengthen online offences, ensuring the regime is sufficient to address the contemporary nature of offending.

4. Postal offences
The Bill also introduces a suite of new offences directed at the use of the post for child sex-related activity, such as the distribution of child pornography or for grooming or procuring a child.

Despite the advantages which the advent of the Internet has brought offenders, there is evidence that some forms of child pornography material, such as home made videos, are still being distributed through the post.

The new offences will mirror online offences and ensure that offenders are subject to consistent penalties regardless of the medium that they use.

5. Forfeiture of child pornography
The Bill will introduce a comprehensive new scheme to allow for the forfeiture of child pornography or child abuse material, or articles containing such material, such as computers, derived from or used in the commission of a Commonwealth child sex offence.

Presently the only way that such material can be forfeited is through a post-conviction application under the Proceeds of Crime Act 2002. This is a lengthy process, and entirely unsuitable. Unless a conviction is obtained, child pornography and child abuse material must be returned to the owner, an outcome which is clearly as absurd as it is inappropriate.

6. Consequential amendments
The Bill also makes minor consequential amendments to the Australian Crime Commission Act 2002, the Crimes Act 1914, the Surveillance Devices Act 2004 and the Telecommunications (Interception and Access) Act 1979 to ensure that existing law enforcement powers are available to combat the full suite of Commonwealth child sex offences, including new offences introduced by this Bill.

Conclusion
This overdue Bill contains a range of measures ensuring that the Commonwealth’s legal framework criminalising the sexual exploitation of children is both comprehensive and effective in dealing with contemporary offending.

Since the introduction of child-sex tourism laws in 1994, Australia has been at the forefront of international efforts to combat transnational child sexual exploitation. These reforms will ensure that Australia’s laws remain progressive and represent best practice both domestically and internationally.

Keeping our children, and the real and virtual worlds they inhabit, safe from predatory sexual behaviour is something I am confident we will all support.

I commend this Bill.

TAX LAWS AMENDMENT (2010 GST ADMINISTRATION MEASURES NO. 1) BILL 2010

This Bill amends the GST law to implement a range of improvements to Australia’s tax laws. These amendments arose from recommendations of the Board of Taxation in its review of GST administration.

Schedule 1 ensures that the appropriate GST outcome is achieved in situations where there are payments between parties in a supply chain, which indirectly alters the price received or paid, for the thing that is supplied.

This is done by creating an adjustment to apply in situations where, for example, a taxpayer supplying things to a retailer for resale makes a monetary payment to an end customer and third party.
in the supply chain in connection with the third party’s acquisition of the thing.

Views were expressed to the Board that it was not appropriate that payments to third parties that impacted on the price of supplies of goods or services did not result in adjustments. The Board recommended that the law be amended to ensure that manufacturers’ rebates, which in effect change the price of a transaction, result in adjustments for the payer and the third party, reflecting the economic outcome of the transaction.

This amendment ensures that GST adjustments are required in all situations in which consideration is paid by an entity in the supply chain to a third party which effectively alters the consideration paid.

The amendment will apply to third party payments made on or after 1 July 2010.

Schedule 2 clarifies the current rules for attributing input tax credit to tax periods. The GST law is intended to allow taxpayers to attribute unclaimed input tax credits in the current period. This avoids the compliance and administrative costs associated with amending returns for prior periods.

A number of submissions made to the Board of Taxation expressed concerns that the application of the current law was ambiguous in particular circumstances. The Board recommended that the law be amended to remove any doubt that it applies as intended.

The amendment clarifies the GST law by confirming that the rule allowing attribution in the current period applies to all input tax credits. This is consistent with the ATO’s current administration of GST law.

The amendment applies to net amounts in tax periods commencing on or after 1 July 2010.

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

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

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

COMMITTEES

Community Affairs Legislation Committee Report

Senator FARRELL (South Australia) (5.53 pm)—On behalf of the Chair of the Community Affairs Legislation Committee, Senator Moore, I present the report of the committee on the provisions of the Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 and other bills considered during the inquiry, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER SAFEGUARDS) BILL 2009

Second Reading

Debate resumed.

Senator IAN MACDONALD (Queensland) (5.54 pm)—The Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, which will be debated tonight and through this week, is one of the most draconian and un-Australian pieces of legislation that this parliament has ever seen. This bill will effectively appropriate property belonging to a private company without any compensation whatsoever. For that reason, the coalition will be opposing that part of the bill that effectively causes confiscation of property without compensation.

The bill does a number of things: it makes changes to the telecommunications access regime, it removes technical impediments to the operation of the anticompetitive conduct regime, it makes the universal service obligation and customer service guarantee clearer and therefore more enforceable, it extends
The obligation to provide priority assistance to those with life-threatening conditions to service providers other than Telstra and it enables breaches of civil penalty provisions to be dealt with more quickly.

There are parts of this bill to which the opposition has no objection—in fact, there are some parts which the opposition would be in favour of supporting. But as long as this bill contains the provision of appropriation of property without compensation the opposition will not be supporting it. The provision to structurally and functionally separate Telstra at the pain of great penalties is a step too far and it is one that the opposition, for reasons that the Senate will hear during this debate, will not be supporting.

We hope that the government will see sense—that the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, will get off his high horse and realise that this Senate is elected by the people of Australia and that it has a function to play in this parliament. We have seen all of the media commentary by five under-pressure ministers today—a pretty amateur approach today—to put across a message that the Senate is being uncooperative, which is quite incorrect. But for all the government spin that we have come to accept as normal from Mr Rudd and his government this Senate actually comprises elected people who are here to perform their duties in looking after the interests of all Australians. They have a duty to make sure that the rights of all Australians—and they have obligations as well as rights—cannot be taken away by a government in the capricious way in which this legislation attempts to do it.

This bill seeks to prevent Telstra from acquiring specified bands of spectrum which could be used for advanced wireless broadcast service unless it structurally separates and divests its hybrid coaxial cable network and its interests in Foxtel. In fact, the bill gives Telstra the opportunity to give three binding undertakings: an undertaking to structurally separate its retail operation from all or some of its networks, an undertaking to divest itself of its interest in Foxtel and an undertaking to divest itself of the pay-TV cable network that it owns in Adelaide, Brisbane, the Gold Coast, Melbourne, Perth and Sydney.

If it does not do that, then this bill will provide that Telstra will not be allocated and will not be able to use the designated spectrum that it is assumed is vitally essential to its mobile broadband business. What this really means is that the government and the minister are holding a gun to the heads of the millions of Telstra shareholders to fall in with the government and give away their current network at practically no cost—otherwise they will pay the consequences.

I am pleased that Minister Conroy has come into the chamber, because he will know better than I that, when Telstra was having a little tiff with the former coalition government a few years ago, Senator Conroy became very palsy-walsy with Telstra. He went to them and said, 'I've got no idea of what a communications policy should involve. I have no staff; I have no ability. So you tell me what you would want.' Telstra gave him some advice and mentioned a figure of $4.7 billion—and, lo and behold, that became the Labor Party policy. When Labor won government, Minister Conroy suddenly found that it was not quite that simple. He first of all destroyed the OPEL network, which was up and running and which, by now, would have been providing high-speed broadband to most of Australia. Senator Conroy, capriciously again, simply cancelled that contract and threatened those involved that, if they wanted to have an interest in telecommunications in Australia in the future,
they had better forget about any High Court action against the government.

Then we went through an expensive farce involving the offer to tender process, which cost the Australian taxpayer $20 million. At the end of that, Senator Conroy realised again that his policy and that of his government was up in the air, all over the ship and going nowhere. Then he had this brilliant idea that he would put in $43 billion worth of someone’s money. Because we have not seen the implementation study we are not sure whose money it was going to be, but we were all led to believe that 51 per cent of that money would be Commonwealth investment and 49 per cent would somehow be private investment. With the $43 billion, Senator Conroy was going to build this National Broadband Network, which would effectively take over the trunk lines, if I can call them that, of Telstra, Optus and anyone else who might have them. And the government would not brook any competition from Telstra or Optus because the figures, if you look at them, mean that for $43 billion this NBN network simply cannot operate. It is a commercial lemon. There is no way in the world it could make a profit or even hold its own in competition with Telstra, who effectively have a similar sort of network amongst the high-using parts of our country.

What did Senator Conroy then work out? If he went into competition with Telstra, with the $43 billion and the amount that he would have to charge customers to get the network to even remotely look like paying, he would be out on his commercial ear, one might say. Quite clearly, Telstra with its existing network, and Optus and the other carriers, would be able to provide a service at about the cost they are providing it now. The NBN, on even the simplest back-of-the-envelope figures, would have to double or triple the monthly payment for those people wanting to use the NBN service. Who would go to the NBN service when they could get a service from Telstra or Optus or Vodafone for about one-third of the cost? Nobody. Competition is not what Senator Conroy wants, because NBN would fall flat on its face commercially.

So what did he do? He then came along with the bullyboy tactics and said to Telstra, ‘We want you to give us your network and for you to get out of the wholesale area so that we won’t have any competition in that area and we might—just might—be able to make ends meet.’ This bill actually puts into legislative form that confiscation of property to ensure that Telstra is not there to compete with this NBN, because, if it did, the NBN would have no chance of being commercially successful. Even as it is, it will not have much of a chance of being profitable.

This comes from a government that cannot even run a giveaway insulation program. Surely, if you are giving away insulation, you could devise a program that would work. It is not rocket science; in fact, anyone could do it—anyone, that is, except Mr Garrett and the Rudd government. They have made such a mess of that simple piece of policy implementation; how on earth could they possibly run this National Broadband Network?

What they have done with the network, of course, is fill it up with old mates. We all know of Senator Conroy’s action in ensuring that Mike Kaiser, a defrocked, I might say, member of the Queensland parliament who had to resign from the Queensland parliament for electoral fraud, is now on board with the NBN company. Why? Because of his expertise? Or did he win his $450,000 job in competition with many other people who have expertise in the government relations area? No, he got it non-competitively, because the minister came along and said to the boss of NBN Co., ‘I’ve appointed you to NBN Co. It’s not a bad job and you’re not a
bad fellow, but you’re there because I appointed you. I’ve got a mate up in Queensland—part of my faction. He’s looking for a $450,000 job. I think he’d be very suitable for this appointment.’

This is the sort of situation you had with the NBN Co. as it commenced. If that is how it commenced its operations, heaven knows how it will finish up. We might wonder how many of the other NBN Co. appointments were non-competitive. I think someone said that about 40 per cent of them—perhaps Senator Conroy would confirm that—were made without competition, and one wonders how many of them are card-carrying members of the Labor Party and, perhaps more importantly, of the faction in which Senator Conroy is closely involved.

This is the body that the Rudd government wants to give a monopoly to in Australia. To do that, it is going to confiscate from an existing private company certain property by threatening the company with the fact that if they do not give it up the government will make their business life untenable in Australia. This is a draconian and very un-Australian part of the legislation. That part should be defeated and hopefully will be defeated. I call on Senator Conroy again to split this bill so that the consumer elements of this legislation are divided from the rest of the bill and dealt with by the Senate. As I say, generally speaking, that would get the support of the coalition. It is a simple way to get through that legislation. But, no, the Labor Party is playing its old tricks: have some good legislation which everyone agrees with but hook it into something that is draconian and un-Australian and would not get support anywhere. I again ask Senator Conroy to split the bill so that the consumer provisions can be dealt with.

We had a debate earlier today about the implementation study. According to Senate procedure, we were not supposed to be dealing with this bill until the implementation study was tabled. At many an estimates committee meeting, we inquired of Senator Conroy and his department how this would be funded. We asked whether private business interests would be in there, whether it would be done by a government bond, what the interest rate would be and who would pay any losses in this company—all those sorts of things—and from Senator Conroy and his department we continually got the answer, ‘That’ll all been made clear in the implementation study.’ We all expected, as reasonable people, that the implementation study would be released by the end of February. In fact, Senator Conroy implied that. I concede to Senator Conroy that in a recent estimates hearing he said that it might not be released by the end of February 2010. I concede that, Senator Conroy. But your action and the action of your department was that, every time a question was asked, the answer came back: ‘Don’t you worry about that. We can’t answer this now, but when you see the implementation study all will be revealed.’ But, of course, all has not been revealed.

Mr Acting Deputy President Bishop, I ask you to do some sums on the back of an envelope. Work out how many subscribers there are in Australia at the moment. How many are there? There are about seven million households in Australia. Divide that into the income that the NBN Co. will need to earn in order to see what it is going to cost people to hook into the NBN. If you look at average prices now of about $50 to $60 a month for an ordinary person using similar services and then multiply that—anyone can do these figures; you can do them on the back of an envelope—you will see that you simply cannot make money out of this NBN. Senator Conroy said to us: ‘You will see it. All will be revealed when the implementation study is tabled.’ But where is the implementation
Senator Conroy, for reasons that only he knows about—I was not in the debate this morning, but I understand that in his 20-minute rant he did not even indicate—

Senator Conroy interjecting—

Senator IAN MACDONALD—It was only five minutes of ranting? Your rantings have been concise, Senator Conroy! I understand that you did not even indicate why you would not be releasing the implementation study. I will give you a reason: I suspect that the implementation study says that this is a lemon—that this will not work. You simply cannot raise the sort of income you will need from the NBN Co. while making it affordable to Australians who might have to hook up to it. The whole thing is an absolute shambles, Senator Conroy, and you know it. How many backflips have you done so far? Remember we were told that the request for tender process ‘affects everything; we’re going to get good responses here and there will be people lining up to do it.’ What did you do? You made the mistake of having a bit of a fight with Telstra, so you excluded them from it without thinking, and then, having excluded them, you realised that you could not do it without them. This is a shambles to the nth degree, and it will continue to be a shambles whilst this government is in charge of it. I again plead with Senator Conroy, if he is interested in getting the consumer bits through, to split the bill, because the opposition will certainly not be supporting this draconian confiscation of property without compensation.

Senator McEWEN (South Australia) (6.14 pm)—I am very pleased to contribute to the debate this evening on the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009. The Rudd Labor government is determined to have the best possible infrastructure in place to underpin Australia’s economic future and economic prosperity and to ensure that all Australians can enjoy that prosperity. We are committed to building the best possible broadband and telecommunications system, the best transport corridors, the best schools and the best health facilities. Despite the continued obstruction of those opposite, we are determined to honour those commitments to the Australian people.

I note that the government recently released its exposure draft of the legislation intended to establish the regulatory framework for the National Broadband Network company, NBN Co. That was another significant step in the massive reform of the Australian telecommunications sector that the government has embarked upon. As is appropriate, that exposure draft is available for consultation with stakeholders and the government has, as the Minister for Broadband, Communications and the Digital Economy has said, an open mind on any amendments that can improve the bill before us today.

The government is always mindful of the necessity to consult widely about the transformation of Australia’s telecommunications infrastructure and systems; however, the opposition does not participate meaningfully in this debate at all. It just opposes everything we do. While failing to come up with any coherent plan of its own, there have been numerous press releases—currently more than 100—and at least 18 different failed broadband plans. There is no coherent plan and no vision for the future from the coalition. Given the coalition’s recent complete conversion to a party full of extremists, wackos and conspiracy theorists, we can only anticipate that their next pronouncement on telecommunications will be to either institute a national smoke signal system or bring back carrier pigeons.
The amendments proposed in the bill we are debating come after telecommunications companies, industry experts and the regulator have been calling for years for fundamental reforms in telecommunications. The government has listened to those calls and, with this bill, will deliver historical reforms in Australia’s long-term national interests. The legislation before us will address Telstra’s high level of integration to promote greater competition and consumer benefits; it will streamline and simplify the competition regime to provide more certain and faster outcomes for telecommunications companies; it will strengthen consumer safeguards to ensure service standards are maintained at a high level; and it will remove red tape affecting productivity and innovation.

The Senate Environment, Communications and the Arts Legislation Committee inquired into this bill last year. As the committee’s report noted:

The bill seeks to introduce a series of regulatory reforms intended to enhance competitive outcomes in the Australian telecommunications industry and strengthen consumer safeguards. It seeks to ‘promote an open, competitive telecommunications market to provide Australian consumers with access to innovative and affordable services’.

That was a laudable conclusion for the committee to come to. It is a pity that the coalition senators could not support it.

The amendments proposed in this bill will assist us to modernise our telecommunications industry and benefit all 22 million Australians. At the moment, Australia sits in the bottom half of OECD countries in terms of broadband take-up. Australia has slower and more expensive broadband compared to many other countries in the OECD. In fact, the OECD ranks Australia 16th in terms of broadband penetration per 100 inhabitants. We also rank fourth, fifth and ninth for the most expensive low-speed, medium-speed and high-speed average monthly subscription broadband prices respectively. That poor standing of ours on the international scale is largely due to the lack of competition in the telecommunications market.

The bill before us is designed to restructure the regulation in place in the sector in the interests of consumers, business and the economy as a whole. Additionally, it is designed to position the telecommunications sector to make the smooth transition to the NBN environment as the new network is rolled out and implemented across the country. The measures incorporated in the bill will provide flexibility for Telstra to choose its future path and to streamline the regulatory framework.

The bill is split into four elements of reform, which I will now outline in a bit more detail. The first is vertical and horizontal separation. Unlike many other countries, the Australian telecommunications sector is dominated by one company, which owns Australia’s only fixed-line copper network, the largest cable network, half of the largest pay TV provider and the largest mobile phone network in the country. That high level of integration that Telstra has over the telecommunications market is highly unusual when compared to most other countries. Integration to that extent is anticompetitive. To avoid the detriment caused by an anticompetitive framework, many countries have already implemented restrictions to ensure that the total monopolisation of the telecommunications sector does not occur.

The bulk of the current telecommunications regulatory regime has been in place since its introduction in the 1990s. It is the government’s view that, even after more than 10 years of open competition, Telstra’s high level of integration across the telecommunications sector is hampering the development of effective competition. In owning the
fixed-line copper network as well as the largest cable network and holding a majority share of the nation’s mobile phone network, the government believes Telstra has disproportionately high levels of ownership and that has contributed to Australia continually lagging behind other developed countries on the availability, price and quality of telecommunications services.

The first element of reform in this bill will focus on the current structure of the telecommunications sector, implementing vertical and horizontal separation and aiming to correct the mistakes of the past. While significant structural reform has occurred in other key infrastructure industries, previous governments from both sides have failed to undertake the necessary structural and microeconomic reform in the telecommunications industry. The government has devised a plan for the functional separation of Telstra, unless of course Telstra decides to voluntarily structurally separate in a way acceptable to the ACCC. Of course, the best outcome for the transition period to the NBN is for Telstra to voluntarily structurally separate in line with NBN arrangements. If the company chooses to voluntarily separate, the minister will provide guidance to the ACCC on the matters it would need to take into account when considering whether to accept a separation undertaking. If Telstra chooses to not voluntarily structurally separate, this legislation provides for the government to impose a strong functional separation framework on the company.

The bill also includes provisions to address the horizontal integration of Telstra across copper, cable and mobile platforms. Telstra will be prevented from acquiring additional spectrum for advanced wireless broadband while it remains vertically integrated; while it owns a hybrid fibre coaxial cable network; and while interests in pay TV channel Foxtel are maintained at the levels they are now. The legislation provides scope for the minister to remove either or both of the second and third requirements in the event that Telstra submits an acceptable voluntary structural separation to the ACCC. I note that functional separation has been used as a regulatory tool successfully in other countries, including the United Kingdom and, more recently, New Zealand. It is also being considered currently by the European Commission. In a range of countries a fixed-line incumbent does not also own the largest mobile carrier, as is the case here in Australia. The government, through this legislation, intends to rectify the deficiencies in our unique and highly integrated telecommunications market with the aim of promoting competition across different delivery platforms while still allowing Telstra to choose its own future path.

I will now go to parts XIC and XIB of the Trade Practices Act. The second element of this bill addresses the competition framework. It seeks to reform the telecommunications access regime and the way in which anticompetitive conduct is handled by the regulator. The existing telecommunications anticompetitive conduct and access regimes in the Trade Practices Act have been widely criticised as being cumbersome, open to gaming and providing insufficient certainty for investment. The government, rightly, wants to change that and to improve the conditions of the current regulatory framework.

As evidence that things are not working well in terms of that regulatory framework, I note that in the period from 1997 until mid-2009 there were 157 telecommunications access disputes lodged with the ACCC. In comparison, other regulated sectors, including the energy and aviation sectors, only saw three access disputes lodged in the same period. It is clear also that access seekers have been frustrated and unhappy with the constant delays and disputes in the industry, a
The fact that was reiterated during the Senate committee inquiry, where many of the submissions were strongly in favour of improving the process. A reform of the telecommunications access regime is most definitely needed to ensure it is a more effective and therefore a more acceptable regime for access users.

The proposed changes outlined by this bill will also reform the Trade Practices Act to streamline the arrangements through which telephone companies access wholesale services so that, firstly, the ACCC will determine upfront terms and conditions for a three- to five-year period; secondly, the ACCC can determine principles to apply for longer periods; and, thirdly, the ACCC can make binding rules to immediately address problems with the supply of regulated wholesale services.

The bill also reforms the arrangements in part XIB of the TPA so that the ACCC can address breaches of competition law and conduct damaging to the market. These reforms will provide more timely outcomes and greater regulatory certainty for both access providers and access seekers. Providers and seekers will be able to invest in infrastructure and expand their service offerings. Competition in the telecommunications industry will be far improved, and, of course, consumers and businesses will benefit from lower prices, better services and greater product innovation.

Also in this bill there are matters dealing with consumer protection measures. The platform of reforms that we are debating today in this bill takes into consideration the implementation of the National Broadband Network. During the period of transition to the NBN environment the existing telecommunications regulatory regime will remain important for delivering services to Australian consumers and businesses. The government is committed to ensuring that consumers are protected during this phase and that service standards are maintained at an affordable and high-quality level. The reforms proposed strengthen the regulator’s ability to enforce existing consumer safeguards that are in place and will not remove any of the existing protections that are currently in place for consumers. With this bill the government will ensure that Telstra does not reduce the quality and reliability of services on its copper network during the transition to the NBN. In fact, this bill aims to make sure that existing protections are better enforced in order to provide higher quality services and a greater responsiveness to faults.

The government is particularly concerned about access to modern telecommunications. The reforms that this bill presents will be good for all Australian consumers and businesses no matter whereabouts in the country they are located. Rural and regional Australia has suffered disproportionately from the inadequacies of the existing regulatory framework. For example, only 59 per cent of payphones in remote areas provided under the universal service obligation were repaired within the three-day period specified in Telstra’s Standard Marketing Plan—a stark contrast to the 82 per cent repaired within two days in rural areas, and 91 per cent of phones repaired within one day in urban areas. In the Regional Telecommunications Independent Review Committee report released in September 2008, the universal service obligation arrangements were highlighted as being very vague and too difficult to enforce. The government have recognised that the universal service obligation is the key to the ongoing protection of consumers’ rights, although we have also recognised the need to improve quality and service benchmarks.

The measures outlined in the bill reflect the decision to retain the existing USO for voice telephony and payphones, but we re-
quire a marked lift in the service benchmarks to increase consumer satisfaction. Improvements to service quality will be made in order to meet the customer service guarantee. New service arrangements will make clear to both consumers and Telstra the services Telstra must supply in fulfilment of the universal service obligation, including reliability and repair requirements, rather than the decisions being left to Telstra’s discretion. The government will consider the broader range of issues associated with the delivery of universal access in the NBN environment once the detailed operating arrangements for our fabulous 21st-century broadband network are finalised.

The fourth plank of the reforms proposed in the legislation before us today is to do with the removal of red tape. The Rudd government have consistently been dedicated to modernising infrastructure and maximising productivity and growth. We have made large commitments to address any impediments that stand in the way of Australia’s long-term productivity growth. The final element of this bill is intended to remove regulation red tape, specifically in areas where it is no longer needed, and, more specifically, in areas where the need for regulation no longer exists. There are a number of these red-tape removal proposals, including exempting all carriers from paying the annual carrier licence charge if their annual revenue is under $25 million per annum; reducing the reporting requirements under the customer service guarantee, priority assistance and network reliability frameworks so long as performance benchmarks are being met; repealing any unnecessary accounting and operational separation requirements once functional separation is in place or Telstra has submitted an enforceable undertaking to structurally separate that is acceptable to the ACCC; and, finally, abolishing the Telstra licence condition that requires Telstra to provide technical assistance to enable customers to achieve 19.2 kilobits per second internet services.

As I have said, the object of the bill, with the splitting of Telstra, is to promote innovation and increase competition and responsiveness within the telecommunications sector. The reforms proposed in the bill are well-timed to benefit both telecommunications providers and consumers. The government wants to create a more efficient telecommunications market with more competitive services for the benefit of all Australian consumers, including businesses and households. Although we have seen attempts from the opposition again today to frustrate the passage of this bill, it is hoped that these benefits will be seen relatively soon so that we can carry them through for the long-term benefit of the country.

The government is determined to act in the best interests of industry, but the coalition, with their activities today, are clearly opposed to doing that. The action the coalition took today to delay debate on this bill fits in with their long track record of failure in the area of telecommunications regulations. After all, the coalition presided over a regulatory system which has failed telecommunications companies, consumers and businesses. They privatised Telstra without ever properly resolving the conflict of Telstra being the network owner while also competing against its customers in retail markets. The opposition are again trying to delay these reforms and they are again failing Australian businesses and consumers.

The reforms in this bill are critical. Every day that these reforms are delayed, Australian consumers and businesses will continue to pay higher prices and have less choice and see less innovation in telecommunications services. In case we were in any doubt about the importance of these reforms, I should
point out that many in the industry and stakeholders support them. On *Lateline Business* last year, ACCC Chairman Graeme Samuel said:

The view of the ACCC for many years is that the reforms proposed in the legislation that’s been tabled by the Government are long overdue, are necessary, are reforms that infuse the whole concept of competition into the telecommunications sector, an infusion that itself is long overdue since about 1992.

I commend this excellent legislation to the Senate.

**Senator FISHER** (South Australia) (6.34 pm)—The Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009 is a gun to the head of Telstra Corporation; it is a gun to the head of a major Australian company. The minister pretends that the legislation is all about choice. But it is a Clayton’s choice. It is a choice between ‘cut out’ or ‘get cut out’. It is a choice between ‘volunteer to structurally separate’ or ‘be cut out of future licensing operations’. It is a choice between ‘bear the cost of separation’ or ‘stand fast and bear the cost of being cut out of the market’. The Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009 was not Labor policy until the minister announced it as such in September 2009. Labor did not take this policy to the election because they knew it would hurt millions of Australians, millions of mums and dads, Telstra shareholders and thousands of workers.

Asked about separation at budget estimates last year, Minister Conroy said, ‘I’m not advocating it; I’ve never advocated it.’ Separation was never Labor policy—until the minister announced it in 2009. There is no case for this bill. Minister Conroy has failed to demonstrate any case for this bill since he forecast changed policy in September 2009.

Rudd Labor is proposing to solve a supposed problem without any data to quantify its proposed solution. Why should we be surprised about that, from a government that was elected on the basis of ‘let’s do evidence based policy’ and has spectacularly failed to do exactly that? Indeed, its record is exemplified by its very failure to do that. So why should we be surprised? The minister’s second reading speech on this bill says simply:

Telstra is one of the most highly integrated telecommunications companies in the world—
as if the statement of the fact that Telstra is highly integrated is proof of the fact that it should be unintegrated—and I use that word, if it be one, in preference to ‘disintegrated’, but that may well be a consequence. Let us hope it not be intended by the minister.

A recent Senate inquiry heard from Foxtel, who said the draft bill ‘proposed dramatic changes to the regulatory regime despite the government not having undertaken a rigorous analysis or inquiry into whether there has been significant market failure justifying any changes’. Should we be surprised about that? Why should we be surprised about the government persisting with a bill for which there is no case when that bill is bad for mums and dads and shareholders of Telstra? There are 1.4 million shareholders, nine million customers and some 30,000 workers. What about the workers, Minister Conroy? What about the workers?

Institutional investors are clearly opposed to the erosion of the value in Telstra’s shareholding. Worse, as Maple-Brown Abbott’s submission to the Senate inquiry pointed out:

*The bill … runs the risk of damaging Australia’s sovereign risk rating as well as stifling investment and innovation in the telecommunications sector.*

It is an extreme and unacceptable way of forcing a company to bargain with the government. Why should we be surprised about that from Rudd Labor? The Australian Foun-
dation Investment Company’s submission warned:

If the Parliament passes this legislation we think Australia’s investment standing could be significantly diminished. Investors, particularly international investors, will perceive substantially heightened sovereign risk if the Australian Government can act arbitrarily in this way.

Synstrat Management’s submission said they considered the bill to be ‘legal trickery’ and an ‘unethical way for the government to conduct its business’. Should we be surprised that Minister Conroy and Rudd Labor persist with a bill for which there is no case when that bill is simply bad for rural and regional customers?

In many parts of rural and regional Australia Telstra is, like it or not, the only service provider. It offers competitive, metropolitan comparable pricing to much of rural Australia and recently reduced pricing on Next G wireless broadband services, bringing Next G into the Department of Broadband, Communications and the Digital Economy’s definition of metro-comparable broadband. But if Telstra is separated, will there continue to be some cross-subsidy of the services currently provided to rural and regional Australia? If Telstra misses out on 4G wireless spectrum—and there is a clear prospect under the bill that it may—how long will rural and regional Australians be forced to wait for a new market entrant? What proof or what confidence does the government have that there will be a new market entrant capable of delivering to rural and regional Australia? And what of the universal service obligation? If Telstra is separated, is the government proposing to guarantee that rural and regional Australians will have access to quality and affordable telecommunications services somewhat like those guaranteed under the current universal service obligation? That is yet another question that remains unanswered.

Why should we be surprised about the government persisting with a bill for which there is no case, arguing that it is necessary for competition when there is already significant competition in the marketplace? Data from ACMA and the ACCC indicate the level of competition. ACMA’s Communications report 2008-09 released in January showed that, as of June 2009, there were 175 licensed telecommunications carriers, three mobile carriers offering six networks covering some 96 to 99 per cent of the population, more than 600 internet service providers and almost 400 fixed-line voice service providers in Australia. An Optus submission to the current ACCC review of price controls on Telstra says that prices in retail telephony markets have been falling due to the amount of competition in the market—that is, a large number of retail providers competing vigorously for market share. An ACCC submission to the government’s regulatory reform paper of June 2009 said no specific legislative changes are required to address competition concerns in relation to the allocation of spectrum. Should we be surprised about Minister Conroy persisting with a bill for which there is no case?

Really, the only case for the bill is to save the National Broadband Network and to save the minister’s ministerial face. It is all about the NBN, stupid. Contrary to the government’s claims that the bill is about enhancing competition and delivering better and more affordable services to consumers, several of the witnesses to the recent Senate inquiry, for example, are in little doubt about the purpose of the legislation. Again, Maple-Brown Abbott say this bill is ‘a high-risk strategy to deliver the NBN’. It is simply a stalking horse for the National Broadband Network. This bill is all about the NBN, stupid. It is a cover for the lack of action thus far on the National Broadband Network. What have we got so far on the National Broadband Net-
work? If there is an implementation study, we have not seen it. Indeed, we are not even sure that we will see it at all. No, there is no implementation study that we know about, Minister, but there is some sort of study by NBN Co. itself. Senator Conroy previously told us that the implementation study would ‘work through the detailed network design and rollout schedule for the NBN’ and ‘the extent of coverage that will be achieved’. So the key issues include network design, rollout schedule and the extent of coverage that will be achieved, amongst other things. Interesting. Presumably NBN Co. got sick of waiting for your implementation study, Minister, because NBN Co.’s Mike Quigley says NBN Co. is seeking its own answers. He said last week:

We’re looking at the engineering tasks: how do you get this built, how do you define the product, how do you do the network architecture?

That is sounding like some of the things that Minister Conroy—good on you!—has shot home to the implementation study. It sounds suspiciously like, if nothing else, the minister’s promise that the implementation study will work through the detailed network design for the NBN. Mike Quigley of NBN Co. says the NBN Co. study will look at:

... how do you get this built ... how do you do the network architecture?

Why are Australian taxpayers—Australian mums and dads—presumably paying twice for the same thing? They are paying once through an implementation study that they might not even see and paying a second time through a study being done by NBN Co. We have not got an implementation study, yet we have got a trial rollout in places across the country and we have got the National Broadband Network rollout in Tasmania well advanced before any of these critical questions have been answered.

Trial NBN Co. rollouts to five locations across Australia might seem like action, but it is a cover over the lack of action on the NBN more broadly and proceeding before the minister has critical advice on how the NBN should take shape. The Adam Max wireless broadband project in Adelaide sounds like a great idea. It is covering black spots, it is co-sponsored by the South Australian government, but it is papering over the lack of services that should be delivered by the NBN, if it delivers anything at all.

We have not got an implementation study. What have we got? We have got lots of megabucks being paid to NBN Co. CEO, Mike Quigley, and the minister’s mate, Mike Kaiser. There have been many megabucks and not one new megabit. What else have we got? We have no implementation study but plenty of questions from the government’s own experts. Watch those experts, Minister, because they can turn on you if you do not heed their advice. Reg Coutts was a member of the government’s expert panel. You know that report, Minister, the one that you have not shown us yet either. Professor Coutts said in the media recently:

There has been worryingly little discussion of how the 10 per cent of the population not covered by the fibre network will get their broadband. Professor Coutts went on to say:

I and many of the community are frustrated at the lack of progress in planning services for the 10 per cent who are beyond the NBN footprint. I do not understand why it has generated so little discussion, either in industry or in the community.

Be careful, Minister, who you pick because they can turn if you fail to heed their advice. The minister has repeatedly shoved aside critical answers to critical questions in his now all but infamous implementation study. In Senate estimates, when asked when and how the government will respond to the implementation study, the minister said:
As I have said, we are due to receive it by the end of February and then we will consider it.

Minister, February has come, February has gone and March is on the march. Where is your implementation study?

Senator Conroy—I’ve got it.

Senator FISHER—What about giving us time to look at it, Minister? If you have got it, Minister, how about giving the parliament and the Australian community time to look at the implementation study. This is an implementation study that you have spent, Minister, some nine months gestating. Will you give us nine minutes to look at it? Look at it another way: it took some $25 million of Australian taxpayers money to get it; will you give us 25 minutes to look at it? Give us a minute per million dollars. Give Australian taxpayers a minute per million dollars to look at it, Minister.

Minister, who is going to answer the ‘Who is going to get what’ under your $43 billion National Broadband Network plan? When are they going to get it? How are they going to get it? And how much will it cost them to get it? At the moment, there remain way more questions than answers. There are so many more questions than answers. The National Broadband Network—the NBN—is starting to sound more and more like ‘No body (k)nows’. Forget NBN aka National Broadband Network because it is looking like NBN aka ‘No body (k)nows’, least of all Minister Conroy; NBN aka ‘No body (k)nows’, least of all Rudd Labor. Yet, for that pleasure, Australian taxpayers are going to foot some $43 billion.

The opposition cannot support this bill, particularly if the provisions in part 1 of the bill are retained where a gun is held to Telstra’s head. Minister Conroy well knows that the Australian people, in a battle of David versus Goliath, will happily back David. Rudd Labor is punting on that, but what Rudd Labor is forgetting in that punt is that the Australian people also believe in fairness. In fact, they vehemently dislike unfairness and they are not going to like a gun to the head.

There is no case for the bill. That is a part of why Labor did not take the bill to the election. It is bad for shareholders, it is bad for rural and regional Australia and it is all about the National Broadband Network. And it is premature. The consumer measures in the bill are not scheduled to hit the deck, the consumer rubber will not hit the road, until July 2010. What is the hurry, Minister? In particular, what is the hurry, Minister, when you are sitting on the $25 million taxpayer funded implementation study?

What is the hurry, Minister? What is the hurry, Minister, and why this bill now, when at the same time the government has released an exposure draft of the NBN Co. bill that suggests that the minister will have the discretion to allow this taxpayer funded company—this government company—to go both wholesale and retail? That is new legislation that will allow the NBN Co. to do exactly that which Telstra is being told it cannot do. It is being told, ‘Cut out or get cut out,’ at the same time as the government is proposing to seek licence to give the government-sponsored company the right to be bought in, if you like, and to stay in. I think the Australian people will work out pretty quickly, Minister, that that ain’t fair. There is no need to consider this bill before we see the taxpayer funded implementation study. There is no need to consider this bill now, given it will be quite some time before the proposed consumer measures start operating. There is no need to consider this bill before we see the implementation study and there is no need to consider this bill until you, Minister, can convince the Australian taxpayers that ‘NBN’ stands for something other than
‘no body (k)nows’—least of all Rudd Labor and least of all you, Minister.

Senator Conroy—You’re going to have to work hard to beat that one, Wacka!

Senator WILLIAMS (New South Wales) (6.53 pm)—I rise to speak on the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009. It looks like we have got it in stereo, with Minister Conroy already interjecting—

Senator Conroy interjecting—

Senator WILLIAMS—having his say from his seat over there. And it is Senator Wacka, by the way, Minister! I look back on telecommunications over my lifetime and I think back to the days in Jamestown in South Australia when we had the manual exchange and then we went to automatic—what a great update that was. When I moved to Inverell in 1979, to a farm near Bukkulla, three or four miles down the road, we went back to a manual exchange. If you wanted to ring someone at lunchtime, between one and two, you turned the handle to dial and you would hear, ‘Are you calling Bukkulla? The exchange is closed for lunch.’ As time went on we too went to automatic, which was good. On many occasions I would ring my father to say hello and three minutes into the conversation there would be an interruption: ‘Three minutes has expired. Are you extending?’ Well, you never extended; you could never afford to extend. It had already cost you $3 for three minutes or something to call South Australia. Thank goodness, as time progressed, calls got much cheaper and the service much, much better.

Senator Conroy interjecting—

Senator WILLIAMS—Labor’s history of telecommunications in regional Australia is not a good history. I can recall when we had the analog phone system, the first of the mobile phone systems in Australia. What a good system it was. The clarity was magnificent and it worked very well. But of course the Keating government did away with the analog system and brought in a digital system, GSM.

Senator Conroy—CDMA. That was in between.

Senator WILLIAMS—That was all very good if you were standing underneath a tower; then you might have reception. But once you got out of town a bit—

Senator Conroy interjecting—

Senator WILLIAMS—you might as well have lit a fire and got a smoke signal going, because the GSM was absolutely hopeless in regional Australia. Senator Conroy, with all his interjections, is probably not very proud of Labor’s history when it comes to the mobile telephone network.

Thank goodness that in 1996 we had a change of government. The coalition, driven by the National Party, introduced CDMA, and many towers were put up. CDMA was a good system. The coverage was much better over distances. With a car kit and a broomstick aerial on your car, you could pick up reception 30, 40 and 50 kilometres away from a tower.

Then we went on to take the next step, to Next G. Despite criticism by many, such as Tony Windsor and others, I find the Next G system also very good. In my car, with, as I said, the car kit and the broomstick aerial, I can actually drive from Inverell to Adelaide, 1,800 kilometres, and not be without a signal for longer than one minute on that trip. In fact, driving around much of the state, as I often do, it is very rare that I cannot get a signal. Thank you to the previous government for building those towers.

The point I want to make is that many of those country towns have only Telstra. I do believe that when something is a monopoly it should be retained by the government. I had
reservations about the full privatisation of Telstra—I am being perfectly honest here, Mr Acting Deputy President Bishop.

We now have the NBN plan being put forward by Senator Conroy and the Rudd government. At the last election, I think it was a $4½ billion plan for fast broadband with downloads of 12 megabits per second, to cover 98 per cent of Australians. Now we have 98 per cent getting fibre to the home and a budget blow-out from $4½ billion to a massive $43 billion. It will be interesting to see whether the $21 billion that is expected from the private sector will be forthcoming. The first thing they will want to know is how much of a return they are going to get on their investment—so they will be keen to see the business plan that none of us have seen as yet—to encourage them to put the money in.

Senator Conroy—Why did you sell Telstra?

Senator WILLIAMS—I was not in the chamber at the time! The coalition financed and supported the construction of mobile towers over much of Australia.

There are a lot of towns in my area in northern New South Wales that have Telstra only—towns like Manilla, Barraba, Bingara, Ashford and Bundarra. All those little towns and communities have Telstra only. So my question is: as time goes on and we wish to upgrade to 4G spectrum, what is going to happen if Telstra is cut out of the bid for the spectrum network? What is going to happen to that network? What is going to happen in those small towns? If Vodafone and Optus do all the bidding and purchase the spectrum rights, I suppose we could expect those companies to set up mobile networks in these small towns of 400 and 500 people? I do not think so. They are private companies and they are not going to invest money to lose money. It is these small communities that are the ones that will miss out. They will be excluded from the upgrade. Those private companies will not be able to provide the better wireless broadband services to the people living in those communities and the surrounding areas. People in small regional communities will be excluded from it, and once again they will be the losers. But that is typical. That happened when Mr Keating wiped out the analog system and brought in the GSM digital network. Forget the bush; don’t worry about having a signal over any distance! As I said, stand under the tower and you might be able to make a call; move away from the tower and you might as well turn your phone off.

So tradition has not changed with the Labor Party. If Telstra is going to be excluded from the bid, that will be simply unfair to these smaller communities. Those are the communities that will miss out. Now the minister wants to take the big stick to Telstra. He wants to take the big stick and say, ‘You will separate or else I will belt you with the big stick.’ The big stick will be: ‘Telstra, you will not bid for the spectrum rights. You will be excluded.’ And those smaller country towns—and I have just mentioned a few, and there are hundreds of them—will be excluded from upgrading their services, their capabilities and their networks. Those in the small country towns will miss out again. That is what this is about. But it gets worse. As well as saying to Telstra, ‘You’re not going to bid for spectrum,’ the government is going make them sell their shares and make them get out of Foxtel and get out of pay TV. I thought we lived in a democracy, not a dictatorship. Senator Conroy is obviously turning that around. He is going to take the big stick and say, ‘You will do this, you will do that and you will do as I say or you’ll be out of the game.’

I support a one-network system to wholesale around Australia. That is fair and will
give even and fair competition. That would be good. What is more: being a monopoly and an essential service, it should be retained by government. That is my opinion. I have thought that since my studies of economics back in 1972. If something is a monopoly and that thing is also an essential service, it should be retained by government. That is the attitude I have. Here we have a situation where the government says it is going to establish the National Broadband Network and set up the wholesale. I do not think it is not going to go into retail; although there are signs it is going to go into retail as well. Then it is going to cash in the monopoly. Why cash it in? I have just done some figures on the NBN, and the minister might be able to give me a reply. With $43 billion, we would be looking at a $5 billion a year gross return, so we would be looking at 12 per cent. We would need five million people to take up the system at $1,000 a year. That is a wholesale of $1,000 and perhaps a retail of $1,400 or $1,500 a year for the household.

What will happen if five million households and businesses in Australia do not take up the NBN? The income will be less, so the price per household will be more. I think the minister would agree with that. It would be interesting to see the planning on this and the expected return. I would be very interested to see what companies will come forward to put in this $21 billion. Or are taxpayers going to put it in? Who is going to fill the hole? If private industry does not come forward with $21 billion, who is going to fill the hole for that money? No doubt the government will have to fill the hole. Is that right, Minister? I ask as you depart the chamber, with a smile on your face. This is a serious problem I have. It would be wonderful to have a fast broadband network right around Australia. It would be great for medical reasons. You can imagine that a nurse in a small country town could set up the facility to have information on a patient go to a doctor in the city to inspect. As far as medical procedures go, it would be great. It would be wonderful. Of course, many in business would enjoy the 100 megabytes download to get on with their job more quickly. There is no doubt about that. But when we look at the cost, I have some reservations about this whole plan.

I will get back to this legislation and the big stick approach of the government—that is, ‘You will separate, Telstra, or else.’ That is what this legislation says. It says, ‘You will separate or else.’ The ‘or else’ means: ‘We will exclude you from the spectrum bid. You will not be able to bid for it.’ So those smaller country towns I mentioned will not be able to have an upgrade to their service. They will not be able to go to faster wireless broadband, for example. It is so common these days for people, instead of having a desktop computer at home, to choose to buy a laptop so they can move it around. In the smaller country towns, they will be excluded. That is simply unfair. Life is about fairness. This proposal for a big stick approach to Telstra is simply unfair. As a National Party senator, I cannot support something that is going to be unfair to those smaller regional communities. It is as simple as that. As for the big stick approach of saying to Telstra, ‘You will separate or you will sell off your interests in pay TV,’ as I said, do we live in a democracy or a dictatorship? That is wrong on all principles. No matter what side of this chamber people may sit on, that is wrong. It is wrong on all principles to say to a company, ‘You will do as we want you to do or else.’ That is what this legislation says.

As I said, telecommunications have come a long way in my lifetime—from the manual exchange of 1979 to the automatic phone to the mobile phone, from the analog system to the GSM digital system, to the CDMA and now to Next G and 3G. It would be good, as
time goes on, to progress further. Some small country towns have Telstra only—no Optus, no Vodafone and none of those other carriers—and the customer base in those communities is too small for those other companies I mentioned to invest in mobile phone towers. Those companies will not do that. The cost would be too great and the return would be too little. So those towns that rely wholly and solely on Telstra will be the ones that will suffer the most. We cannot simply sit back and allow that to happen.

As I said, I support a wholesale, across-the-nation system delivering fast broadband and competition even. I know what wholesale and retail are about. When I was importing bolts out of Thailand, I was a wholesaler and a retailer. I know what it is like to compete against the retailers when you have that distinct advantage: you buy cheaper so you can sell cheaper and still cream off a pretty decent profit. That is what it is about when you own the wholesale and a retail network. You have a competitive edge. You can sell cheaper than your competitors. You can drive your competitors out of the market. The negotiations on this legislation to separate Telstra have been going on for months and months. I do not know where they are up to. When Minister Conroy let the cat out of the bag accidentally, I think the government was offering $8 billion and Telstra wanted $30 billion. There is a long way between $8 billion and $30 billion. I do not know where the negotiations have progressed to since then.

We hope that the separation does happen and that we do get a level playing field for all telecommunications carries in Australia. But to have this big stick approach is, I think, simply wrong. I cannot support the bill on those grounds. Many country communities, the smaller regional communities, throughout Australia have Telstra only. You can go out into the sticks, you can go to Cobar, you can go to Wilcannia, you can go where you like and you will find that all the people in those communities rely on Telstra. To have those people excluded because this bill says that Telstra will be forbidden to bid for the spectrum is, I think, simply wrong. It is also simply wrong by those smaller communities. As I said, as far as the other big stick approach goes, to force a company to sell their private interests raises some questions: ‘What are we up to? Where are we going?’ The government has this wrong. They need to negotiate with Telstra. They need to work it out with them and not expect this Senate to just hand a great big baseball bat to Minister Conroy so that he can put the heavies on Telstra and force it to separate. I oppose this legislation for those reasons.

I do hope that one day we have a national broadband network that operates on a level playing field and where there is consistent service, consistent cost and consistent delivery right across Australia. I have my doubts as to whether such a plan would be financially viable or whether it would provide a return. I am in two thoughts about the whole plan. As I said, for the government to want to sell it off later is to return a monopoly back to a private enterprise. My personal opinion is that there are a lot of questions to be asked about the whole program. As far as this legislation goes, it is wrong, it is unfair and I certainly could not support it. I thank the Senate.

Senator BACK (Western Australia) (7.08 pm)—I rise this evening to comment on the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009, which is a long way of saying ‘a bill for the structural separation of Telstra’. I place on record, in response to a question asked earlier by a senator from across the chamber, that when Labor came to government I took the wise decision of selling the Telstra shares that were under my control. Since I have been in this place, the evidence
I have seen has served only to reinforce the wisdom of that particular decision.

When I came into this place I watched very carefully and was most interested to hear the comments of Minister Conroy. When asked about a business plan for the new NBN, he very proudly said to us, ‘There is no business plan.’ Coming from a business background and also a government executive background, I was somewhat dumbfounded and I thought perhaps he was joking. But, in fact, he was not joking. He was very pleased and very proud of the fact that he was going to commit $43 billion of borrowed money—borrowed taxpayers’ money; not money that he had in the bank or money that was left over from the coalition government, because by then it had already gone. He was quite happy to commit 43 thousand million dollars of borrowed money, upon which debt and interest would have to be paid for this ridiculous concept. When I thought about this, I thought to myself that maybe the minister in his arrogance, his ignorance and his inexperience did not commission a business plan because he did not know what they were all about. So, in responding to the bill this evening, I thought I would ruminate for a few moments on a business plan.

Business plans start with a vision. I went through all the documentation and I said to myself, ‘What most appropriately meets a vision statement for an NBN?’ and the best I could come up with was ‘a government owned and controlled enduring telecommunications monopoly’. I have not as yet been able to put that to the test, but it does seem from the documentation that I have read to be a fairly reasonable vision for an NBN and for the minister, had he bothered to commission a business plan. I then said to myself, ‘Well, if there was a vision, what might be the mission and the objectives of this particular exercise?’ As far as I can see from the studies I have done, the main objective of a business plan, if one had been done, would be to achieve the structural separation of Telstra. I will come back to that in some more detail later on.

Having addressed the objectives, one then turns around and says, ‘What are the targets for this new business?’ It seems to me that, in the main, the targets are Australian taxpayers and the shareholders, the customers and the employees of that company—that is, the publicly listed company, not the government owned monopoly called Telstra. I also would have hoped, as a person representing rural and regional constituents in my state of Western Australia, that this NBN Co. would be able to include in its targets improvements in services to the people in those areas. Regrettably, I do not see any evidence of that. Certainly Western Australian senators would say—and I am sure my colleague Senator Sterle would confirm this as he drives around Western Australia—

Senator Adams—And me.

Senator BACK—Senator Adams, thank you very much, as one who also comes from rural WA and spends a lot of the time there—that it is an absolute disgrace how short a distance one travels out of major centres, cities and towns in our state before one finds that there is no phone coverage of any sort at all. Talk about, as Senator Williams was earlier, some of the problems of the past! I think it would be very nice to be able to communicate in any way at all. It is great from a convenience point of view! When it comes to emergencies such as fires and floods and other sorts of emergencies, we rely on telecommunications to activate volunteers, and so we come to yet another problem.

But I will return to the business plan. After having looked at the vision and having dealt with objectives and what the targets might be, I think the next phase of the plan is to conduct a cost-benefit analysis. Regretta-
bly, this government has decided that it does not need cost-benefit analyses. I will quote from an article written last year:

The most rational person in the government, finance minister Lindsay Tanner, says that there’s no point doing any cost-benefit analysis. We’ll just spend the money and we know ... they will come.

Presumably ‘they’ are customers in the future. So that was apparently the value of the cost-benefit analysis, or to further summarise:

In short, we are mounting a $43 billion assault on, and confiscating the assets of, Telstra for being a monopoly bloodsucker.

To replace it either with a sharing-caring, inevitably hopelessly inefficient government monopoly bloodsucker. Or a shared government-private bloodsucker.

Either which way having to suck much more blood to pay for the extra $43 billion.

In a properly structured organisation and a properly developed business plan, what do we get out of a cost-benefit analysis? The first thing we start to do is have a look at what revenues we might expect, but we cannot get any figures out of the government as to what they see the revenues will be. The second thing we look at in our modelling are alternatives and options for expenditures. Only then do we learn that this marvellous plan is being rolled out to the most magnificent places. I was delighted to hear the other day that Midway Point in Tasmania is one of the three targets, which is fantastic. I remember travelling through Midway Point often when I lived in Tasmania, and you did not have to spend long doing it. So I hope they are not expending too much money on Midway Point as one of the trial sites. When you come back to the question of expenditure, you learn that in fact the costings for this enormous rollout of wired technology have apparently not included connections to households. Therefore, we do not know yet what it will cost households to actually link into this technology. We heard from Senator Williams earlier. He quite rightly said that for every one or 10 or a thousand residents who do not link up to it, it is only going to cost the others more.

Interestingly enough—and if the minister were here he could get this one down—within a cost-benefit analysis a very important milestone is a thing called GMROI, gross margin return on inventory investment. That is the very thing that drives retail business day to day, the very matter that drives your intention in terms of how much you will invest in inventory, and unfortunately we cannot get any sort of figures because, in the words of Minister Tanner, a cost-benefit analysis is a complete and utter waste of time. Therefore, I simply ask this question from a cost-benefit analysis point of view: how can anybody on this side be asked to vote, to consider or to look at anything associated with this legislation if the most basic building blocks are not being delivered to us?

In our business plan we come next to competition, and what an amazing thing it is. But at this point in time I must seek leave to continue my remarks as I understand there is some administrative business to be completed before we go to adjournment. So I will act on your direction, Madam Acting Deputy President, as to whether I can get started on competition or we revert to administrative business.

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Thank you, Senator Back. You are actually a minute early, but as you have offered up your time we will move on. We will proceed to the next item of business.

Senator BACK—I seek leave to continue my remarks.

Leave granted; debate adjourned.
LEAVE OF ABSENCE
Senator PARRY (Tasmania) (7.18 pm)—by leave—I thank Senator Back for his kindness in allowing an important matter for a Western Australian senator to be dealt with and I move:

That leave of absence be granted to Senator Cash for the period 10 March 2010 to 12 March 2010 on account of personal reasons.

Question agreed to.

ADJOURNMENT
The ACTING DEPUTY PRESIDENT—Order! It being 7.20 pm, I propose the question:

That the Senate do now adjourn.

Defence Procurement
Senator FEENEY (Victoria) (7.20 pm)—Tonight I want to talk about a subject which is dear to my heart—that is, the defence of Australia. I was alarmed to see in the Age this morning an article quoting Professor Peter Leahy of the Australian National University, in which he was quoted as calling for cuts to our defence budget so that more can be spent on diplomacy and aid programs. Professor Leahy is a retired Lieutenant General and was Chief of the Australian Army from 2002 to 2008. His views must be treated with respect, but I must disagree with his reported comments. I do not think our national interest would be served at this time by cutting our defence budget.

We live in an increasingly dangerous part of the world. Professor Leahy correctly identified some of the threats to regional security, including climate change, mass migration and pandemics. But there are others—terrorism, maritime piracy, rogue states, failed states and the rivalry between emerging regional powers—and these threats can only be met by defence preparedness. It is a fact of life that Australia has had to spend more on defence, and that is not going to change. Our region is becoming the cockpit of rivalry between the US, China, India, Japan and others. We have territorial disputes in the oil-rich islands of the South China Sea. We have seen crises in our region in East Timor and the Solomon Islands that have required our intervention. We have piracy in the waters to our north and in the Indian Ocean. We have the operations of people smugglers on our maritime borders and we have ongoing military operations in Afghanistan.

These many and varied problems present a challenge in terms of defence procurement. Modern defence assets such as ships and aircraft have very long lead times. They must be ordered 10 or even 20 years before they actually become available. It is a very difficult thing to predict the defence environment which will exist at the time we take delivery of these assets. We saw this with the F111 fighter-bomber. The Menzies government ordered the F111 in 1963, during the time of President Sukarno’s anti-Western confrontation policy. By the time these planes became operational with the RAAF in 1973, some 10 years later, President Sukarno was dead and Indonesia was our friend and ally. The F111s are still flying 37 years later, and as far as I am aware they have never fired a shot in anger. But who in 1963 could have predicted Australia’s strategic environment in 2010? Clearly no-one could have. We did need to be prepared for various possible long-term contingencies, up to and including an attack on Australia or the threat of it. That is why the F111s were a sound investment, despite the criticism incurred at the time through delays and cost overruns.

The same considerations apply to the Lockheed Martin F35 Joint Strike Fighter. We ordered these aircraft in 2002, with an initial purchase of 14 and longer term options for up to 100. They are expected to be in service by 2018. If they are operational for
as long as the F111s were, we could still be flying them in 2050, although their current predicted retirement date is between 2030 and 2040. Some critics have suggested we do not need a fighter aircraft of this level of sophistication, and indeed at something like $100 million each they are an expensive purchase. The F111s, as I recall, cost $5 million each. That reflects the radically increased cost of modern defence technology. But I repeat that we cannot know what our strategic environment will be in 10, 20 or 30 years—certainly not in any forensic way.

Maybe these aircraft will never be used. But we cannot plan on the basis of ‘maybe’. Who could have predicted in 1922 that in 1942 Singapore would fall to the Japanese and Australia would be facing the threat of invasion? Fortunately, in those days it did not take 20 years to develop and build a fighter aircraft. But today it does. We have to plan on the basis that there may be long-term threats to Australia’s security. I am strongly of the view that the F35 is the right aircraft for Australia’s future defence needs, whatever contingencies may emerge. As a stealth multirole fighter, it can perform close air support, tactical bombing and air defence missions. It is therefore sufficiently flexible to be adaptable to the wide variety of security threats that we may have to face over the next 30 years.

The F35 features some of the most advanced defence technology in the world, particularly in its radar and communications systems. It includes many of the features of the Airborne Warning and Control System, or AWACS. It generates signals over a wide range of frequencies in an unpredictable fashion to ensure a low probability of being detected—allowing it to see but not be seen. As early participants in the Joint Strike Fighter development project and as part funders of it, we will have privileged access to this technology. Only the UK, Canada and the Netherlands will have similar access. This is an important point. These will be the most modern fighters in existence. The fact that so few countries will have access to that technology greatly enhances the attractiveness of this purchase to Australia.

It is true that there have been recent setbacks to the F35 in the US, with the expected operational date for the aircraft being pushed back from 2013 to 2015. But that does not affect Australia, because we allowed for such delays in our planning. We expect to receive our first F35 for training and test flights in 2014 and our first squadron for operational use in 2018. In the meantime, we have bought 24 FA18 Super Hornets to tide us over in the period between the retirement of the F111s and the arrival of the F35s.

I commend the Rudd Labor government for its determination to see that Australia’s defence needs are provided for by remaining firmly committed to the purchase of the F35. I think those who argue against defence capabilities of this type are seriously misreading our defence environment. Support for this purchase and this program has been, and I hope will continue to be, bipartisan in nature. Of course, we need to pay attention to diplomacy, to aid programs, to intelligence and to nation building in our region. These continue to be very important priorities for our diplomats and government. But we must not shy away from the fact that the foundation of national defence is the ability, in the last resort, to deploy firepower—an unpalatable but eternal truth. It is the credibility of a nation’s deterrent force that makes the need actually to use that firepower less likely. The F35 will provide Australia with a powerful deterrent force for decades to come and will thus help to preserve the peace.

Paid Parental Leave

Senator NASH (New South Wales) (7.26 pm)—I rise tonight to make some comments
on an issue that I think is top of mind at the moment for people right across the country, and that is paid parental leave. There are varying views on this issue but, when it comes to bringing up children, it is incredibly important because Australia’s future will be shaped by how we nurture and grow our next generation. Parents, mums and dads, in the workplace who need to take time off to have children before re-entering the workforce need to be assisted in doing that. I think it is quite right and quite appropriate that measures are put in place to do exactly that. We have seen a lot of discussion around the announcement from Tony Abbott on paid parental leave. It is good to see such focus being placed on the needs of our parents in the community who, as I said, need to take time off from work to stay home and look after their children.

An extremely important point I would like to raise tonight is that we need to also make sure that those mums and dads who choose to stay at home and look after their young children are equally supported and equally valued. It is absolutely vital that parents, regardless of whether they choose to return to the workplace after they have had their babies or choose to stay at home, are provided with choice in bringing up their families. It is vitally important that the contributions of parents in each situation are equally valued. While we have seen a lot of discussion over the last couple of days around paid parental leave, I want to make sure that there is the same level of respect for parents who choose to stay at home with their young children rather than return to the workplace.

It is an issue of choice. It is about families being able to make the decision that they see as the best fit for their family. It is very important that they have the opportunity to do that, and government has a responsibility to ensure that in either instance families get the support they need to bring their children up in the best possible way. As I said, that generation is the future of this country. We have to make sure that we get it right and that the responsibility of government is met to the full to ensure that they have the assistance they need.

It is interesting to note that when we look at regional areas it is often much more difficult for families bringing up children. As a Nationals senator I would certainly say that the Nationals understand those difficulties far more than any other party across the country. We know it is more difficult to get jobs out in the regions. We know when it comes to having children it is much more difficult to get those support networks. The tyranny of distance is there. I remember having to do a 70-kilometre round trip to get to the nurse after I had had my children to go for those checkups, whereas in cities it is often just down the road. So sometimes it is simple things like that actually make it more difficult for mums or dads in regional areas to be able to cope with new babies and be able to deal with that very big change in their lifestyle that occurs. Child care in the regions is again much more difficult for families compared to the cities, where they often have a childcare centre on their doorstep and certainly a choice of childcare centres around their region. In the country areas and regional areas often families and parents do not have that luxury.

One of the most important issues for our regional families is the issue of health. It does not matter where I go, the issue of health is absolutely the key issue for families right across this state. Which brings me to the recent announcement from the Prime Minister, Kevin Rudd, of his plan for health. I find it absolutely astounding to see this vacuous policy from the Prime Minister being put forward to the Australian people. Let us go back for a moment to the election campaign in 2007. We are now in early 2010.
At the end of 2007 Kevin Rudd very proudly campaigned on the slogan ‘Kevin Rudd will fix our hospitals’. He was going to do that by 2009, and I quote from one of his advertisements: ‘If state governments have not improved services by 2009, a Rudd Labor government will seek to take control of all Australia’s 750 public hospitals.’ Well, didn’t he go squibbing off that promise. It is simply another broken promise from Kevin Rudd, the Prime Minister. ‘Kevin Rudd will fix our hospitals’ was the quote. He neglected to tell the people of Australia that it was not going to be for a very, very long time, if ever. At the moment we have got this plan in front of us that is long on spin and short on detail. There is no two ways about that. We are looking at a plan that is bowled up now to the Australian people that is not going to deliver a single thing until after 2012. Here is a promise he made before the end of 2007 and we are not looking at anything even potentially being delivered until 2012. I know my very good colleagues here in the chamber, Senator Parry and Senator Colbeck, understand the absolute spin that the Prime Minister is putting on this announcement.

Senator Parry—I am dizzy with it.

Senator NASH—Senator Parry says he is dizzy from the spin that the government has put on this announcement from the Prime Minister. There is hardly any detail in this. We can only assume the area health boards are going to stay. What is this going to lead to? More bureaucracy? The last thing the health system in this country needs is more bureaucracy. Every dollar we spend on the bureaucracy means a dollar that is not going to primary health care, and it is primary health care where we need the dollars to go, not more bureaucracy.

There is no more money from the Prime Minister. I think it is another four years before any more money, other than what is currently going into the system, is going to be spent on our hospitals and on our health system. Isn’t that ridiculous? This is from a Prime Minister who promised to fix our hospitals, and if there is not a more glaring, obvious example of a broken promise from the Prime Minister than this then I do not know what it is. If you cannot trust Kevin Rudd, the Prime Minister, to keep his promise to fix our hospitals, how on earth can you trust him on any of his other promises? This is absolutely key to the future of this nation. This Prime Minister is all talk and no action. He is delivering absolutely nothing.

In relation to this so-called plan that the Prime Minister has put forward—guess what—I am sure people are starting to realise that for this plan to actually go ahead he needs the agreement of all the states. Let us look at what the states have said along the way. They have been up in arms. The minute this has come out they have jumped up and down and said how much they do not want to go near it, by the sound of it. So how on earth is the Prime Minister going to convince his state colleagues that this is a good idea when they so obviously are against it? If he cannot get the agreement of state colleagues, the Prime Minister then of course has to go to a referendum. What are his chances of that?

Senator Parry—Buckley’s.

Senator NASH—Thank you, Senator Parry. Senator Parry has used the highly technological terms Buckley’s. I would say that that is absolutely right. So here we have got the Prime Minister talking about a plan that is off in the never-never and is probably never going to happen, and he is expecting the Australian people to believe that he can fix health. It is absolutely rubbish. The Australian people are wising up to this Prime Minister very quickly. This plan does nothing to address the shortage of doctors out in
the regions, absolutely nothing. It does nothing to address regional health. We have seen the disastrous state, particularly across New South Wales, of the hospitals and it is appalling.

We have heard over recent times the Prime Minister threaten to have a double dissolution on health. All I can say is bring it on, because this coalition will absolutely go toe to toe with the Prime Minister if he decides he wants to have a double dissolution on health. Bring it on. We know the Australian people do not trust him, we know the Australian people are starting to realise the amount of spin that is coming from this Prime Minister. It is all talk, no action. There is no plan for delivery on health and the Australian people know this, and they will tell the Prime Minister absolutely when we go to the next election what they think of his broken promises. (Time expired)

Senator FARRELL (South Australia) (7.36 pm)—I rise tonight, following last week’s very positive reports regarding the state of the Australian economy, to discuss in particular the economy of my home state of South Australia. Australia has an economy which continues to set the benchmark for advanced economies around the world, with the national accounts showing a better than expected 0.9 per cent growth rate for the December quarter. As Treasurer Wayne Swan said last week, Australia has produced an economic outcome ‘which is the envy of the developed world’. While Australia may indeed be the envy of the world, it is with a great sense of pride that I take this opportunity to discuss the state which, without doubt, is the envy of Australia—that is, my home state of South Australia. South Australia, led by the Rann Labor government, continues to lead the nation in a number of key economic areas and is likely to continue to do so.

Opposition senators interjecting—

Senator FARRELL—I know you are embarrassed about this and I know you do not want to hear it. Recently released statistics from the Australian Bureau of Statistics outline the excellent shape the South Australian economy is in. State final demand grew by 4.1 per cent through the year to the December quarter 2009, well above the 2.8 per cent growth recorded nationally. Figures from the Housing Industry Association also show that the South Australian housing market is heading in the right direction with a 22.2 per cent increase in building approvals for January over December. In comparison there was a seven per cent fall in building approvals nationally. South Australia can also boast the lowest unemployment rate in the country with South Australian unemployment falling to 4.4 per cent seasonally adjusted in January 2010, the lowest figure ever recorded in South Australia.

South Australia has worked hard to maintain strong economic conditions within the state. Once again South Australia has retained its prized AAA credit rating, which reflects the sound position of the state’s finances. Additionally, Adelaide continues to offer one of the most cost-competitive locations to set up and do business within Australia and consistently ranks among the world’s most liveable cities, according to a number of annual surveys and reports. It is little surprise that business investment is at near record highs with over $10.9 billion invested in the year to September quarter 2009. This represents a 47.8 per cent increase, compared with figures in 2000.

The mining industry in South Australia continues to expand at unprecedented levels, with significant increases in mining exploration and the expectation that production levels will increase in the future. Since 2002 South Australia has gone from having four
mines to 11 and it is estimated that there will be at least 16 mines in operation by the end of this year. The potential for the South Australian mining industry is enormous, with Access Economics suggesting that the state could become the world’s next energy export powerhouse due to its uranium reserves. The mining industry in South Australia already supports around 30,000 jobs within the state and the Rann Labor government has pledged $18.2 million in further investments to assist in the growth of the industry.

South Australia continues to build on its reputation as Australia’s defence state with the recent opening of the Techport Australia facility, which will be used in the production and launching of the $8 billion Air Warfare Destroyer project. Over the next decade, this project alone will deliver some 3,000 jobs and an estimated $1.4 billion to the South Australian economy. South Australia has also managed to secure an additional $44 billion worth of defence projects which will be implemented over the next two decades, and other measures which will ensure the prosperity of the state long into the future.

In addition to a strong foundation provided by the state’s mining and defence industries, a number of major events are securing important tourism dollars for the state economy. Large crowd numbers at the Tour Down Under Project Tour cycling event in January brought in a record $41.5 million for the state economy and the event shows no signs of slowing down. The Adelaide Festival of Arts and the Adelaide Fringe are currently under way and always draw big crowds from interstate and overseas. In 2009 the Adelaide Fringe injected some $27.2 million and attracted over 29,000 visitors to the state, while the 2008 Adelaide Festival of Arts helped bring in over $14 million to the state economy. The two giant pandas, on loan from China to the Adelaide Zoo, are also expected to generate $632 million for the state during the next decade. In addition to providing an attraction no other Australian state can offer, the pandas are likely to provide a unique selling proposition to the Chinese when it comes to future investment opportunities in the state’s mining sector.

Senator Parry—You haven’t got any Tasmanian devils.

Senator FARRELL—No Tasmanian devils, but we have plenty of pandas. And we have plenty of wine and food. It is quite interesting that tonight we have one of Australia’s greatest chefs in Parliament House, Mr Chong Liew, and his wife Mary. Last night, Chong was recognised for his great contribution to the food industry with the lifetime achievement award by—

Senator Colbeck—It was a good night.

Senator FARRELL—Yes, it was a very good night. Restaurant and Catering Australia acknowledged Chong’s great contribution to the food industry, particularly as it relates to South Australia. He is not only one of Australia’s greatest chefs but, I think it would be fair to say, one of the world’s greatest chefs. I am sure he has been recognised in that capacity by other countries.

We have the tourism and we have the mining, but it does not end there. South Australia currently has over $71.5 billion worth of major projects either under way or in the pipeline, many of which are supported by the Rudd government. These projects consist of a number of green initiatives, including wind power farms which will ensure South Australia continues to set the benchmark for wind power generation in Australia. It is also worth mentioning that South Australia leads the way on other renewable energy initiatives including geothermal and solar. We had the geothermal industry here last night. Other projects announced by the Rann Labor government include the transformation of the former Mitsubishi site at Tonsley Park into a
clean, green technology and manufacturing hub which will create huge employment opportunities within the state.

The Rudd and Rann Labor governments, working together as they always do, will continue to invest strongly in the state’s transportation infrastructure, including the soon-to-be-completed tramline extension to the newly upgraded Adelaide Entertainment Centre and a number of other transportation infrastructure initiatives. The Adelaide Oval redevelopment project is also a significant investment in South Australia’s future, with a 50,000-seat stadium planned that will enable it to host AFL and cricket matches at the one site, which it cannot do at the moment.

Senator Parry—At the same time?

Senator FARRELL—No, not at the same time; one after the other. When completed, the redeveloped oval is expected to inject significant funds into Adelaide’s businesses due to the increased number of patrons in the CBD. These projects, in addition to the many others currently underway or planned for the future, target a wide range of areas and reflect the Rann Labor government’s dedication to the targets outlined in the state’s strategic plan—a plan that will ensure that the state continues to flourish well into the future.

This, as it had to be, was a very brief overview of the excellent position of the South Australian economy and evidence of the hard work of South Australians. South Australia may not be the largest state, but under the Rann Labor government it will continue to be the envy of Australia with its ability to offer the perfect location to live, work and do business.

Senate adjourned at 7.46 pm

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

- 2010/7—Recreation and long service leave – amendment.
- 2010/9—Post indexes – amendment.
- Higher Education Support Act—Funding Agreement under section 30-25, in respect of grant years—2009, 2010 and 2011, dated 17 December 2009—Holmesglen Institute of TAFE.

**Tabling**

The following government documents were tabled:

- Sydney Airport Demand Management Act 1997—Quarterly report on the maximum movement limit for Sydney airport for the period 1 October to 31 December 2009.

**Departmental and Agency Contracts**

The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 July to 31 December
2001—Statements of compliance—
Department of Broadband, Communications and the Digital Economy.
Immigration and Citizenship portfolio agencies.
Office of the Privacy Commissioner.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Families, Housing, Community Services and Indigenous Affairs: Websites

(Question No. 2226)

Senator Abetz asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 16 September 2009:

(1) Does the Minister and/or Parliamentary Secretary have a departmentally maintained website or websites; if so, can a list of these websites be provided.

(2) Can a list be provided of all redevelopments (including re-skins) of these websites since 24 November 2007, including: (a) the total cost for each redevelopment; (b) who undertook each redevelopment; and (c) whether the website, or draft versions thereof, were market-tested before going live; if so, by whom and what was the total cost of the market testing.

(3) Does the department: (a) post all of the Minister’s and/or Parliamentary Secretary’s press releases, speeches and transcripts on these websites; and (b) have any guidelines for the posting of political material on these websites.

(4) Has the department ever refused to post material on these websites due to their political nature; if so, on how many occasions.

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) The Department of Families, Housing, Community Services and Indigenous Affairs (the Department) maintains websites for the Hon Jenny Macklin MP, the Minister for Families, Housing, Community Services and Indigenous Affairs; the Hon Bill Shorten MP, Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction; and Senator the Hon Ursula Stephens, Parliamentary Secretary for Social Inclusion and the Voluntary Sector.

(2) (a)(b) and (c) Initial development of these websites took place following the 2007 Federal Election. Senator Stephens’ website was developed following her appointment as Parliamentary Secretary to this portfolio in 2009. There have been no subsequent redevelopments (including re-skins) of these websites.

(3) (a) and (b) The Department maintains the websites and its contents under the general guidelines of the Australian Government Information Management Office (AGIMO).

(4) To date, the Department has never refused to post material on the Minister’s or Parliamentary Secretaries’ websites.

Housing and Status of Women: Websites

(Question Nos 2241 and 2242)

Senator Abetz asked the Minister representing the Minister for Housing and the Minister for the Status of Women, upon notice, on 16 September 2009:

(1) Does the Minister and/or Parliamentary Secretary have a departmentally maintained website or websites; if so, can a list of these websites be provided.

(2) Can a list be provided of all redevelopments (including re-skins) of these websites since 24 November 2007, including: (a) the total cost for each redevelopment; (b) who undertook each rede-
 development; and (c) whether the website, or draft versions thereof, were market-tested before going live; if so, by whom and what was the total cost of the market testing.

(3) Does the department: (a) post all of the Minister’s and/or Parliamentary Secretary’s press releases, speeches and transcripts on these websites; and (b) have any guidelines for the posting of political material on these websites.

(4) Has the department ever refused to post material on these websites due to their political nature; if so, on how many occasions.

Senator Chris Evans—The Minister for Housing and Minister for the Status of Women has provided the following answer to the honourable senator’s question:

(1) The Department of Families, Housing, Community Services and Indigenous Affairs (the Department) maintains the website of the Hon Tanya Plibersek MP, Minister for Housing and Minister for the Status of Women.

(2) (a) (b) and (c) Initial development of the website took place following the 2007 Federal Election. There have been no subsequent redevelopments (including re-skins) of this website.

(3) (a) and (b) The Department maintains the website and its contents under the general guidelines of the Australian Government Information Management Office (AGIMO).

(4) The Department has never refused to post material on the Minister’s website due to its political nature.

Education, Employment and Workplace Relations, Social Inclusion, Early Childhood Education, Childcare and Youth: Program Funding

(Question Nos 2428 to 2430, 2460 and 2463)

Senator Ronaldson asked the Minister representing the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion, the Minister for Early Childhood Education, Child Care and Youth, and the Minister for Employment Participation, 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 Arbib—The answer to the honourable senator’s question is as follows:

Total budgeted administered expenses for the 2008-09 financial year were $39.876 billion. Actual expenses for 2008-09 were $39.334 billion, a difference of $0.542 billion or 1 per cent.

The top 5 over and underspends are listed in the table below.

Top 5 Overspends

<table>
<thead>
<tr>
<th>Program</th>
<th>2008-09 Estimate</th>
<th>2008-09 Actual</th>
<th>Variation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Allowance (Student) – Outcome 2</td>
<td>603,461</td>
<td>740,996</td>
<td>137,535</td>
<td>This variance is due to a 1 per cent increase in recipient numbers.</td>
</tr>
</tbody>
</table>
### QUESTIONS ON NOTICE

#### Program 2008-09 Estimate 2008-09 Actual Variation Explanation

<table>
<thead>
<tr>
<th>Program</th>
<th>2008-09 Estimate</th>
<th>2008-09 Actual</th>
<th>Variation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Education Loan Programmes</td>
<td>1,117,352</td>
<td>1,237,014</td>
<td>119,662</td>
<td>The larger than expected HELP expense was driven by increases in the projected time to repayment resulting from higher average debts being incurred. The higher average debts and actuarial assessment of increased projected time to repayment have resulted in increased deferral costs relative to total debt.</td>
</tr>
<tr>
<td>Child Care Benefit</td>
<td>1,983,917</td>
<td>2,103,048</td>
<td>119,131</td>
<td>Due to the recognition of accruals for lump sum and reconciliation payments for families that have not yet lodged claim for payment.</td>
</tr>
<tr>
<td>Vocational Education and Training Recurrent Funding</td>
<td>642,173</td>
<td>708,393</td>
<td>66,220</td>
<td>Reflects payments made in relation to previous years funding determinations primarily in relation to minor capital and strategic national initiative payments.</td>
</tr>
<tr>
<td>Child Care Tax Rebate</td>
<td>1,122,080</td>
<td>1,185,064</td>
<td>62,984</td>
<td>The annual estimate was difficult to predict due to the limited historical expenditure trends available as a result of significant policy changes implemented in 2008-09, i.e. the transition from annual to quarterly payments and the increase in the rebate from 30 per cent to 50 per cent.</td>
</tr>
</tbody>
</table>

#### Top 5 Underspends

<table>
<thead>
<tr>
<th>Program</th>
<th>2008-09 Estimate</th>
<th>2008-09 Actual</th>
<th>Variation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation Program</td>
<td>1,865,000</td>
<td>1,231,296</td>
<td>-633,704</td>
<td>The 2008-09 estimate, based on an interim actuarial report provided by the Australian Government Actuary (AGA), provided for a large movement in the value of the provision for State superannuation liabilities. The movement, largely due to forecast changes in the discount rate used to value the liabilities, was not as significant given the smaller actual change in the discount rate. A lesser contribution to this underspend is due to actual returns on State superannuation assets being greater than originally forecast by the AGA.</td>
</tr>
</tbody>
</table>
## QUESTIONS ON NOTICE

### Program 2008-09

<table>
<thead>
<tr>
<th>Program</th>
<th>2008-09 Estimate</th>
<th>2008-09 Actual</th>
<th>Variation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Network</td>
<td>1,251,917</td>
<td>1,137,691</td>
<td>-114,226</td>
<td>The tighter job market, due to the Global Recession, resulted in a lower number of outcomes and paid placements than anticipated. This was partially offset by higher expenditure for Job Seeker training.</td>
</tr>
<tr>
<td>Indigenous Education Program</td>
<td>288,397</td>
<td>249,436</td>
<td>-38,961</td>
<td>Reflects delays in the achievement of some milestones.</td>
</tr>
<tr>
<td>Work for the Dole</td>
<td>172,554</td>
<td>133,944</td>
<td>-38,610</td>
<td>Lower than forecast Service Fees and Work Experience Funding (WEF) which is attributable to lower than anticipated commencements.</td>
</tr>
<tr>
<td>Rehabilitation Services</td>
<td>253,017</td>
<td>217,846</td>
<td>-35,171</td>
<td>The VRS underspend continues to reflect the effects from the start up of the contestable market on 1 July 2007. In opening the program to the market there was a period where new providers needed to build their caseloads. This results in fewer outcome and milestone payments being claimed in subsequent financial years.</td>
</tr>
</tbody>
</table>

### National Rental Affordability Scheme

(2508 amended)

**Senator Ludlam** asked the Minister representing the Minister for Housing, upon notice, on 22 December 2009:

1. What proportion of NRAS incentives are being allocated for dwellings that were already in existence at the time of the introduction of the scheme.
2. What cost controls and checks have been placed on how much will be paid for NRAS dwellings versus ‘market rates’ of housing in those areas.
3. In regard to the answer to question no. 057 taken on notice during the 2009-10 supplementary Budget estimates of the Community Affairs Legislation Committee, can a citation be provided for the reference to, ‘low income tax offsets in the United States’.
4. Does the pegging of the earnings threshold of eligible NRAS tenants at its current low rate preclude key workers earning slightly more than the threshold from accessing affordable housing, especially in inner belts within larger capital cities.

**Senator Chris Evans**—The Minister for Housing has provided the following answer to the honourable senator’s question:

1. Less than 2 per cent (that is, 186 dwellings) of the current 10,796 allocated Incentives were in existence at the time of the introduction of the Scheme. All of these homes were newly built stock that had never been occupied.
(2) Regulation 16 of the National Rental Affordability Scheme (NRAS) Regulations provides the conditions of allocation and requirements for compliance by Approved Participants for approved NRAS dwellings.

These require an independent written valuation for the rental value of each NRAS approved dwelling when it becomes available for rent under the Scheme and at the end of the fourth and seventh years of the approved rental dwelling’s 10 year participation in the Scheme.

Arranging for independent written valuations is the responsibility of the Approved Participant. The Australian, State or Territory Governments do not contribute to the cost of the valuations.

(3) The following references provide information on the United States’ Low Income Housing Tax Credit Scheme.


(4) The NRAS Regulations provide the income threshold for NRAS tenant eligibility, including upper income limits. The income limits are indexed annually using the All Groups component of the Consumer Price Index, percentage change from corresponding quarter of previous year (March quarter) using the all groups weighted average of eight capital cities as published in the Australian Bureau of Statistics publication Cat. no. 6401.0. The indexed tenant income limits are published on the NRAS website.

The NRAS Guidelines provide guidance on how tenants’ continuing eligibility is assessed.

Examples of common household types and their income limits are also provided on the NRAS website at:


Tenants whose income exceeds the relevant upper income limit for their household type for two consecutive eligibility years cease to be eligible tenants.

Where an annual review indicates that a tenant’s income for the preceding eligibility year exceeded the income limit by more than 25 per cent, the NRAS Guidelines allow for the tenant to be given an adjustment period of 12 months after which their eligibility ceases if their income again exceeds the income limit by more than 25 per cent at the end of that 12 month period.

Medicare

(Question No. 2596)

Senator Cormann asked the Minister representing the Minister for Health and Ageing, upon notice, on 3 February 2010:

(1) For each month from November 2007 to the most recent available monthly reporting period, what was the total benefit in dollar terms and the number of services claimed, by state and territory, under the following Medicare Benefits Scheme (MBS) items:

(a) 85011 to 85419;
(b) 85511 to 85597; and
(c) 85611 to 85831.

(2) For each of the financial years 2006-07, 2007-08 and 2008-09, and for the period 1 July 2009 to 1 January 2010, what was the total benefit in dollar terms and the number of services claimed, by state and territory, under the following MBS items:
Senator Ludwig—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

Table (1) (a) (i) Benefits paid, items 85011 – 85419, monthly.

<table>
<thead>
<tr>
<th>Month</th>
<th>New South Wales</th>
<th>Victoria</th>
<th>Queensland</th>
<th>South Australia</th>
<th>Western Australia</th>
<th>Tasmania</th>
<th>Northern Territory</th>
<th>Australian Capital Territory</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2007</td>
<td>$87,449</td>
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<td>$41</td>
<td>$2,099</td>
<td>$123,290</td>
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<tr>
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<td>$9,245</td>
<td>$1,260</td>
<td>$1,094</td>
<td>$127</td>
<td>$552</td>
<td>$387,803</td>
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</tr>
<tr>
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<td>$17,132</td>
<td>$6,936</td>
<td>$5,268</td>
<td>$159</td>
<td>$850</td>
<td>$618,333</td>
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<tr>
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<td>$99,092</td>
<td>$11,299</td>
<td>$3,999</td>
<td>$1,706</td>
<td>$162</td>
<td>$1,167,291</td>
<td>$1,167,291</td>
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</tr>
<tr>
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<td>$25,236</td>
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<td>$217</td>
<td>$4,121</td>
<td>$3,885,042</td>
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<tr>
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<td>$552</td>
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<tr>
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<td>$1,094</td>
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<td>$3,106</td>
<td>$2,999,616</td>
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<tr>
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<tr>
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<td>$14,728</td>
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<tr>
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<td>$449,547</td>
<td>$18,096</td>
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<td>$41</td>
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<td>$2,769,086</td>
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</tr>
<tr>
<td>February 2009</td>
<td>$4,390,190</td>
<td>$1,509,185</td>
<td>$461,957</td>
<td>$31,776</td>
<td>$2,787</td>
<td>$14,728</td>
<td>$1,167,291</td>
<td>$4,167,291</td>
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</tr>
<tr>
<td>March 2009</td>
<td>$4,927,656</td>
<td>$1,972,759</td>
<td>$718,432</td>
<td>$63,371</td>
<td>$45,354</td>
<td>$4,454</td>
<td>$36,250</td>
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<tr>
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<td>$849,432</td>
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<td>$4,549</td>
<td>$36,250</td>
<td>$8,097,874</td>
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<tr>
<td>May 2009</td>
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<td>$1,914,337</td>
<td>$759,519</td>
<td>$634,538</td>
<td>$39,559</td>
<td>$4,454</td>
<td>$36,250</td>
<td>$8,097,874</td>
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<tr>
<td>June 2009</td>
<td>$3,850,111</td>
<td>$1,591,854</td>
<td>$461,957</td>
<td>$31,776</td>
<td>$2,787</td>
<td>$14,728</td>
<td>$1,167,291</td>
<td>$4,167,291</td>
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<tr>
<td>July 2009</td>
<td>$4,454,918</td>
<td>$1,569,986</td>
<td>$449,547</td>
<td>$18,096</td>
<td>$2,787</td>
<td>$41</td>
<td>$4,659</td>
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<tr>
<td>August 2009</td>
<td>$4,390,190</td>
<td>$1,509,185</td>
<td>$461,957</td>
<td>$31,776</td>
<td>$2,787</td>
<td>$14,728</td>
<td>$1,167,291</td>
<td>$4,167,291</td>
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<tr>
<td>September 2009</td>
<td>$4,927,656</td>
<td>$1,972,759</td>
<td>$718,432</td>
<td>$63,371</td>
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<td>$4,454</td>
<td>$36,250</td>
<td>$8,097,874</td>
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</tr>
</tbody>
</table>

Table (1) (a) (ii) Services claimed, items 85011 – 85419, monthly.

<table>
<thead>
<tr>
<th>Month</th>
<th>New South Wales</th>
<th>Victoria</th>
<th>Queensland</th>
<th>South Australia</th>
<th>Western Australia</th>
<th>Tasmania</th>
<th>Northern Territory</th>
<th>Australian Capital Territory</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2007</td>
<td>1,571</td>
<td>111</td>
<td>131</td>
<td>18</td>
<td>47</td>
<td>9</td>
<td>2</td>
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<td>2,220</td>
</tr>
<tr>
<td>December 2007</td>
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<td>572</td>
<td>172</td>
<td>48</td>
<td>15</td>
<td>2</td>
<td>9</td>
<td>6,935</td>
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<tr>
<td>January 2008</td>
<td>7,817</td>
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<td>63</td>
<td>26</td>
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</table>
## QUESTIONS ON NOTICE

### Table (1) (b) (i) Benefits paid, items 85511 – 85597, monthly.

<table>
<thead>
<tr>
<th>Month</th>
<th>New South Wales</th>
<th>Victoria</th>
<th>Queensland</th>
<th>South Australia</th>
<th>Western Australia</th>
<th>Tasmania</th>
<th>Northern Territory</th>
<th>Australian Capital Territory</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$218</td>
<td>$18</td>
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### Table (1) (b) (ii) Services claimed, items 85511 – 85597, monthly.

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### Table (1) (c) (ii) Services claimed, items 85611 – 85831, monthly.

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### Table (2) (a) (i) Benefits paid, items 85011 – 85419, financial years.

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### QUESTIONS ON NOTICE
### Table (2) (a) (ii) Services claimed, items 85011 – 85419, financial years.

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### Table (2) (b) (i) Benefits paid, items 85511 – 85597, financial years.

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### Table (2) (b) (ii) Services claimed, items 85511 – 85597, financial years.

<table>
<thead>
<tr>
<th></th>
<th>New South Wales</th>
<th>Victoria</th>
<th>Queensland</th>
<th>South Australia</th>
<th>Western Australia</th>
<th>Tasmania</th>
<th>Northern Territory</th>
<th>Australian Capital Territory</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2007 - June 2008</td>
<td>$82,611</td>
<td>$22,638</td>
<td>$9,103</td>
<td>$4,604</td>
<td>$792</td>
<td>$334</td>
<td>59</td>
<td>221</td>
<td>120,362</td>
</tr>
<tr>
<td>July 2008 - June 2009</td>
<td>$335,672</td>
<td>$105,511</td>
<td>$30,568</td>
<td>$26,803</td>
<td>$1,953</td>
<td>$1,057</td>
<td>206</td>
<td>1,602</td>
<td>503,372</td>
</tr>
</tbody>
</table>

### Table (2) (c) (i) Benefits paid, items 85611 – 85831, financial years.

<table>
<thead>
<tr>
<th></th>
<th>New South Wales</th>
<th>Victoria</th>
<th>Queensland</th>
<th>South Australia</th>
<th>Western Australia</th>
<th>Tasmania</th>
<th>Northern Territory</th>
<th>Australian Capital Territory</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2007 - June 2008</td>
<td>$40,912,761</td>
<td>$8,588,057</td>
<td>$1,672,915</td>
<td>$1,111,173</td>
<td>$336,415</td>
<td>$99,716</td>
<td>$11,771</td>
<td>$50,339</td>
<td>$52,783,147</td>
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<tr>
<td>July 2008 - June 2009</td>
<td>$158,482,846</td>
<td>$36,020,766</td>
<td>$6,168,027</td>
<td>$6,506,156</td>
<td>$872,936</td>
<td>$438,543</td>
<td>$31,421</td>
<td>$508,401</td>
<td>$209,029,096</td>
</tr>
</tbody>
</table>

**QUESTIONS ON NOTICE**
Table (2) (c) (ii) Services claimed, items 85611 – 85831, financial years.

<table>
<thead>
<tr>
<th></th>
<th>New South Wales</th>
<th>Victoria</th>
<th>Queensland</th>
<th>South Australia</th>
<th>Western Australia</th>
<th>Tasmania</th>
<th>Northern Territory</th>
<th>Australian Capital Territory</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2007 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2008</td>
<td>117,765</td>
<td>27,350</td>
<td>5,617</td>
<td>4,621</td>
<td>1,096</td>
<td>392</td>
<td>54</td>
<td>122</td>
<td>157,017</td>
</tr>
<tr>
<td>July 2008 - June</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>472,538</td>
<td>117,497</td>
<td>20,036</td>
<td>24,645</td>
<td>2,693</td>
<td>1,332</td>
<td>162</td>
<td>1,677</td>
<td>640,580</td>
</tr>
<tr>
<td>July 2009 - Dec-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ember 2009</td>
<td>287,740</td>
<td>112,162</td>
<td>31,570</td>
<td>39,986</td>
<td>2,759</td>
<td>2,299</td>
<td>324</td>
<td>1,557</td>
<td>478,397</td>
</tr>
</tbody>
</table>

The items specified commenced in November 2007.

State/territory values are derived from patients’ Medicare enrolment postcodes.

Note: State and territory values in this table vary slightly with published Medicare data. The differences occur because the state and territory values are derived from postcodes which have been allocated on a proportionate basis (according to Population Census data), rather than allocating the postcode on a major state/territory basis. The figures vary from State to State from 0% to about 0.4%.

Reference periods relate to date of processing by Medicare Australia.