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SITTING DAYS—2010

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

Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Nicholas Hugh Minchin
Deputy Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Stephen Shane Parry

Senate Party Leaders and Whips

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

Printed by authority of the Senate
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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
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<tr>
<td>Prime Minister</td>
<td>Hon. Kevin Rudd, MP</td>
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<tr>
<td>Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion</td>
<td>Hon. Julia Gillard, MP</td>
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<tr>
<td>Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Immigration and Citizenship and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<td>Minister for Defence and Vice President of the Executive Council</td>
<td>Senator Hon. John Faulkner</td>
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<td>Minister for Trade</td>
<td>Hon. Simon Crean MP</td>
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<td>Minister for Foreign Affairs and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<tr>
<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<tr>
<td>Minister for Finance and Deregulation</td>
<td>Hon. Lindsay Tanner MP</td>
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<td>Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
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<td>Minister for Climate Change and Water</td>
<td>Senator Hon. Penny Wong</td>
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<tr>
<td>Minister for the Environment, Heritage and the Arts</td>
<td>Hon. Peter Garrett AM, MP</td>
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<tr>
<td>Attorney-General</td>
<td>Hon. Robert McClelland MP</td>
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<tr>
<td>Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate</td>
<td>Senator Hon. Joe Ludwig</td>
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<tr>
<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>Hon. Tony Burke MP</td>
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<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<td>Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services</td>
<td>Hon. Chris Bowen, MP</td>
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[The above ministers constitute the cabinet]
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<td>Rudd Ministry — continued</td>
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<td>Minister for Veterans’ Affairs</td>
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<td>Minister for Housing and Minister for the Status of Women</td>
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<tr>
<td>Minister for Home Affairs</td>
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<tr>
<td>Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery</td>
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<tr>
<td>Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs</td>
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<tr>
<td>Assistant Treasurer</td>
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<td>Minister for Ageing</td>
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<td>Minister for Early Childhood Education, Childcare and Youth and Minister for Sport</td>
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<tr>
<td>Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change</td>
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<td>Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery</td>
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<td>Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government</td>
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<td>Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water</td>
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<td>Parliamentary Secretary for Western and Northern Australia</td>
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<tr>
<td>Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
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<td>Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade</td>
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<td>Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
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<td>Parliamentary Secretary for Employment</td>
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<td>Parliamentary Secretary for Innovation and Industry</td>
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<td>Leader of the Opposition</td>
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<td>Shadow Minister for Resources and Energy and Leader of the Opposition in the Senate</td>
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<td>Shadow Minister for Employment and Workplace Relations and Deputy Leader of the Opposition in the Senate</td>
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<td>Shadow Treasurer</td>
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<td>Shadow Minister for Infrastructure and Water</td>
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<td>Shadow Minister for Climate Action, Environment and Heritage</td>
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<td>Shadow Minister for Indigenous Affairs and Deputy Leader of The Nationals</td>
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<td>Shadow Minister for Agriculture, Food Security, Fisheries and Forestry</td>
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<td>Shadow Minister for Small Business, Deregulation, Competition Policy and Sustainable Cities</td>
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<td>Shadow Minister for Broadband, Communications and the Digital Economy</td>
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<td>Shadow Minister for Innovation, Industry, Science and Research</td>
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<tr>
<td>Chairman of the Coalition Policy Development Committee</td>
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[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.

NOTICES

Presentation

Senator Ludwig to move on the next day of sitting:

That the Senate shall sit on Monday, 22 March 2010 and that:

(a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to 10.30 pm;
(b) the routine of business shall be as set out in standing order 57(1)(a); and
(c) the question for the adjournment of the Senate shall be proposed at 9.50 pm.

Senator Fielding to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to restrict the hours during which takeaway alcoholic beverages can be sold, and for related purposes. Responsible Takeaway Alcohol Hours Bill 2010.

Senator Milne to move on the next day of sitting:

That the Senate—

(a) recalls that:
   (i) the return to order motion that Senator Milne moved on 16 September 2009 seeking a map of Australian forest cover (using the Kyoto definition of forest) for each year since 1990, at the highest available resolution, in any widely used GIS format, to be tabled by 26 October 2009, was supported,
   (ii) the Government tabled a response which said 'The Government is pursing this matter however we are currently unable to satisfy the timeline for the production of these documents owing to the inter-departmental consultations that the order has required', and
   (iii) 9 weeks later, on 18 November 2009, the Senate again supported the return to order motion and that the Government tabled on 19 November 2009 a response which stated that ‘The Government intends to provide the material requested. We have previously advised the Senate that we have been unable to satisfy the timeline for the production of these documents owing to the inter-departmental consultations that the order has required. These consultations have not yet concluded’;
(b) notes that:
   (i) 6 months has now passed since the first motion was supported, and
   (ii) the scrutiny of the forest cover maps is essential for confidence in the National Greenhouse Gas Inventory; and
(c) calls on the Government to comply with the demand of the Senate and table the maps by 10 am on 18 March 2010.

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 following bills, allowing them to be considered during this period of sittings:

Antarctic Treaty (Environment Protection) Amendment Bill 2010
Crimes Legislation Amendment (Sexual Offences Against Children) Bill 2010
Electoral and Referendum Amendment (Close of Rolls and Other Measures) Bill 2010
Family Assistance Legislation Amendment (Child Care) Bill 2010
Social Security and Family Assistance Legislation Amendment (Weekly Payments) Bill 2010

Senator Ludwig (Queensland—Manager of Government Business in the Senate) (9.31 am)—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 Antarctic Treaty (Environment Protection) Amendment Bill 2010, Crimes Legislation Amendment (Sexual Offences Against Children) Bill 2009, Electoral and Referendum Amendment (Close of Rolls and Other Measures) Bill 2010, Assistance Legislation Amendment (Child Care) Bill 2010, Social Security and Family Assistance Amendment (Weekly Payments) Bill 2010 and Tax Laws Amendment (2010 Measures No. 1) Bill 2010, allowing them to be considered during this period of sittings.

I table statements of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statements incorporated in Hansard.

Leave granted.

The statements read as follows—

ANTARCTIC TREATY (ENVIRONMENT PROTECTION) AMENDMENT BILL

Purpose of the Bill
The bill implements amendments made to Annex II – Conservation of Antarctic Flora and Fauna – to the Protocol on Environmental Protection to the Antarctic Treaty (the Environment Protocol) at the 32nd Antarctic Treaty Consultative Meeting in April 2009. The amendments extend the protection of native flora and fauna to invertebrates; broaden the provisions for introduction of non-native species and diseases to include unintended introductions; and make minor editorial updates.

Reasons for Urgency
Australia engaged as a leading party in negotiations for creation and adoption of Measure 16 (2009) – Amendment of Annex II to the Environment Protocol. The ‘tacit consent’ provisions in Article 9 of Annex II provides that amendments will automatically become effective one year after the close of the Antarctic Treaty Consultative Meeting XXXII (i.e. on 17 April 2010), unless one or more of the Consultative Parties gives notification within the timeframe that it wishes an extension of that period, or that it is unable to approve the measure. Accordingly, unless a reservation is lodged by Australia within the time-frame, the agreed treaty amendments automatically enter into force for Australia one year after their adoption.

This constraint creates considerable pressure to complete work required for implementation into domestic legislation within this timeframe. As such, it is intended that domestic implementation be undertaken as a matter of urgency to avoid Australia having to lodge a reservation.

CRIMES LEGISLATION AMENDMENT (SEXUAL OFFENCES AGAINST CHILDREN) BILL 2009

Purpose of the Bill
The purpose of the Crimes Legislation Amendment (Sexual Offences Against Children) Bill is to ensure comprehensive coverage of offences in areas of Commonwealth responsibility, including sexual offences against children overseas (child sex tourism) and online child sex related offences. The Bill will:

- strengthen the existing child sex tourism offence regime
- introduce new offences for dealing in child pornography and child abuse material overseas
- enhance the coverage of offences for using a carriage service (the Internet) for sexual activity with a child or for child pornography or child abuse material
- introduce new offences for using a postal service for child sex related activity
- introduce a new scheme to provide for the forfeiture of child pornography and child abuse material and items containing such material, and
- make minor consequential amendments to ensure existing law enforcement powers are available to combat Commonwealth child sex related offences.

Reasons for Urgency
The measures in the Sexual Offences Against Children Bill respond to issues raised by law enforcement agencies and reflect best practice approaches domestically and internationally. Ensuring that there is comprehensive coverage in this area will complement current Government initia-
tives focussed on protecting children, such as the Government’s Cybersafety initiative and development of a National Framework for Protecting Australia’s Children. Recent arrests of Australians for involvement in international child exploitation networks highlight the need to do everything possible to address sexual offences involving children and to deter such offending.

ELECTORAL AND REFERENDUM AMENDMENT (CLOSE OF ROLLS AND OTHER MEASURES) BILL 2010

Purpose of the Bill
The Bill will implement the Government’s pre-election commitments to:
• restore the minimum close of rolls period for federal elections and referendums to seven days after the date of the writ; and
• repeal the requirement that provisional voters show evidence of identity at the time of voting or within five working days following an election.

The Bill will also implement three additional measures to facilitate greater electoral participation and greater efficiencies in the conduct of federal elections, by:
• modernising enrolment processes by enabling electors to update their enrolment details online;
• enabling pre-poll votes cast in an elector’s home division to be cast and counted as ordinary votes wherever practicable; and
• allowing the Australian Electoral Commission (AEC) to manage its workloads more efficiently by enabling enrolment transactions to be processed outside the division for which the person is enrolling.


Reasons for Urgency
Passage of the Bill during the 2010 Autumn sittings is necessary to maximise the prospects that the measures will be in place before the next federal election. Implementation of the Government’s pre-election commitments will ensure that new voters have sufficient time to be included on the electoral rolls for a federal election, and reduce the number of provisional votes rejected from admission to the vote at preliminary scrutiny (for the 2007 federal election, over 27,000 votes were rejected at preliminary scrutiny because provisional voters did not show evidence of identity). The Bill will also make it easier for electors to update their enrolment details, enabling online update as an alternative to the current requirement to submit a hard copy enrolment form. In addition, the Bill will enable the AEC to count a greater number of votes on polling night, and to manage its workloads in order to process enrolment transactions more efficiently.

FAMILY ASSISTANCE LEGISLATION AMENDMENT (CHILD CARE) BILL

Purpose of the Bill
The bill carries a proposal to address the recovery of $24.8 million in overpayments of Child Care Benefit (CCB) advanced to 4,390 child care service organisations (almost 50 per cent) prior to their transition to the Child Care Management System (CCMS). The bill also proposes changes to family assistance law that will alleviate issues raised by the child care sector and families in receipt of CCB around the requirement to provide four weekly statements that are having an adverse impact on child care services and those families.

CCMS was introduced under the Howard Government through the Family Assistance Legislation Amendment (Child Care Management System and Other Measures) Act 2007. The majority of services completed the transition to CCMS in June 2009. The transition involved moving from monthly payment of CCB in advance to payment in arrears. This generated $142.5 million in overpayments to services. A flaw in the CCMS legislation precludes the recovery of $24.8 million of these overpayments. Processes are in place to recover the remaining $117.7 million from affected services. Approximately 50 per cent of child care organisations are being financially advantaged through this loophole.

Current legislation requires child care services to provide four weekly statements to families in-
forming them of the amount of CCB they receive from the Australian Government. Many services already provide advice to families on their CCB entitlements through regular invoicing or receipting practices and have been providing families with this information on a weekly or fortnightly cycle. As a result, services are variously duplicating information by providing families with four weekly statements in addition to the information already provided. The financial and administrative burden is causing job losses and increased costs in order for services to be compliant, with at least one organisation cutting staff numbers to meet perceived costs. The proposed amendments will correct this situation and allow the provision of this information to be incorporated into existing practices.

The bill also provides for the payment and recovery of business continuity payments to provide support to child care services in those circumstances where they cannot receive regular payments under the family assistance law, through no fault of their own. A number of other measures continue to strengthen the child care compliance regime.

Reasons for Urgency

A large number of child care services are not providing the four weekly statements to families because families have refused to accept them. By complying with the wishes of those families, services are in breach of current legislation, accordingly, legislation around the obligation to provide four weekly statements must be simplified to remove duplicitous processing and its adverse affects on families and the child care sector. Due to the complexity of transitioning services from one payment system to another, many services are not aware that they owe the Australian Government significant funds. With 4,390 child care organisations continuing to trade with a collective debt of $24.8 million that they are largely ignorant of, there is significant risk that further delay in initiating recovery action will place a large number of these organisations in financial difficulty when the recovery action is eventually commenced.

SOCIAL SECURITY AND FAMILY ASSISTANCE AMENDMENT (WEEKLY PAYMENTS) BILL

Purpose of the Bill

The bill would make Centrelink payments available weekly to the most vulnerable customers, including people who are homeless, thereby helping customers budget to meet their expenses more readily, as agreed to by the Government in the White Paper on Homelessness.

Reasons for Urgency

The measure addressed by this bill is intended to alleviate the hardships faced by the most vulnerable people in Australia and has been announced as a commitment of the Government. The bill would provide for weekly payments to a select group of extremely vulnerable people who find it difficult to budget their welfare payments over 14 days and, as a consequence, are often destitute in the second week.

This is a priority area for action and the people who may be affected, including people who are homeless, need the legislation to be passed urgently.

TAX LAWS AMENDMENT (2010 MEASURES NO. 1) BILL

Purpose of the Bill

The bill:

• amends capital protected borrowing provisions;
• allows Australian Managed Investment Trusts to treat gains and losses on disposal of eligible investments in shares, unit trusts and real property on capital account for taxation purposes;
• abolishes the capital gains tax (CGT) trust cloning exception and provide a limited CGT roll-over for fixed trusts;
• provides a capital gains tax roll-over for capital losses arising to complying superannuation funds that merge with non-small complying superannuation funds;
• changes thin capitalisation provisions arising from adoption of Australian International
Reporting Standards and other thin capitalisation amendments;
• restricts the eligibility of the entrepreneurs’ tax offset through the introduction of a family income test;
• refines and clarify the rules in relation to consolidation and provide rules for the interaction between the consolidation regime and existing tax law provisions;
• changes the operation of Division 7A (of the Income Tax Assessment Act 1936);
• gives effect to the Government’s 2008-09 Budget measure to provide funding for an optional superannuation clearing house service; and
• extends the tax file number (TFN) withholding tax requirements to closely held trusts and family trusts.

Reasons for Urgency
The bill contains four measures announced in the 2008-09 Budget and three in the 2009-10 Budget measures. The measures commence in the period from end-2008 through to mid-2010. Any delays in delivery will create uncertainty in respect of business and personal planning decisions. For example, in respect of the superannuation merger measure, a number of funds have indicated plans to conduct mergers in the near future; and in respect of the TFN measure, trustees of up to 400,000 trusts by 1 July 2010 have to put in place arrangements to withhold funds.

BUSINESS
Rearrangement
Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.32 am)—I move:

That the following government business orders of the day be considered from 12.45 pm till not later than 2 pm today.

No. 4—Corporations Amendment (Financial Market Supervision) Bill 2010

Corporations (Fees) Amendment Bill 2010—Resumption of second reading debate

No. 5—Tax Laws Amendment (2009 Measures No. 6) Bill 2009

No. 6—Tax Laws Amendment (2009 GST Administration Measures) Bill 2009

Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010

No. 7—Crimes Legislation Amendment (Torture Prohibition and Death Penalty Abolition) Bill 2009

Question agreed to.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.32 am)—I move:

That the order of general business for consideration today be as follows:

(a) general business order of the day no. 123—Food Importation (Bovine Meat Standards) Bill 2010; and

(b) orders of the day relating to government documents.

Question agreed to.

COMMITTEES
Environment, Communications and the Arts Legislation Committee
Report
Senator O’BRIEN (Tasmania) (9.33 am)—by leave—At the request of the Chair of the Environment, Communications and the Arts Legislation Committee, Senator McEwen, I move:

That the time for the presentation of the report of the Environment, Communications and the Arts Legislation Committee on annual reports tabled by 31 October 2009 be postponed to a later hour of the day.

Question agreed to.

NOTICES
Postponement
The following item of business was 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

BUSINESS

Consideration of Legislation

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (9.34 am)—I 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.

Question agreed to.

COMMITTEES

Electoral Matters Committee

Meeting

Senator O’BRIEN (Tasmania) (9.34 am)—At the request of Senator Carol Brown, I move:

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.

Question agreed to.

Australian Commission for Law Enforcement Integrity Committee

Meeting

Senator PARRY (Tasmania—Manager of Opposition Business in the Senate) (9.35 am)—At the request of the Deputy Chair of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, Senator Johnston, I move:

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.

Question agreed to.

OMBUDSMAN AMENDMENT (EDUCATION OMBUDSMAN) BILL 2010

First Reading

Senator HANSON-YOUNG (South Australia) (9.35 am)—I move:

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.

Question agreed to.

Senator HANSON-YOUNG (South Australia) (9.35 am)—I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator HANSON-YOUNG (South Australia) (9.35 am)—I move:

That this bill be now read a second time.

I seek leave to table an explanatory memorandum relating to the bill.

Leave granted.

Senator HANSON-YOUNG—I table an explanatory memorandum. I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

Australia’s thriving international education sector has come under local and international media scrutiny over the past year, following a series of violent attacks against Indian students. This fol-
allows calls for better assistance and support for international students that have fallen on the deaf ears of successive governments and opposition parties.

Since then, an intense spotlight has been placed on our international education sector with issues such as visa exploitation and discrimination within employment, student safety, questionable information provided by education and immigration agents and sub-standard educational services and support by some providers contributing to the perception of rorting within our education sector.

Currently when it comes to complaint resolution, particularly with regard to international students, the fact that there are so many overlapping obligations with state accreditation bodies and the Commonwealth department highlights the difficulties about where to go and who to trust.

The Ombudsman Amendment (Education Ombudsman) Bill 2010 seeks to create the office of the education ombudsman to cover the domestic and international education sector in Australia and act as a one-stop national authority for resolving individual student complaints; provide a further avenue for resolving academic disputes, monitoring and enforcing compliance of education institutions, and facilitating communication between state and federal governments and educational organisations.

In 2001, the Senate Employment, Workplace Relations, Small Business and Education References Committee recommended that ‘a national Universities Ombudsman be appointed, funded by the Commonwealth, after consultation with the states and national representative bodies on higher education, including staff and students, and that such an office include the power to investigate ancillary fees and charges and to conciliate complaints. Students enrolled in Australian programs off-shore should have equal rights of access to the Ombudsman.’

In November 2009, following an extensive Senate inquiry into the welfare of international students, a cross-party report was released which specifically identified the need for extending the powers of the Commonwealth Ombudsman to cover the international students sector.

During evidence presented to the inquiry, Senior Industrial Officer from the ACTU, Michelle Bissett identified the virtues of having a specific ombudsman for international students. She said ‘There are two aspects of where students need to be able to go. We believe that the Fair Work Ombudsman has a critical role to play and has done some good work in identifying high-risk areas and doing audits and education programs in those areas. But in terms of visa holders, having someone independent that they can go to when they have issues about their provider and the training that has been provided to them, or about the work that they are being required to undertake as part of a training program or about what is happening to them in the workplace, we think an independent ombudsman type arrangement would be useful and appropriate for international students.’

Nigel Palmer, from the Council of Australian Postgraduate Associations also informed the Committee that ‘at the very least, having a national commission or a national ombudsman’s office would be useful to give students a clear avenue for redress. Even where students are unable to have their issues resolved by that office, at least there is a vehicle for national reporting on the kinds of problems that are coming up through the system and areas which may need to be addressed by government.’

The idea of an education ombudsman has even been flagged by the Commonwealth Ombudsman. In his submission to the Inquiry he noted the need for an external, as well as an internal, avenue for complaints to be made if internal mechanisms prove unsatisfactory. The role of the education ombudsman could also be combined with the Immigration Ombudsman and compliance auditing roles to ‘address a range of systemic failures across the international student sector.’

The Hon. Bruce Baird, in his final report into the Review of the Education Services for Overseas Students Act 2000, recommended that ‘all providers must utilise a statutory independent complaints body as their external complaints and appeals process, and amend the Ombudsman Act 1976 to extend the Commonwealth Ombudsman’s jurisdiction to include those providers without access to such a body.’
It is clearly evident that there is growing support for an independent complaints body for students to use, and this bill seeks to implement an education ombudsman to deal specifically with these issues facing both international and domestic students.

Legislating for an education ombudsman, would provide a further avenue for academic disputes, monitoring and enforcing compliance of education institutions, and facilitating communication between state and federal governments and educational organisations.

I commend this bill to the Senate.

Senator HANSON-YOUNG—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

WORLD KIDNEY DAY

Senator SIEWERT (Western Australia)
(9.36 am)—I move:

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.

Question agreed to.

WORK-RELATED FATALITIES

Senator SIEWERT (Western Australia)
(9.37 am)—I move:

That the Senate—

(a) recognises that there were more than 150 work-related fatalities in Australia in 2008-09, an increase of 14 per cent over the previous year;
(b) acknowledges the right of all workers to a safe and healthy workplace;
(c) notes that the Government is planning to harmonise occupational health and safety laws across the nation; and
(d) calls on the Government to ensure that the harmonised occupational health and safety laws will not reduce standards of occupational health and safety in any workplaces or weaken the rights of employees and their representatives with respect to occupational health and safety regulation.

Senator ABETZ (Tasmania) (9.37 am)—I seek leave to make a short statement on behalf of the coalition.

The PRESIDENT—Leave is granted for two minutes.

Senator ABETZ—The coalition supports the principle and thrust of the motion but, as is so often the case, with innocuous-sounding Green motions there is a sting in the tail. The tail here is the last words of the motion, which refer to the full maintenance of union powers on occupational health and safety. Those of us who have in recent times read the High Court case of Kirk, which deals with that situation in New South Wales, and those of us who have read the Federal Court decisions in relation to prosecutions undertaken by the Australian Building and Construction Commission know that those full powers are, from time to time, not used in the way that would be appropriate. In those circumstances the coalition will be opposing on the voices but are not seeking to divide.

Question agreed to.

NATIONAL BROADBAND NETWORK

Order

Senator LU DLAM (Western Australia) (9.39 am)—I move:

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 PARRY (Tasmania) (9.39 am)—by leave—I move:

At the end of the motion, add “and government response”.

Question agreed to.

Senator O’BRIEN (Tasmania) (9.40 am)—by leave—The government opposes this motion on the understanding that it clearly has support of both the opposition and the Greens and therefore a majority of the chamber. We will not be calling a division.

Original question, as amended, agreed to.

AFGHANISTAN

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.41 am)—I move:

That the Senate—

(a) notes:

(i) the tragic events of 13 February 2009, when Australian Defence Forces conducted an operation in Afghanistan in which six civilians were killed including, an adult man, a teenage girl, two boys aged 10 and 11 and two babies, aged 1 and 2, and

(ii) the Special Broadcasting Service Corporation’s Dateline program of 7 March 2010 which revealed that it took 6 months for the investigation of this incident to be referred to the Australian Defence Force Investigative Service and that the Afghani individuals involved in the incident have not been interviewed; and

(b) calls for an independent inquiry into this tragic episode.

Senator FAULKNER (New South Wales—Minister for Defence) (9.41 am)—by leave—I thank the Senate for its courtesy to enable me to briefly speak on this matter. In the first instance, to be clear to the Senate,
the government is not able to support this motion. Of course, any civilian casualty is a tragedy. That is especially so when it involves the deaths of children. I want to assure the Senate that I—as do the government and the ADF—take incidents such as these very seriously indeed. I note for the Senate’s information that the incident occurred on 12 February, not 13 February, for Senator Brown’s assistance as it appears in the Notice Paper. But I certainly understand the incident to which he refers.

All efforts, of course, are made to minimise civilian casualties and it is critical that, where allegations of civilian casualties arise, such incidents are properly and thoroughly investigated. The day after this tragic incident occurred defence commenced an internal inquiry to investigate the incident. This inquiry was conducted over a number of months. It did take some time as the matter is very complex and the facts that needed to be established had to be done so in what is a hostile and dangerous environment. Once the inquiry was concluded I can inform the Senate that the matter was referred to ADFIS—the Australian Defence Force Investigative Service—for investigation. That investigation began immediately on referral. The ADFIS concluded its investigation late last year. The matter is currently with the Director of Military Prosecutions for review and consideration.

Mr President, I say to the Senate and, through you, to Senator Brown, who has moved this motion, that it is important that the necessary time is taken to ensure this matter is investigated thoroughly and comprehensively. In terms of Senator Brown’s call for an independent inquiry, the government cannot support the motion because the issues this inquiry seeks to address are being dealt with through a Defence investigation. I stress: legal processes are not yet complete. There is also a serious concern that any concurrent Senate inquiry could prejudice the ability of personnel involved to receive a fair hearing, and this is critical. It is important that the process is just; it is important that the process is robust. I can assure the Senate that I am committed to being open and transparent about this and all civilian casualty incidents. I can also assure the Senate that at the earliest opportunity, when the legal processes have concluded, I will make the outcomes public.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.45 am)—by leave—I thank the Minister for Defence for that contribution. However, the problem here is that the process has taken so long and has manifestly been inadequate in at least parts of the investigation of the facts and the interviewing of the people who are at the heart of this matter. As the motion states, there was a raid by the Australian Defence Force personnel on a household in Afghanistan—the minister is right—on 12 February last year, and that led to the death of a number of children, a teenager and an adult in that house. The remnants of the family who were involved have been available as, obviously, witnesses of the event and have been available for investigation, but when the results of an inquiry were handed down in November last year that family still had not been questioned.

The SBS program Dateline has put a lot of work into covering what actually happened on that terrible night and so have other elements of the Australian media. The problem here is that the investigation process is not consistent with what we would expect as a full, diligent and independent inquiry. This motion is calling for an independent inquiry, not a Senate inquiry. We would want to see a judge with the full powers of inquiry being able to take up this matter and investigate it independently, because let me quote just one component of the Dateline program:
Dateline understands that the ADF investigators were keen to take up Popal’s offer.
That is, to bring the family to a neutral place for interview.
However, bureaucratic red tape and security concerns cited by the Defence department prevented the investigators from doing so.
And so in late November 2009 … the … investigators handed their brief over to the Director of Military Prosecutions …
And at that stage there had been no interview with the people who are still alive who were in that house on that night. That must be a matter of concern for this Senate. It must be a matter of concern for all those involved, including the Australian Defence Force personnel who put their lives on the line for this country in Afghanistan. There ought to be an independent inquiry. This is moving too slowly. Manifestly, if the people in the house that night had not been interviewed when that finding was handed down in November last year, something seriously has gone amiss and it should not be left to independent news or other investigators from Australia to be following this story 12 months later and to be uncovering what appears to be a very inadequate investigation.

This is obviously a tragic event that has occurred. It should have been properly and fully investigated. While it cannot be reversed, the findings of what happened on that night should have been concluded. We all know the efflux of time is dangerous to the administration of justice. He we are in this parliament more than 12 months after this tragic incident and we do not know what has happened and we have no report to the parliament and nor has the public of Australia. That is not good enough. An independent inquiry is warranted.

Question put:

That the motion (Senator Bob Brown’s) be agreed to.
The Senate divided. [9.54 am]
(The President—Senator the Hon. JJ Hogg)

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<th>Majority</th>
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<td>Brown, B.J.</td>
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**AYES**
Brown, B.J.
Ludlam, S.
Siewert, R. *

**NOES**
Adams, J.
Barnett, G.
Bilyk, C.L.
Bishop, T.M.
Brown, C.L.
Cormann, M.H.P.
Farrell, D.E.
Feeney, D.
Fielding, S.
Fifield, M.P.
Furner, M.L.
Hurley, A.
Johnston, D.
Lundy, K.A.
McEwen, A.
Nash, F.
Parry, S.
Polley, H.
Ryan, S.M.
Troeth, J.M.
Wortley, D.

* denotes teller

Question negatived.

**BANKING**

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.57 am)—I move:
That the Senate—
(a) notes that:
(i) in 2000, the Payments System Board of the Reserve Bank of Australia (RBA) and the Australian Competition and
Consumer Commission (ACCC) conducted a study into one aspect of the Australian payments system, the networks for automated teller machines (ATMs), credit cards and debit cards to determine the economic efficiency of these networks and whether they were delivering the best possible service at the lowest cost to end-users,

(ii) the study found that the actual cost of ATM transactions was around 50 cents, and

(iii) the current average cost of an ATM transaction from a ‘foreign’ ATM directly charged to consumers is up to $2;

(b) recommends that, given that the actual operation costs of processing ATM transactions is likely to have decreased in the past decade, the RBA and the ACCC undertake another review of the cost of ATM transactions to update the information of transaction costs to customers; and

(c) calls on the government to ban the $2 bank ATM fee and instead cap ATM fees at a level that reflects the actual cost of processing the ATM transactions.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (9.57 am)—I seek leave to make a short statement.

The PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—I thank the Senate. The stability of the Australian banking system has been recognised consistently by both the IMF and the OECD, but the financial crisis created significant challenges for competition in our banking market. The government remains committed to ensuring that our banking system works for Australians and not against them. The government’s banking guarantee and the direct investment of up to $16 billion in the RMBS market have supported banking competition through the global financial crisis, which hit smaller lenders particularly hard, helping them to put competition pressure on the big banks. Home lender AMP was recently even able to reduce its basic variable interest rate for new home loans by a full 10 basis points, attributing the cut directly to the government’s action. The government has also introduced the toughest laws governing consumer credit that Australia has ever seen, with wide-ranging powers to overrule unfair terms in mortgages.

Regarding ATM fees, the government has full confidence in the reforms introduced by the independent Reserve Bank. The government notes that the Reserve Bank will be conducting a review of the effect of ATM reforms 12 months from when they were introduced in March 2009. The review will consider the effect the reforms have had in the market, including the fees charged and the fee-free arrangements financial institutions have entered into for their customers, along with the effect of these changes on customer behaviour. The outcome of this review will be published in the RBA’s June 2010 Bulletin. In light of this impending review, it is appropriate to formally oppose the notice of motion.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (9.59 am)—by leave—I would like to make a short statement. This is a government frozen into inaction by its reverence for the four big banks. The Prime Minister, despite all his posturing about take-home pay through the global recession of the big financiers, has done nothing. Banks made huge profits throughout the recession, while Australians were suffering and many lost their jobs. At one end of the scale, we have bank CEOs taking home $5 million or $10 million and, at the other end, we have pensioners fronting up to ATMs to withdraw $20 and the banks charging them a $2 private tax—that is, 10 per cent. It is wrong. You do not get that in Britain, but you get it in Australia. The rea-
son you do not get it in Britain is that there they keep a much closer watch, and take action, on the banks’ activities, particularly rip-offs like this one. The Reserve Bank has found it costs 50c to handle such a transaction, and the banks are charging $2. It is totally wrong for low-income earners.

The government should stop that sort of disgraceful action, which is a regressive private tax. Let them charge what it costs, at the most. But the government says: ‘Put it off. We won’t take action. We’re not going to defend our Labor patch, which is looking after people who are struggling and making sure they get a fair go from the banks.’ The government should be supporting this motion. The Greens will continue to take action to get a fair go from banks for consumers at the lower end. We have supported government action to help the big end of town through the recession; it is about time some of the poorer people got a go as well.

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

The Senate divided. [10.02 am]
(The President—Senator the Hon. JJ Hogg)

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

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

NOES
Adams, J.  Back, C.J.
Barnett, G.  Bilyk, C.L.
Bishop, T.M.  Boyce, S.
Brown, C.L.  Cameron, D.N.
Cormann, M.H.P.  Crossin, P.M.
Farrell, D.E.  Feeney, D.
Ferguson, A.B.  Fieravanti-Wells, C.
Fifield, M.P.  Forshaw, M.G.
Furner, M.L.  Hogg, J.J.
Hurley, A.  Hutchins, S.P.
Johnston, D.  Ludwig, J.W.
Landy, K.A.  Marshall, G.
McEwen, A.  Moore, C.
Nash, F.  O’Brien, K.W.K.
Parry, S. *  Payne, M.A.
Polley, H.  Pratt, L.C.
Ryan, S.M.  Sterle, G.
Troeth, J.M.  Wortley, D.

* denotes teller

Question negatived.

BUDGET
Consideration by Estimates Committees
Additional Information

Senator O’BRIEN (Tasmania) (10.05 am)—At the request of the Chair of the Finance and Public Administration Legislation Committee, Senator Polley, I present additional information received by the committee relating to the 2009-10 additional and supplementary budget estimates hearings.

CRIMES AMENDMENT (WORKING WITH CHILDREN—CRIMINAL HISTORY) BILL 2009
Returned from the House of Representatives
Message received from the House of Representatives agreeing to the amendment made by the Senate to the bill.

ANTARCTIC TREATY (ENVIRONMENT PROTECTION) AMENDMENT BILL 2010
TAX LAWS AMENDMENT (2010 MEASURES No. 1) BILL 2010
First Reading

Bills received from the House of Representatives.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (10.06 am)—I move:

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

CHAMBER
Question agreed to.

Bills read a first time.

**Second Reading**

**Senator LUDWIG** (Queensland—Special Minister of State and Cabinet Secretary) (10.06 am)—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—*

**Antarctic Treaty (Environment Protection) Amendment Bill 2010**


Australia was one of the 12 original signatories to the Antarctic Treaty [1961] ATS 12, the cornerstone of the broader Antarctic Treaty system. The reservation under the Antarctic Treaty of Antarctica for peaceful purposes, scientific research and international scientific cooperation is something of which we can all be proud.

As the international governance arrangements for the Antarctic have developed, Australia has played a pivotal role in ensuring Antarctica’s environmental values are protected.

Australia was a principal architect of the Madrid Protocol that afforded significantly increased protection to the Antarctic environment. The Madrid Protocol commits parties to the comprehensive protection of the Antarctic environment and dependent and associated ecosystems, and designates Antarctica as a natural reserve, devoted to peace and science. The protection of the environmental values of the Antarctic is an unquestioned priority for most Australians.

It is my very strong conviction that as more countries take an active interest in the Antarctic, it is important that Australia continues to play a leading role in efforts to realise the global benefits of Antarctic science and environmental protection. The government is well aware that our future role is a critical one which builds on the foundation of an extensive history of Antarctic engagement and participation.

The Antarctic is the southern sentinel of global climate change. The effects of climate change are already being observed in Antarctic and sub-Antarctic marine ecosystems where we are seeing rising temperatures in the ocean, cryosphere and atmosphere. We are also seeing changes in atmospheric circulation, modified frequency and intensity of storms, increasing levels of ocean acidity, and an overall reduction in sea ice extent during the last century.

A better understanding of the effect that the Antarctic has on Australia’s weather and climate is essential to ensuring our future economic and environmental resilience and planning for a future of significant climate change impacts.

At the IIInd Antarctic Treaty Consultative Meeting held in April 2009, that also served to celebrate the 50th anniversary of the signing of the Antarctic Treaty, amendments to Annex II to the Madrid Protocol were agreed in Measure 16 (2009) Amendment of Annex II to the Protocol on Environmental Protection to the Antarctic Treaty.


This Bill will align the Antarctic Treaty (Environment Protection) Act 1980 with Australia’s newly revised obligations under Annex II to the Madrid Protocol, as outlined in Measure 16 (2009).

In essence, the amendments will establish more stringent arrangements to protect Antarctic fauna and flora. Key amendments include:

1. Providing the ability for the Minister to declare invertebrates as specially protected species, and
specifying restrictions regarding the taking of native invertebrates.
2. Enhancing the protections afforded to protect specially protected species.
3. Strengthening the permitting system to more tightly control the authorised introduction of organisms into the Antarctic.
4. Updating the offences to require persons travelling to the Antarctic take greater precaution against the accidental introduction of non-native organisms into the Antarctic.
5. Making minor and technical amendments to the Act.

The agreement of Measure 16 (2009) by the Antarctic Treaty Consultative Parties and subsequent implementation of the amendments to Annex II to the Madrid Protocol into domestic legislation will mark the conclusion of the first review of any of the annexes to the Madrid Protocol. Australia took on a leadership role in the review of Annex II and we will ensure we have an appropriate level of engagement in further reviews.

Australia has a long and proud history in the Antarctic and this Bill is an important step in maintaining our commitment to holding the comprehensive protection of the Antarctic environment as one of our highest priorities.

———

**Tax Laws Amendment (2010 Measures No. 1) Bill 2010**

This Bill amends various taxation and superannuation laws to implement a range of improvements to Australia’s tax laws. As such this Bill is an important part of our commitment to clear the decks of outstanding announced tax measures for taxpayer and community certainty.

Schedule 1 amends various superannuation laws to deliver on the Government’s 2007 election commitment to introduce an optional superannuation clearing house service that will be free of charge to eligible small businesses (those with fewer than 20 employees).

Following the passage of this Bill, a regulation will be made prescribing Medicare Australia as the approved clearing house for this purpose. The service will be available from July 2010.

This measure will reduce the red tape for small businesses associated with meeting their superannuation obligations, while not imposing any new fees and charges on them. In particular, it will remove the need for small businesses to deal with numerous different superannuation funds where their employees elect to exercise choice and, consistent with the Government’s election commitment, it will enable small businesses to discharge their super guarantee (SG) obligations once the payment is received by the clearing house.

Currently, contributions are only considered to have been made for SG purposes when they are paid into a complying fund.

This Schedule also extends the conditions under which contributions for the benefit of an employee are made in compliance with the choice of fund rules to cover situations where contributions are made through an approved clearing house, and allows for the disclosure of taxpayer information to an approved clearing house for the purpose of performing its functions.

To minimise the impact of the measure on existing commercial clearing house arrangements, the approved clearing house service will only be available to businesses with fewer than 20 employees.

Schedule 2 amends the tax law to protect the tax deductions of around 19,000 investors in forestry managed investment schemes from an unintended and adverse tax outcome.

Currently, investors in forestry managed investment schemes can claim an immediate tax deduction for expenditure incurred in the scheme, subject to certain conditions.

The *Income Tax Assessment Act 1997* covers schemes for which amounts are paid by investors on or after 1 July 2007.

The *Income Tax Assessment Act 1936* contains the conditions for deductions relating to schemes in which expenditure is incurred between 2 October 2001 and 30 June 2008.

In order for an initial investor in a forestry scheme to claim and retain a deduction, a capital gains tax event must not happen in relation to the investor’s forestry interest within four years after the end of the income year in which an amount is first paid by 1936 Act.
This rule is known as the ‘four year holding rule’, as it has the effect of requiring the initial investor to hold their forestry interest for at least four years.

This minimum holding rule period is an integrity measure designed to prevent taxpayers from disposing of their interest shortly after claiming their upfront tax deduction.

Under the current law, the Commissioner of Taxation has no discretion to allow a deduction in these circumstances, even where the reason for the capital gains tax event happening is outside the taxpayer’s control. For investors in some schemes, this could lead to their deductions being clawed back.

The Government considers that this would unduly penalise investors for events that are outside their control.

Further, many of the investments in question were made before the four year holding rule was put in place — at the time they decided to invest, these investors had no way of knowing that their deductions were at risk.

On 21 October 2009, the Government announced that it would amend the four year holding rule so that it can not be failed for reasons outside the investor’s control.

A capital gains tax event is considered to be outside an investor’s control if it could not have been reasonably anticipated by the investor at the time they acquired their interest.

Events that could be outside the control of the investor include the insolvency of the managed investment scheme manager, the death of the investor or where a managed investment scheme interest is cancelled, for example because of trees being destroyed by fire, flood or drought.

This new condition applies to schemes covered by the 1997 Act or the 1936 Act.

Finally, Schedule 2 also amends the promoter penalty provisions in the Taxation Administration Act 1953 to ensure they continue to apply to the promoters of forestry schemes in cases where the investors’ deductions are allowed to stand because of the amendments to the four year holding rule.

The promoter penalty provisions are an important integrity measure designed to discourage the implementation of schemes covered by an Australian Tax Office product ruling in a way that is materially different from the product ruling.

This amendment ensures that the law continues to apply to forestry managed investment schemes, notwithstanding the amendment to the four year holding rule.

These amendments strike the right balance between protecting certain investors’ deductions and discouraging excessively risky behaviour.

They ensure that taxpayers are not unfairly affected as a result of events outside their control, while maintaining robust integrity provisions.

Schedule 3 amends the tax law to allow managed investment trusts to make an irrevocable election to apply the capital gains tax regime to gains and losses on disposals of certain assets, primarily shares, units and real property. As announced by the Government in the 2009-10 Budget, this amendment has effect from the 2008-09 income year.

Under the current law gains and losses on disposal of investments may be on revenue or capital account depending on the facts and circumstances, including the nature of the business or investment activity. Gains on revenue account are treated as ordinary income and investors are not entitled to the capital gains tax discount (or exemption for non-residents).

Under these amendments, investors will have certainty about when they can access capital gains tax concessions on gains distributed by managed investment trusts. In particular, non-resident investors are exempt from Australian tax on distributions of gains on disposal of eligible assets, unless the gains relate to assets that are taxable Australian property.

If an eligible managed investment trust does not make an irrevocable choice to have capital account treatment, then gains and losses on disposals of shares and units will be treated on revenue account.

The amendments also provide taxpayers with certainty about prior year assessments. The Commissioner can not, without the consent of the
taxpayer, amend prior year assessments, in respect of a re-characterisation of gains or losses from eligible assets from capital to revenue or vice versa.

These amendments will also clarify the taxation treatment of 'carried interest' units in managed investment trusts. Distributions of amounts to a carried interest holder and proceeds from the disposal of a carried interest held in a managed investment trusts will be treated on revenue account in the hands of the unit holder.

These amendments, which are an important part of the Government’s efforts to promote Australia as financial centre, will reduce complexity and compliance costs and improve the global competitiveness of the Australian funds management services industry.

Schedule 4 amends the Income Tax Assessment Act 1997 by introducing an income test into the eligibility criteria for the entrepreneurs’ tax offset, or ETO.

The ETO provides eligible taxpayers with a maximum tax offset of 25 per cent of their income tax liability that is attributable to their net small business income for the income year. The ETO begins to phase out at aggregated turnovers of $50,000 and eligibility ceases when aggregated turnover reaches $75,000.

Eligibility for the ETO is not currently restricted to taxpayers who have significant sources of income other than the income derived from their small business. This measure will address this by restricting eligibility to the ETO for single individuals whose income is over $70,000 and members of families whose incomes are over $120,000.

Schedule 5 makes important amendments to the corporate consolidation regime in the Income Tax Assessment Act 1997.

The consolidation regime applies primarily to a group of Australian resident entities wholly owned by an Australian resident company that choose to form a consolidated group. Specific rules provide for the membership of certain resident wholly-owned subsidiaries of a foreign holding company which can choose to form a multiple entry consolidated group.

Members of a consolidated group are treated as a single entity for income tax purposes. Subsidiary entities lose their individual income tax identity on entry into the group and are treated as part of the head company.

A number of issues have arisen from the practical operation of the consolidation regime since its introduction in 2002. These amendments respond to those issues by clarifying the operation of certain aspects of the consolidation regime and improving interactions with other parts of the law.

In this regard, the amendments clarify the operation of the tax cost setting rules that apply when an entity joins or leaves a consolidated group and ensure that the tax cost setting amount allocated to an asset can be used for subsequent tax purposes. The tax cost setting rules are also being modified to ensure that non-membership equity interests issued by an entity that joins or leaves a consolidated group are properly taken into account.

The amendments also modify the mechanism for making various choices in relation to the formation of, or changes to, a consolidated group. This will ensure that a choice to form a consolidated group remains effective despite, for example, a clerical mistake in completing the form to advise the Commissioner of Taxation that the choice has been made.

Several of the amendments will reduce compliance costs for consolidated groups. In particular, the amendments which ensure that minimal tax consequences arise when a consolidated group converts to a multiple entry consolidated group, or vice versa, will result in significant compliance cost savings for groups that restructure.

Compliance cost savings will also arise as a result of the amendments to treat units in cash management trusts and certain rights to future income as retained cost base assets; the amendments to modify the mechanism for working out the taxable income of consolidated groups that have members which are life insurance companies; the amendments which repeal the provision that causes a capital gain to arise when the value of a liability of an entity that leaves the group is dif-

CHAMBER
The amendments improve the interaction with the capital gains tax rules by removing difficulties that arise when a capital gains tax event which straddles the time that an entity joins or leaves a consolidated group happens to an asset.

In addition, the amendments assist small business corporate groups that wish to consolidate by improving the treatment of pre-capital gains tax membership interests that are held in a joining entity.

Finally, other changes improve the operation of the consolidation regime by removing some minor technical anomalies that arise under the existing law.

Many of the amendments are beneficial to taxpayers and apply from 1 July 2002. Others apply from various dates of announcement or from today.

Lastly, Schedule 6 includes miscellaneous amendments to the tax laws. These amendments ensure that the law operates as intended by correcting technical or drafting defects, removing anomalies, and addressing unintended outcomes. These amendments are part of the Government’s commitment to the care and maintenance of the tax law.

This package also includes some legislative issues raised by the public through the Tax Issues Entry System, or TIES for short.

Full details of the measures 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, commencing on 11 May 2010, in accordance with standing order 111.

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

NATIONAL HEALTH
(PHARMACEUTICAL BENEFITS—
THERAPEUTIC GROUPS)
DETERMINATION 2010

Senator FIERRAVANTI-WELLS (New South Wales) (10.06 am)—I move:

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.

I speak on behalf of the coalition on this disallowance motion. Australia’s Pharmaceutical Benefits Scheme ensures that effective medicines are within the reach of all Australians by subsidising access to more than 600 medicines available in 1,800 forms and marketed as 2,600 differently branded items. The PBS provides Australians with timely, reliable and affordable access to necessary and cost-effective medicines. The Pharmaceutical Benefits Scheme is an excellent system for funding access to medicines and has served the Australian people well for many years—in fact, for more than 60 years. The scheme has proven itself to be one of the best drug subsidy systems in the world and around 80 per cent of prescriptions dispensed in Australia are subsidised under the PBS. The PBS covered around 181 million prescriptions in the year to June 2009, and this represents about eight prescriptions per person in Australia for the year. Patients normally pay a standard co-payment to excess medicines which often would otherwise be unaffordable and a safety net is in place for high users of medicines. Medicines that are listed on the PBS are assessed by experts to be clinically
effective and cost effective. Importantly, doctors and patients can often choose between a variety of medicines and brands to treat a particular condition.

The Howard government increased expenditure on pharmaceutical benefits from $2.2 billion in 1996-97 when it came to government to $6.4 billion in 2006-07. The Leader of the Opposition, Tony Abbott, as Minister for Health and Ageing, from August 2006 listed on the PBS new drugs worth more than $1.5 billion over the four years to 2010-11. This included drugs like Herceptin, for early breast cancer, Lantus and Levemir, for the management of diabetes, and Lucentis, for the treatment of age related macular degeneration. In 2007, the Howard government added essential vaccines to the PBS to treat rotavirus in babies and the world-first HPV vaccine, Gardasil, to help protect girls and young females from cervical cancer at a cost of $704 million over the following five years from 2006-07 to 2010-11.

The coalition government has an excellent record on ensuring that the PBS delivered to Australians and the scheme was in very good hands during this time. In government it was our responsibility to continue to scrutinise schemes like the PBS to ensure that we were getting good value for taxpayers. The structures we have in place must be able to continue to provide access to new and expensive medicines for future generations. The integrated package of reforms to the PBS announced by the coalition on 16 November 2006 delivered this dual aim. It put in place structural changes to the pricing of medicines to achieve good value for listed medicines while delivering long-term savings to support the continued listing of cost-effective medicines into the future. The reform package included a new structure to the PBS schedule, with new pricing arrangements for listed medicines, including statutory price reductions and greater transparency through price disclosure requirements; a pharmacy support package to help community pharmacists to adjust to the new arrangements; streamlined authority approvals for a large number of medicines, giving doctors more time to spend with their patients; the establishment of a working group to consider issues of continued access to innovative medicines through the PBS; and a public awareness campaign to increase knowledge and usage of generic medicines.

Key industry stakeholders, particularly Medicines Australia, the Pharmacy Guild and the Australian Medical Association, indicated their general support for these reforms. In 2007, this parliament, with the support of the then opposition health spokesperson and now Minister for Health and Ageing, Nicola Roxon, passed major reforms to the Pharmaceutical Benefits Scheme designed to deliver significant savings to Australian taxpayers and ensure the ongoing sustainability of the scheme. One of the reforms was to create separate formularies on the PBS: F1 for patent protected innovative medicines and F2 for off-patent and generic medicines. The principle behind these reforms was to create more competition in the F2 formulary, which would provide significant price cuts when generic companies entered the Australian market. This increased competition between originator brands and generic brands was assisted by mandatory price cuts when the first generic product entered the market. With the full disclosure of the prices paid by wholesalers and pharmacies for medicines, this has resulted in substantial savings coming back to the government and it is able to adjust the amount it subsidises based on the actual market prices being paid. These reforms are still rolling out and are delivering substantial savings to government.

When these reforms were passed it was estimated that the savings generated would
be in the order of $3 billion over 10 years. What we now know, from a report by Price-waterhouseCoopers commissioned by the health minister, is that the savings to the Commonwealth will significantly exceed the former target and are now in the order of up to $5.8 billion over 10 years. The most important aspect of the reforms undertaken by the Howard government, and supported by the then Labor opposition, is that they were done in full consultation with all the relevant stakeholders. The major reform ensured that the Australian community would continue to have access to new life-enhancing therapies, the government would get better value for existing medicines and the capacity to list new medicines would be strengthened. The new pricing arrangements would support this by enabling cheaper prices to be paid when a competitive market is operating. Of critical importance was that the PBS would be sustainable into the future.

I emphasise that these reforms were supported by the Labor Party when they were in opposition. It is understood that, in her first few months as health minister, Nicola Roxon told anyone who would listen that she had no plans to go delving into the PBS for more savings and acknowledged that the key health stakeholders were, understandably, suffering from reform fatigue. However, that all changed on budget night 2009, when Labor announced a new therapeutic group would be created for the two statins on the PBS. The PBS had become a source of savings.

A therapeutic good is a mechanism used by the government to link products together for the purposes of pricing. Essentially what happens is that the Pharmaceutical Benefits Advisory Committee provides a recommendation to the minister that two or more medicines provide the same outcome and are therefore interchangeable at the patient level. When this determination of interchangeability is made, the government works out which of the medicines in the group is cheapest based on the level of use and the varying doses. It then effectively adjusts the price paid for all of the other medicines in the group to match the cheapest medicine. The policy of paying the cheapest amount for medicines which do the same thing is a reasonable one. However, it is essential to determine that the two or more products really do exactly the same thing and are therefore interchangeable at the patient level. Who determines what is interchangeable? What evidence is used? What opportunities do stakeholders have to provide information and evidence to the decision-makers? And what exactly does ‘interchangeable’ mean?

The opposition’s concerns about the PBS being raided were further heightened when the government announced a further three PBS therapeutic groups were to be created when it released the mid-year economic forecast in November 2009. These new groups relate to medicines to treat depression, osteoporosis and Paget’s disease and are scheduled to be implemented on 1 April 2010. It is claimed the new therapeutic groups will result in a saving of $48.2 million over the next four years. There have been clinical concerns raised regarding the interchangeability of the drugs to be included in the new therapeutic groups and to possible impacts on patients. The opposition has received numerous communications from expert clinicians, particularly those who treat osteoporosis, about these new therapeutic groups. They are deeply alarmed at the lack of consultation on the interchangeability of osteoporosis drugs, especially with those experts involved in daily use of these drugs in treating often elderly and vulnerable patients. These experts have questioned whether these medicines are actually interchangeable and have raised concerns about differences between the medicines that im-
pact patients and mean that they may not be the same.

The consultation with the industry has been minimal at the very least. In addition to the possible clinical issues raised by experts, this measure may also have a financial consequence for patients and increase red tape for GPs. When a therapeutic group is formed, one medicine will be determined to be the benchmark price and all other medicines will have their prices cut to match the new price. However, if the manufacturer refuses to accept a price cut, which is certainly possible if it believes its medicine is not interchangeable, the government will impose an additional price to be paid by the patients. To avoid this extra charge, a patient will have to accept a cheaper medicine or their doctor will have to seek authority from Medicare and Medicare will have to deal with the authority requests. If this is widespread then there will be absolutely no savings whatsoever from these measures and, at worst, there will be additional costs. Once again the process of delivering and implementing its savings measure appear not to be well thought through. This government has form in this area. This appears to be an ill thought through savings measure with a lack of consultation with the industry and, importantly, GPs who may have to explain this change to patients. There are many patients who rely on the PBS for access to the medicines affected by the proposed therapeutic goods. The PBS is too important to all Australians to let this go through unscrutinised and, as we know, policy on the run is policy overdone.

The Rudd government is playing with people’s lives, and our ability to continue to enjoy access to cost-effective medicines now and in the future is being jeopardised by hasty savings decisions. The coalition left the PBS in very good shape, but Labor, after supporting reforms to secure the long-term future of the scheme when in opposition, now in government appears intent on destroying it just to pay for its spending spree on failed stimulus programs.

It was with these concerns about the impact on patients in addition to the clear lack of process and consultation in mind that in November 2009 this Senate agreed to a motion to refer the policy on creation of therapeutic groups on the PBS to the Community Affairs References Committee for inquiry.

Now I come to the primary motivation for the opposition moving this motion of disallowance. On 25 November 2009 the Senate referred the following matter to the Community Affairs References Committee for inquiry and report by 30 June 2010:

Consumer access to pharmaceutical benefits and the creation of new therapeutic groups through the Pharmaceutical Benefits Scheme (PBS), including:
(a) the impact of new therapeutic groups on consumer access to existing PBS drugs, vaccines and future drugs, particularly high cost drugs;
(b) the criteria and clinical evidence used to qualify drugs as interchangeable at a patient level;
(c) the effect of new therapeutic groups on the number and size of patient contributions;
(d) consultation undertaken in the development of new therapeutic groups;
(e) the impact of new therapeutic groups on the classification of medicines in F1 and F2 formularies;
(f) the delay to price reductions associated with the price disclosure provisions due to take effect on 1 August 2009 and the reasons for the delay;
(g) the process and timing of consideration by Cabinet of high cost drugs and vaccines; and
(h) any other related matters.

When the Senate referred this matter to the Community Affairs References Committee for inquiry we could have been forgiven for...
thinking the Labor government may have taken notice of the Senate’s concerns about therapeutic groups and the PBS. Clearly the prudent thing to do is to delay the introduction of the measure from 1 April—next month—until the Senate completes its inquiry in June this year. After all, while the three new therapeutic groups are forecast to save $48 million over four years, only $1 million of those savings is in the 2009-10 financial year.

Based on the figures provided in the MYEFO, a six-month delay on implementing this measure would barely cost $5 million. The government, however, clearly saw the issue differently and on 21 January 2010 the minister’s delegate signed the determination with an implementation date of 1 April 2010, nearly three months prior to when the Community Affairs References Committee is due to report. The government knew of the Senate inquiry when it signed the determination but does not appear at all interested in the outcomes of the Senate inquiry and the future of the PBS. It may well be the case that when all the evidence is considered by the Community Affairs References Committee it will unanimously recommend these measures be reintroduced, but it should have the opportunity to consider all the evidence—even if the government will not.

As I have pointed out, were they to be reintroduced in six months time the cost would be around $5 million. In the interests of patient safety, I would have thought this is a relatively small price to pay. The policy of therapeutic groups has been around for a long time and the coalition in government created a number of them; however, we consulted prior to implementing the policy. We talked to doctors, we talked to companies, and we talked to patients before we sought advice from the Pharmaceutical Benefits Advisory Committee. The Senate referred this matter to the Community Affairs References Committee for a reason. It wanted to know more about how this policy came about, the implementation and delivery and, most importantly, the impact it may have on patients.

It is unbelievable that, with the knowledge that a committee inquiry is underway, the government decided to proceed with this measure on 21 January 2010. The Senate must be given the opportunity to hear from the committee before further consideration is given to these measures. The inquiry must be given the opportunity to investigate the policy and examine the concerns raised by medical experts prior to its implementation. Given the government’s arrogance in moving to implement this measure before the inquiry reports, there is only one option available and that is this Senate must now disallow these determinations. I commend the motion to the Senate.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (10.24 am)—The motion from the opposition would disallow a sensible policy that would save taxpayers $48 million over four years. If this disallowance motion passes, it will be a loss to taxpayers and will provide no benefits to doctors or patients at all. It will only benefit big pharmaceutical companies. It is yet another example of the fiscal irresponsibility of this opposition, which is determined to obstruct the Rudd government no matter the cost to the community.

The government’s measure is designed to ensure that taxpayers get value for money for medicines listed in the Pharmaceutical Benefits Scheme. It introduces three new therapeutic groups. These therapeutic groups ensure that the government and taxpayers pay the same low price for medicines that achieve the same health outcomes. The therapeutic group policy, as identified by the opposition, was introduced by the Howard government in 1997, highlighting once again
the clear opportunism and irresponsibility of the opposition in opposing this measure.

The government has decided to form three additional groups on the basis of advice from the independent expert Pharmaceutical Benefits Advisory Committee. The committee advised the government that it was appropriate to create therapeutic groups for certain medicines to treat osteoporosis and Paget’s disease and antidepressants. Pharmaceutical companies were provided with the opportunity to comment on the matter, and this was carefully considered by the clinical experts on the committee. On the basis of the committee’s advice, the government has made the legislative instruments which would create these three new therapeutic groups. The therapeutic groups mean that, for these medicines which produce the same health benefits, the government only pays for medicines at the price of the lowest drug in a therapeutic group.

Turning to the impact on patients, the government’s measure does not affect patient access to medicines. Doctors can still prescribe any medicine they consider appropriate for their patient. Patients will continue to pay only the standard PBS copayments for their medicines.

Turning to taxpayers, the government’s measure would create, as I indicated, savings of $48 million over four years. This will help to maintain the sustainability of the PBS so that all Australians can have access to essential, affordable medicines. The PBS cost in the vicinity of $7.7 billion in 2008-09 and is expected to grow by 10.6 per cent in 2009-10. If we are to be able to continue to afford the PBS in the future, we have to ensure that our scarce health dollars are used as effectively as possible.

If these therapeutic groups are disallowed, then the government and taxpayers will end up paying pharmaceutical companies more for these medicines than they should. It will be $48 million going straight into the pockets of big pharmaceutical companies without providing a single benefit to patients or doctors. It shows, yet again, the irresponsibility and recklessness of the opposition in not supporting the continuation of this measure.

Question put:
That the motion (Senator Fierravanti-Wells’s) be agreed to.

The Senate divided. [10.33 am]

(The President—Senator the Hon. JJ Hogg)

**AYES**

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**NOES**

| Arbib, M.V. | Bilyk, C.L. |
| Bishop, T.M. | Brown, B.J. |
| Brown, C.L. | Cameron, D.N. |
| Carr, K.J. | Collins, J. |
| Conroy, S.M. | Crossin, P.M. |
| Farrell, D.E. | Feeney, D. |
| Forshaw, M.G. | Furner, M.L. |
| Hanson-Young, S.C. | Hogg, J.J. |
| Hurley, A. | Hutchins, S.P. |
| Ladlam, S. | Ludwig, J.W. |
Question agreed to.

**COMMITTEES**

**Economics References Committee**

**Reference**

Senator XENOPHON (South Australia) (10:36 am)—I move:

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 a test; and

(c) any related matters.

This is a matter that the Senate has been well aware of for a number of months now, since I spoke on the Church of Scientology and their tax exempt status several months ago. I have had a motion in this chamber for a number of weeks in relation to an inquiry specifically into the Church of Scientology, but after discussions with my colleagues they felt it was a better approach, a fairer approach, to look at the issue of the tax exempt status generally of charitable and religious organisations. That does not in any way derogate or take away the thrust of what I have been trying to do, but it does make it clear that there was a preference amongst a number of my colleagues that there be a look at the broader issue of a public benefit test for charitable and religious organisations in Australia and that it be looked at by the Economics References Committee.

Let us put this in perspective. Last November I made a number of allegations about the Church of Scientology in this place as a result of being approached by many victims of the Church of Scientology. I tabled 53 pages of allegations and letters from those victims. Those victims have a right to be heard. At the heart of this is the issue that this organisation, this so-called Church of Scientology, receives tax-free status in this country. It is in effect being subsidised by taxpayers by virtue of its tax-free status.

The purpose of this inquiry by the Economics References Committee is to ensure that we have a look at what other countries are doing, and in particular what the United Kingdom is doing because in the United Kingdom for a charitable or religious organisation to have tax-free status they need to show that there is a public benefit in what they do. There is a public benefit test and a public benefit requirement under that legislation. That public benefit test looks at a whole range of factors and what the organisation that seeks tax-free status does and whether it causes harm to others.

In the United Kingdom, for the public benefit test to be fulfilled, the benefits must be balanced against any detriment or harm. In the United Kingdom, examples of things that may be evidence of being detrimental or harmful might include: something that is dangerous or damaging to mental or physical health, something that encourages or promotes violence or hatred towards others, or...
something that unlawfully restricts a person’s freedom.

The allegations I have had before me and the statements of victims indicate very clearly that the Church of Scientology has been engaged in such conduct. Victims have a right to be heard. Victims have a right to come forward and be heard in the context of a Senate inquiry. It is important, where taxpayers’ benefits are given in this context, that there be a process where the Senate can look at whether we can have sensible changes to our tax laws applying to charities and religious organisations. May I point out that this has been a robust test in the United Kingdom that has been rigorously applied for some 10 or 15 years. It is a test that has been fair and has stood the test of time over many years.

Some honourable senators may have seen Quentin McDermott’s story about the Church of Scientology on the ABC Four Corners program on Monday. That raised number of very serious allegations both from here and overseas of how this organisation operates. This organisation operates in a way that seems an anathema to basic standards of decency. Allegations were made of families being split apart, of false imprisonment, of children being forced to work in quite inhumane conditions and of labour where any concept of fair work has been thrown out the window and where people have been working around the clock for a few cents an hour as part of being tethered to this organisation. It talks about the harm that it has caused to individuals and the financial devastation it has caused to individuals. These allegations ought not to be ignored. I think it is also important that we consider, in the context of what is being sought, an inquiry to see if we can improve things. This is an inquiry for the Senate Economics References Committee to see whether there ought to be better and fairer standards in place for an organisation to obtain tax-free status.

One of the most disturbing allegations made in the Four Corners report and by the victims who have come forward to me—and there have been many hundreds more items of correspondence and emails that I have received since I raised these issues in public—is that of coerced or forced abortions for those women that work in the Sea Org, which is an elite organisation in the Church of Scientology. These matters are very disturbing. Having an inquiry to see whether we should apply a public benefit test is something that I think is very reasonable for this Senate to look at.

Let us look at the issue of mental health. Just yesterday the Australian of the Year, Professor Patrick McGorry; the President of the Royal Australian College of Psychologists, Professor Louise Newman; and the Executive Director of the Brain and Mind Research Institute, Professor Ian Hickie called on senators in this place to vote for an inquiry into these alleged abuses by the Church of Scientology. This group of leading mental health professionals says that the Church of Scientology’s campaign against professional mental health treatment poses a serious risk to the community. Prof McGorry said:

I have long advocated for the early intervention and treatment of mental health issues and am strongly opposed to any group that obstructs people from seeking help

Professor Hickie said:

This organisation has continued to wage a campaign of fear and misinformation that has sought to undermine public confidence in accepted medical treatments.

Professor Newman said:

All groups in the community have a right to mental health treatment. It is vital for common conditions such as postnatal depression that people have timely access to a full range of information to allow early intervention in order to support best outcomes for mother and infant.
Here we have three of the nation’s leading mental health experts expressing serious concerns about an organisation that receives tax-free status in this country. This organisation should be subjected to the very reasonable public benefit test that has applied in the United Kingdom for many years which also weighs up any detriment or harm caused by an organisation seeking tax-free status.

I will have more to say when I sum up in this debate. I would urge honourable senators to support this inquiry. I understand from the information I have received from both the government and the opposition that they do not do so and I look forward to hearing their reasons. But this is an issue that will not go away and I urge honourable senators to reconsider and support this reference to the economics references committee.

Senator LUDWIG (Queensland—Special Minister of State and Cabinet Secretary) (10.45 am)—This motion goes to the tax treatment of charitable organisations in Australia. The government does recognise that it is an important issue. The contribution regulation and tax treatment of this sector has very recently been the subject of two significant reviews: the Productivity Commission’s study of the contribution of the not-for-profit sector, and the independent tax review. Both reports are currently before the government. Both reviews involved extensive consultation, with the Productivity Commission receiving over 300 submissions during its 12-month-long study and the independent tax review receiving over 1,500 written submissions and 4,700 letters.

It should be noted that both of these substantial pieces of independent work have benefited from extensive prior consideration of this issue. They follow on the back of three important reviews of the not-for-profit sector conducted over the past 15 years—namely, the 1995 Industry Commission report on charitable organisations in Australia, the 2001 Report of the inquiry into the definition of charities and related organisations and the 2008 Senate Standing Committee on Economics inquiry into disclosure regimes for charities and not-for-profit organisations. It should be specifically noted that one of these precursor reviews was conducted by the Senate economics committee, the same body that the current motion seeks to refer the matter to today. In addition, the 2001 Report of the inquiry into the definition of charities and related organisations went directly to the matter at the centre of today’s motion, recommending that the government strengthen the current public benefit test for charities. The subsequent draft Charities Bill 2003, based on the recommendations of the 2001 inquiry, included a requirement that to be a charity the entity must also meet a public benefit test. To be of public benefit, its purpose must:

- be aimed at achieving a universal or common good;
- have practical utility; and
- be directed to the benefit of the general community or a ‘sufficient section of the community’.

The Senate should note that the bill did not ultimately come before the parliament due to concerns raised by both the sector and the Board of Taxation that the bill did not provide the sector with sufficient certainty.

The point here is that this issue has been examined extensively, and this history will inform the government’s current and ongoing detailed consideration of this matter. Based on these detailed records of analysis and in light of the two review reports currently before the government, we will not be supporting this motion today. A further review of or inquiry into this issue is currently unwarranted.
The government acknowledge Senator Xenophon’s strong interest in this issue and, through the Assistant Treasurer, Senator Sherry, we will keep Senator Xenophon informed of progress on these matters. We are happy to continue to engage with him on this issue going forward. I have also been advised by Senator Stephens that she is leading a significant piece of work in third-party reform which will also inform the government in this area. I thank the Senate.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10.49 am)—I would like to say a few words on this motion. I am surprised that the opposition has no contribution to the debate and I hope I may be able to evoke some. I thank Senator Xenophon for bringing forward this motion—

Senator Chris Evans—Evoke or provoke?

Senator BOB BROWN—Evoke. I thank Senator Xenophon for his work in presenting this very worthwhile proposal to the Senate, as he outlined. This is not about the charitable sector, which is what the government has just spoken about. This is about dangerous cults who take over people’s lives, manipulate them, make lots of money out of them and cut across the lives of vulnerable people who want to find fulfilment in the widest sense of the word. It is about the entrapment of people by sects that take over their lives, their livelihoods and their families and interfere with people’s ability to find the greatest expression of their talents, their fulfilment and their dreams and desires in life.

Scientology is such a group. I am grateful to Senator Milne for this extract from a Scientology website, where the sect puts forward the belief that ‘the health and sanity of the child begin long before birth’. You cannot go past a newsstand at the moment without seeing that Katie Holmes, the film star, is being sent to Scientology boot camp. Apparently, the sessions at boot camp are designed to reveal any ‘hidden crimes’ that a person made in their past lives that may be affecting what is going on at the moment. Sure, we can all debate whether past lives have an effect on us and so on, or whether we have got future and past lives; that is part of the human condition. But when people are sent to camps where they are deprived of wider intercourse with society, where their mind and guilt button are to be reformulated by somebody who thinks they know better—Mr Hubbard, for example—we have to worry about it greatly.

Even then our society is a free, open and democratic one where beliefs and ideas are expressed to the fullest. But should taxpayers be supporting the promotion of cults, which the Prime Minister himself has designated as dangerous, like the Exclusive Brethren and the Scientologists, to the extent of millions of dollars in forgone taxes so that they can put upon people in this sort of fashion? Let us have a look at it.

Senator Xenophon has called for a reference to the Economics References Committee by the Senate to look at the appropriateness of applying the public benefit test currently in place in the UK on such organisations. I think that good charities—and the word ‘charity’ means helping other people—are actually besmirched by the activities of dangerous cults like Scientology and Exclusive Brethren. I do object, and I know that many other Australians object, to millions of dollars being siphoned off to these organisations from the public purse because we have not refined our ability to say that a dangerous cult ought not be getting that money. The Exclusive Brethren I have spoken about in this place before comes into this category too. It is one that cuts across people’s lives to damage their relationship with their kith and kin, because of somebody else’s belief sys-
tem not because of that person’s own belief or behaviour. That is very worrying about Scientology.

I congratulate Senator Xenophon for the very measured way in which he has had the gumption to bring before this Senate and this parliament the concern of many Australians about what Scientologists are doing. Very often bright young people who are vulnerable have their lives knocked sideways by these somewhat crazy ideas of Ron Hubbard, as if his intergalactic theories are a truth which people should accept and, if they do not, they should be punished by going to boot camp. Surely we are beyond that and surely we are not going to have taxpayers’ money funding that, and I am pre-empting what I think an inquiry would find here.

We have had no adequate explanation from the government as to why it is not supporting this. There will be people in the wider charitable sector worried by such an inquiry. Maybe governments are going to start to levy conditions which might threaten genuine charitable organisations. I do not think so. We should not be frightened of this. We have got the common sense to be able to define and look at tests which separate genuine charitable and community and non-government organisations from dangerous, mind-bending cults, which end up causing havoc, distress, unhappiness and such things as abortions for people who are being directed by what they think is an authority greater than themselves, and which of course is nothing of the sort.

Because the big parties continue to line up against it, I am very concerned that this chamber and this parliament are failing to act in an area where good governance is required. The debate about Scientologists in Germany has led to a much better outcome, I think. They stopped short of banning the organisation, although that was very much on the parliamentary agenda, but they have debated it in full. I think the same should be occurring here. We should not simply move onto the other side of the road or turn our backs on very fine Australians, particularly a lot of young Australians, who fall prey to dangerous cults like the Scientologists or who are locked up, separated from their families by warped organisations like the Exclusive Brethren. I support this inquiry.

Senator ABETZ (Tasmania) (10.57 am)—I indicate on behalf of the coalition that we fully accept the sincere and genuine nature in which Senator Xenophon has presented this motion to the Senate. We also indicate that we have some great degree of sympathy for those former members of the so-called Church of Scientology to which he refers. It is unfortunate when people do get involved in these types of organisations. But the issue I suppose that has been agitating the collective mind of the coalition is: how much can you in fact prevent people from voluntarily allowing themselves to be brainwashed on a particular issue in a particular area? That is the issue that we have confronted.

Whilst the motion on the face of it looks relatively innocuous— it talks about a general inquiry into matters of tax and charitable status generally—there is no doubt from the speeches of Senator Xenophon and Senator Bob Brown, who support this motion, that it would not just be a general discussion of matters of taxation; it would in fact be wider. A number of times Senator Xenophon and Senator Bob Brown have indicated—or at least Senator Xenophon indicated—the need for these victims, as he described them, and I have no reason to describe them otherwise, to be allowed to tell their story. They should be allowed to tell their story. In fact they have told their story. It is one of the great things about the freedom of the press in this country that they have been able to tell their
story and expose some of those elements which, I think, make the overwhelming majority of Australians decide not to get involved in the Church of Scientology.

Let us be clear: there are very real issues with the Church of Scientology. But what I say when people seek to point to particular cults, minority religions or whatever, as I have said in previous debates, is that if there is illegality let that illegality be referred to the appropriate authority. Take, for example, a forced abortion, as opposed to somebody, for whatever foolish reason, being convinced that they should have an abortion. I think we have to be careful in relation to that. I think everybody knows what my view on abortion is, so I do not raise this issue lightly. But, if somebody has been physically forced to have an abortion, that is clearly a crime in this country. If that is the case, I would encourage the victim of such an activity to go to the appropriate authority to have that matter prosecuted by the full force of the law, as it should be.

We have also heard that they engage in false imprisonment. If that is the case, then, with respect, rather than floating it before a Senate inquiry, it should be floated before the authorities, to be prosecuted. If there are allegations of child labour, in breach of our industrial laws, let that be reported to the appropriate authority and prosecuted. There is a claim that families are being split apart. I am not sure that there is a law against that necessarily, but I know that as a result of political views families are sometimes split apart. I know that as a result of business deals going wrong families are sometimes split apart. We can think of a whole range of reasons why families are split apart. Religious beliefs also cause some families to be split apart.

Senator Xenophon expressed very well his view on the dangerous belief of the Church of Scientology in relation to mental health. It is a dangerous view that they express, but can I say with great respect that Jehovah's Witnesses—I hope I do not do them an injustice here—have a very strong view that blood transfusions should not be allowed. Some people would argue that that is just as dangerous a view as counselling people against—

Senator Bob Brown—We have legislated against that, though. We have legislated to prevent people from being harmed by that view.

Senator ABETZ—Jehovah's Witnesses cannot be forced to have a blood transfusion, Senator Brown, because that would be an assault on their body. People do have the right to refuse medical treatment, should they want to. I think it is a dangerous view. I think it is an inappropriate view. But in Australia we allow people to hold such views. In relation to not wanting the help of mental health specialists—those who would be able to assist in the provision of mental health support—similarly, I think that is a dangerous and inappropriate view to hold. But in our free society we allow people to hold silly, bizarre and even dangerous views. That is why we do allow Jehovah's Witnesses to refuse blood transfusions. That is why we do allow people, should they want to, to refuse the help of mental health professionals.

I just want to place those matters on the record and remind the mover of the motion and Senator Bob Brown that what seems to be a very innocuous motion is clearly part and parcel of a bigger issue. Senator Xenophon was quite upfront about it, and that is why I accept the sincerity and genuineness with which this motion has come forward. There is an underlying agenda here which is that those who see themselves as victims of cults should be able to air their concerns. It would be interesting to see, given that certain
other religions are given tax deductibility status in this nation, whether we would bring them into it as well, especially those who might teach jihad, for example. Would we want to bring those organisations into this?

Would we also want to, potentially, bring in the Wilderness Society? It has an activist who is now running for the Greens in Tasmania. He was captured on TV by Channel 9 trying to organise for a parliamentarian to be forcibly handcuffed to a demonstrator. Would that be a harm, as opposed to a benefit? Given the general terms of this inquiry, anybody with a beef or a concern—some a lot more serious, such as those about the Church of Scientology, and some potentially less serious—could come along to air their grievances about a particular organisation. I could see, with respect, the Privileges Committee of the Senate working overtime to vet the statements of rebuttal in relation to all the allegations that are made. In fact, we had that situation with the Greens allegations against the Exclusive Brethren. I understand that in recent times, following Senator Xenophon’s allegations against the Church of Scientology, the Church of Scientology has sought to respond, to put things on the Senate record rebutting that which has been alleged.

So the real issue then is: is this simply an opportunity for people to air their grievances? I think that is what it is designed to do. I say in fairness that the freedom of the press in this country has allowed that to occur exceptionally well. The question then is: are there illegalities, and is the Senate the right vehicle to pursue those illegalities or is it the Australian Taxation Office, the children’s commissioner, the occupational health and safety authorities et cetera? It seems to me that they are the appropriate authorities to prosecute these matters, rather than having a Senate committee running around as a de facto criminal investigation bureau or police force.

In relation to the tax deductability issue, which is one way of getting at these organisations, are we really saying that people only get involved in the Church of Scientology because that organisation has a certain tax-deductible status? I do not think so. Taking up Senator Brown’s point, do people get involved in the Exclusive Brethren only because of the tax deductibility status?

Senator Bob Brown—I didn’t say that.

Senator ABETZ—I know you did not say that, Senator Brown, but the motion only deals with tax deductibility, and you are trying to use it as a vehicle to attack these organisations. Do people only get involved in the Wilderness Society, for example, because of tax deductibility status? Do people get involved in some of the more extreme Muslim organisations for that reason? I confess that I am not fully aware of whether these organisations do or do not get tax deductibility status. But I think the answer would be that people get involved because, rightly or wrongly, they believe in the framework of beliefs put forward by those various organisations. In a free country, people are, unfortunately, free to make the wrong decisions. But this parliament needs to ensure that no illegality occurs, and that is why I once again say that, if there are allegations of illegality, rather than airing them in front of the Senate, take them to the appropriate authorities to be investigated and prosecuted.

Having gone through the notes I took on the comments made by honourable senators during the debate, I do not think there is much more to add, other than to repeat that we accept the sincerity and genuine nature of Senator Xenophon’s contribution and desire to provide a vehicle for people to air their concerns. But what we say is that an inquiry would not be only for the Church of Scientology; it would be for those who believe they have good reason to be disaffected by a
whole range of organisations to come before this committee. Rather than the Senate take on that role, if there are issues of illegality or organisations clearly not conducting themselves as charities, then let the Australian Taxation Office, in this case, deal with the matter.

Interestingly, the Henry tax review, I understand, has considered the status of charitable organisations on top of all those reports that Senator Ludwig referred to in his contribution. I will not go through all of those other than to say that the Henry tax review has looked at this as well. So I say somewhat tongue in cheek to the minister across the table that we look forward to the quick release of the Henry tax review to see what it might say about this particular area, but we will not be holding our breath. Having said that, we have reluctantly come to the position of not being able to support Senator Xenophon’s motion.

Senator MILNE (Tasmania) (11.12 am)—I have heard hypocrisy in this place before and I have heard weasel words before, but I have to congratulate Senator Abetz’s exemplary performance on both hypocrisy and weasel words in commenting on Senator Xenophon’s motion. From listening to Senator Abetz, you would not know what the motion calls for an inquiry into. It calls for an inquiry into the taxation status of the Church of Scientology and the application of a public interest and benefit test in terms of whether the church should get the benefits of having charitable status. Why should the public interest test not be applied to this cult? The Church of Scientology is a cult, and there are demonstrated cases of people who have suffered because of it.

Senator Abetz said let us look at the Jehovah’s Witnesses and the fact that they choose not to have blood transfusions. Senator Abetz is wrong. When it comes to minors, it is now the law in Australia that a doctor can give a blood transfusion to a child, regardless of the beliefs of the child’s family, if the child is in danger of dying. The doctor has an obligation to keep that person alive.

Let us go to the issue that Senator Xenophon has raised. The coalition, of all people in this chamber, are saying there is no need to have an inquiry so that people can air their views because we have a free press in this country and that is the mechanism for people to air their views. Well, perhaps they can explain why they run so many select committees from one end of the country to the other, giving anybody who is disaffected with anything the government has to say an opportunity to air their views. Well, if the Senate committee process is not for the purpose of allowing the community to air their views, let people air their views in the paper, not through Senate committees.

That is what we do. That is why we have Senate inquiries, so that people can air their views on a particular matter, and in this case the particular matter is the detrimental impacts of the Church of Scientology and the question of whether there is a public benefit in providing that organisation with the tax status it has so that it benefits from not having to pay the same tax as other organisations. I say: why isn’t that an appropriate thing for this parliament to look at? The taxpayers, the community of Australia, are extending to this organisation preferential status and saying, ‘You are exempt from paying tax.’ That means the rest of us pay more taxes for everything else so that some organisations are tax-free, and that is entirely appropriate. But the parliament of Australia makes the laws. The parliament of Australia makes judgments about particular acts and so on. The idea of applying, as they do in Britain, the public benefit test to this seems entirely appropriate to me.
Like everyone in this chamber, I have had emails from people talking about the adverse impacts. But what is even more startling here is when you get the Australian of the Year, Professor Patrick McGorry, coming out and saying that this should be supported because this particular cult actually engages in potentially harmful interventions for people with serious mental health problems. Come on, mental health is a really big issue in this country, and I think a lot of people were very pleased when Professor McGorry was made Australian of the Year because it gives some profile to issues around mental health, which a lot of us have been trying to get more assistance for in the community for a long time. He has come out and said that not only does this cult make harmful interventions with its own followers but it actively goes out and undermines public confidence in many of the practices of mental health practitioners around Australia. If the coalition is happy for that to continue then let the coalition hear what people have to say. Why not get Professor McGorry and the mental health specialists to the committee and let them talk about the mental health issues they deal with with people involved in this. Senator Abetz says that the victims can go and get help, but the victims of Scientology and the Exclusive Brethren and many of these other cults have mental health issues as a result of what has happened to them. They have had inculcated into them in terms of the Church of Scientology that getting help for mental illness is wrong and cannot be allowed, that the only help for problems you have is within these so-called boot camps that they run. So the issue here is that people who have now got serious mental illness, at the very least depression, will not access health professionals because they have been told for years that these people are not offering a valid service and are not offering serious medical help.

I would like to know from the coalition and from the government what they propose to do about the fact that the taxpayers of Australia are giving a financial benefit to an organisation which actively undermines public confidence in our mental health facilities and processes. What do we propose to do about that? I would like somebody in the coalition to tell me precisely what you think you are going to do about that, because it is nothing. If we get to the truth about why you are opposing this inquiry, it is because you are afraid that the inquiry might go to the community asking questions about which organisations should have charitable status, which is a legitimate concern that the community might have, and that could be the subject of a broader inquiry. But the issue here is the Church of Scientology, and if they have nothing to hide, if they are not actively undermining public confidence in Australia’s mental health services, then let them come to the committee and say that. Let them come and say why they should have tax-exempt status. I am keen to know. Let them answer the questions that the community has and that this parliament has. Let them justify their position. There is an invitation and always a fairness test in Senate committees where we give both sides of the argument the opportunity to appear, to make submissions, to respond and so on. There is no suggestion they will be excluded; they can come along. But they do not want to be investigated, they do not want to have their tax status questioned, and so they are trying to shut down the idea that the Australian parliament should look into what is a cult.

I do not support cults. I have seen the impact on families and communities because of the activities of cults. I do support a lot more funding to mental health services around Australia and I am one of those people who are delighted that Professor McGorry is the Australian of the Year and that mental health
will have a higher profile in the Australian community because of that. And I take notice when someone with his standing in the field of mental health comes out and backs a Senate inquiry into Scientology because he says that, quite clearly, the organisation has promoted untested and potentially harmful interventions for people with serious mental health problems. Is that a concern? Should the parliament be concerned about that? I am. I am very concerned when you have a leading expert in the field of mental health saying that a cult engages in practices which have potentially harmful interventions for people with serious mental health problems. If you are not going to support this inquiry that sensibly has been brought forward by Senator Xenophon, what are you going to do about it? Sweep it under the carpet? Tell people, ‘There is the media out there; I suggest you go to one of those programs and air your concerns on the media, but don’t bring it near the parliament’?

How would we respond if they came in here and said the same thing on a range of issues that we have referred to Senate committees? It is legitimate for the parliament of Australia to ask, ‘Isn’t it time that we applied a public interest and benefits test to organisations which are getting tax-exempt status when the rest of the community pays more in tax to enable that to occur?’ Therefore, why shouldn’t we be reassured that they have some beneficial qualities or influence in the community? If they cannot prove that, why would we want to give them tax exempt status? It is not good enough for either the government or the coalition to vote down this inquiry, sweep it under the carpet, let this cult continue, let lives be destroyed, let families be destroyed, let the taxpayers of Australia pay more to enable that to happen and to do nothing else. Meanwhile they rush about shaking Professor McGorry’s hand at every opportunity saying, ‘Marvellous, marvellous; look at me; reflected glory; I’m standing next to the Australian of the Year; I really support mental health,’ except when he says something that they do not agree with like, ‘A cult is operating in Australia undermining confidence in mental health and engaging in potentially harmful practices.’

I am really disgusted that the whole of the Senate is not supporting an inquiry into whether or not we provide tax-exempt status to this organisation and whether the public benefit test ought not to apply. I look forward to hearing from the government and the coalition on what they intend to do about the abuses that are going on in relation to mental health and what they intend to do about the victims suffering from the mental health consequences of their involvement in cults. If you say nothing, then please do Professor McGorry the courtesy of not pretending you support action on mental health.

Senator BERNARDI (South Australia) (11.24 am)—If hypocrisy had a colour, it would certainly be green after what Senator Milne has just spoken about, which was meant to be about this motion. This motion by Senator Xenophon is about tax deductibility and yet Senator Milne has, like the Greens have consistently and regularly done, turned it into a religious witch-hunt. Remember, this is the organisation that wanted members of the Exclusive Brethren Christian organisation to mark their businesses so that people would know who they were going to be dealing with. It was the Greens’ Star of David that they wanted to impose. That is how they want to misuse and undermine the freedom of religion in this country.

Senator Bob Brown—Madam Acting Deputy President Boyce, I rise on a point of order. I object to that asseveration about the Star of David in the strongest terms and I ask Senator Bernardi to withdraw.
Senator BERNARDI—Madam Acting Deputy President, I will withdraw the inference that the Star of David was the symbol that the Greens wanted to put on every Exclusive Brethren business. But make no mistake, the Greens wanted to ensure that people of a particular religious persuasion were going to be marked in their businesses. They can deny it and they can try and cover it up but that is their history and that is on the record. If Senator Milne wants to talk about undermining the key principles and the integrity of our system, what about freedom of religion? If you want to talk about preserving taxpayers' money, what about the hypocrisy and the stunt that they pulled when we were debating means testing a particular government measure? They all stood up and declared that they may be affected because their incomes may be below that specific level. The inquiry should be, ‘How does a leader of a political organisation reduce his taxable income by some 60 per cent in a single year?’ Perhaps you can have an inquiry into that. Where do you get $150,000 worth of tax deductions every year, Senator Bob Brown?—that is the real question. Perhaps it is by donating to some tripe or some nonsensical green organisation that has rorted the system.

If we are going to have an inquiry into tax deductibility of organisations and misuse of funds, then it should not be a persecution of religious organisations that have been recognised as religions. It should be about the integrity of the organisation, and there is very little integrity in these green organisations that secretly fund a party that is bent on overthrowing and undermining the very integrity of our political system in this country. I am extraordinarily disappointed, but not surprised, that the Greens continue to go down this path.

Let me turn to the substance of Senator Xenophon’s motion. I understand the sentiments behind it. I understand and recognise that there are a great many people affected by a great many organisations in this country, some of which do not do the right thing. But I do not support and I cannot support the persecution of a religious organisation. I am not making the judgment whether the Church of Scientology should be deemed a religion or not. The fact is, it is. When we open up the door into what is deemed a religious organisation in this parliament by having an inquiry into the substance of this motion, I think we are chasing rabbits down burrows, which actually threatens the very freedoms that we enjoy in this country.

I recently read Senator Xenophon’s speech about the Church of Scientology. I thought it was considered and heartfelt and there was a lot of evidence. If we really want to go down the path where religions treat people poorly because they choose to not participate in them anymore, then we can look at some of the mainstream religions. We can have a look at the Koranic text that says, if you commit apostasy and renounce your faith, you actually are meant to be put to death. In some countries that happens. Do we support that? No, it is terrible and awful, yet it is part of a religious teaching. If you want to talk about the brainwashing and indoctrination of people into cult-like and trance-like states, then you could actually have a look at some of the customs and practices that take place in the madrasahs in other nations where young children are taught over and over again to recite the Koran. We could look at some of the organisations involved in Islam in this country where there has been repeated incitement of violence, jihad, mayhem and murder, and there has been a defence of people who enact that by some senior Islamic scholars.

No religion is absolutely perfect. There are failings in many of them but people choose to go into a religion and they can
choose to leave it. While the Church of Scientology is recognised as a religion in this country I will defend their right to conduct themselves in that practice. The problem with supporting this motion is that, even though it is dressed up in lamb’s clothing, it is a wolf of an inquiry into religious freedom. Senator Milne’s contribution today reinforces that. It is not about public funding, it is not about tax deductibility; it is really, in Senator Milne’s eyes, about going after a religious organisation and she has made that very clear. I do not think that is healthy. If we were to confine it to only the substantive motion and remove ‘any related matters’ from this motion, why would we be having an inquiry into tax deductibility of charitable and religious organisations only weeks— hopefully days but it could be weeks, or a few months—ahead of the Henry taxation review, which is a comprehensive review designed to go through the entire taxation system in this country? I would say that the government should get on with releasing this review. I understand the Prime Minister has said he has not even read the Henry review because he has had more pressing issues to deal with, apparently, than the reform of the Australian taxation system.

Senator Parry—The travel itinerary.

Senator BERNARDI—Yes, the travel itinerary, I guess. Why would we not have a look at the Henry tax review, which may address all of these issues very quickly? Then we can get on with the job of making appropriate decisions in the full light of an examination which has already taken place.

Senator XENOPHON (South Australia) (11.31 am)—I thank honourable senators for their contributions and senators Brown and Milne for their indication of support. I want to address up front what Senator Bernardi said—that this inquiry somehow is an attack on the freedom of religion. I need to repudiate that absolutely. This is not about what people can believe in; it is about how people behave. I have had many allegations put to me about the behaviour of this organisation, the so-called ‘Church of Scientology’. I invite Senator Bernardi to read the judgment which gave the Church of Scientology its tax-free status in the early 1980s, in particular the judgment of Justice Murphy. There is a flaw in the logic of what Senator Bernardi is saying, which surprises me. He can be a logical man on some things but when it comes to this there is a fundamental flaw in his logic. He is saying that we cannot look behind an organisation which purports to be a religion to see whether it should get the benefit of a tax-free status from Australian taxpayers.

I am grateful for the contribution by Senator Abetz, who says people do not join these organisations for their tax-free status, but the fact is these organisations thrive because of their tax-free status and their behaviour ought to be brought to account. For more than four months I have been talking to the government and the opposition about this issue and I have been talking publicly about the tax-exempt status for the so-called ‘Church of Scientology’. This morning my office was advised by an adviser from the government that they could not support this inquiry because they thought it might preempt the Henry tax review—and that is something the opposition are saying as well—a report, I note, which the government have but will not release. I was also told by the opposition that they would not support this very simple inquiry.

This is a straightforward inquiry into the need for a public benefit test for organisations that receive tax exemptions from the Australian government, exemptions which we all, as taxpayers, pay for. The United Kingdom already has this test in place. It has been tried and tested there. It is fair, robust
and just. In the United Kingdom they need to assess public good and public harm before they can say to an organisation, ‘Our nation will support you with our tax breaks.’ It is not a big deal. It is nothing to be scared of.

To date I have not personalised this debate, despite the fact that many moving and disturbing personal stories about many Australian victims of Scientology have been shared with me and my office. I refer to the courageous people who have come forward: to Aaron Saxton, Carmel Underwood and her family, Paul Schofield, Liz and James Anderson and also to the family of Edward McBride, who so tragically took his life after being involved with the Church of Scientology. That was the subject of a coronial inquiry in Queensland, an inquiry which was fettered, which was impeded, because this so-called ‘church’ took away files relating to the late Mr McBride and shipped them off to the United States. This organisation has a tax-free status and, given the allegations put forward, this beggars belief. If honourable senators have not seen it, I invite them to watch Four Corners from Monday night, to see some very disturbing allegations in terms of the way this so-called ‘church’ operates.

I have not personalised this debate but it is important that we put into context what this is about. We are not just politicians; we are people. There is a certain cowardice in turning your back on people who ask for help or ask just to be heard. In effect, Kevin Rudd, the Prime Minister, says he wants to wait for the Henry tax review, despite the fact that he expressed his concerns when these allegations were put forward, this beggars belief. If honourable senators have not seen it, I invite them to watch Four Corners from Monday night, to see some very disturbing allegations in terms of the way this so-called ‘church’ operates.

As excuses for inaction go, that is pathetic. How dare he make this about reviews, processes and procedure? Here and now, on this issue, this is a government that hides behind process as an excuse for doing nothing. The opposition has done the same. The shameful thing is that, when you make it about process, you ignore and damage real people. The opposition had a chance to do the right thing here also, but it has chosen to do nothing. I am asking for an inquiry. I am not asking for new laws. I am just asking for the opportunity to find out more. I ask Kevin Rudd and Tony Abbott: what is it about forced abortions you do not want to know about? What is it about false imprisonment you do not want to know about? What is it about a policy of breaking up families that you do not want to know about? What is it about a dangerous campaign against mental health services that you do not want to know about? What is it about the physical and psychological abuse of Australians that you do not want to know about? What is it about child labour law abuses that you do not want to know about? What is it about high suicide rates amongst followers and ex-followers that you do not want to know about?

Every senator in this place worked hard to get here because they wanted to lead. But leading does not mean just doing the easy things. Leading is about doing the hard things because they are the right things. I cannot accept that Australian lives have been destroyed, that more Australian lives may be destroyed and that this parliament says, ‘No, it’s not our problem.’ I know a lot of people in this parliament want to pretend this is not happening, but I will not turn my back on the victims of scientology and I am greatly disappointed that both the Prime Minister and the opposition leader are willing to do so. The hardest thing for a victim to do is to speak out. Today, it seems that this place—the Senate, in the Australian parliament—will make it even harder. I can assure my colleagues that I will not let this lie. This issue will not go away. It might be more convenient for some politicians to pretend they can slide out of this, that they can dodge their responsibilities to the Australian com-
munity, but guess what? You will not get away with it. My message to the Prime Min-
ister, Kevin Rudd, and the opposition leader, Tony Abbott, is simple: trying to look away
will not make this issue go away.

Question put:

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

The Senate divided. [11.43 am]

(The Acting Deputy President—Senator
JM Troeth)

Ayes………… 6
Noes………… 34
Majority……… 28

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

NOES
Adams, J. * Back, C.J.
Bernardi, C. Bilyk, C.L.
Bishop, T.M. Boyce, S.
Bushby, D.C. Cameron, D.N.
Collins, J. Cormann, M.H.P.
Crossin, P.M. Farrell, D.E.
Feeney, D. Fielding, S.
Fifield, M.P. Fisher, M.J.
Forshaw, M.G. Furner, M.L.
Hurley, A. Hutchins, S.P.
Ludwig, J.W. Lundy, K.A.
Marshall, G. McEwen, A.
McLucas, J.E. Moore, C.
Nash, F. Parry, S.
Pratt, L.C. Sherry, N.J.
Sterle, G. Troeth, J.M.
Wong, P. Wortley, D.

* denotes teller

Question negatived.

COMMITTEES
Legislation Committees

Report

Senator FARRELL (South Australia) (11.47 am)—Pursuant to order and at the
request of the chairs of the respective com-
mittees, I present reports from all legislation
committees, except the Environment, Com-
communications and the Arts Legislation Com-
mittee, in respect of the examination of an-
nual reports tabled by 31 October 2009.

Ordered that the reports be printed.

Economics Legislation Committee

Report

Senator FARRELL (South Australia) (11.48 am)—At the request of the Chair of
the Economics Legislation Committee, Sena-
tor Hurley, I present the report of the com-
mittee on the provisions of the Tax Laws
Amendment (Confidentiality of Taxpayer
Information) Bill 2009, together with the
Hansard record of proceedings and docu-
ments presented to the committee.

Ordered that the report be printed.

Rural and Regional Affairs and Transport
References Committee

Report

Senator NASH (New South Wales) (11.48 am)—I present a third interim report
of the Rural and Regional Affairs and Trans-
port References Committee on import re-
strictions on beef, and seek leave to move a
motion in relation to the report.

Leave granted.

Senator NASH—I move:

That the Senate adopt the recommendation of
the interim report that the time for the presenta-
tion of the report be extended to 18 March 2010.

I want to make a few brief comments to in-
form the Senate, and I do thank the Senate
for its indulgence in allowing the committee
an extension of time. Obviously, it has been
quite a lengthy process so far in terms of the
committee inquiring into the relaxation of
the importation rules for beef that has come
from countries that have had BSE or mad
cow disease.

We have seen a change of decision by the
Minister for Agriculture, Fisheries and For-
estry, Tony Burke, and the Labor government to conduct a full import risk analysis on the importation of beef. The coalition has been very strongly calling for this for a long period of time. In light of the government’s change of mind and now its agreement to conduct a full import risk analysis, the committee finds itself in the position of, again, having to ask the Senate for an extension of time to report. We do believe that it is necessary and entirely appropriate to hold a further hearing to determine the exact nature of the import risk analysis that the minister has indicated that he requires. In light of that, we will be reporting at a later date, of which the Senate will be advised as soon as possible.

Question agreed to.

**Cyber-Safety Committee Establishment**

Consideration resumed from 9 March:

The House of Representatives message read as follows—

(1) (a) That a Joint Select Committee on Cyber-Safety be appointed to inquire into and report on:

(i) the online environment in which Australian children currently engage, including key physical points of access (schools, libraries, internet cafes, homes, mobiles) and stakeholders controlling or able to influence that engagement (governments, parents, teachers, traders, internet service providers, content service providers);

(ii) the nature, prevalence, implications of and level of risk associated with cyber-safety threats, such as:

- abuse of children online (cyber-bullying, cyber-stalking and sexual grooming);
- exposure to illegal and inappropriate content;
- inappropriate social and health behaviours in an online environment (e.g. technology addiction, online promotion of anorexia, drug usage, underage drinking and smoking);
- identity theft; and
- breaches of privacy.

(iii) Australian and international responses to current cyber-safety threats (education, filtering, regulation, enforcement) their effectiveness and costs to stakeholders, including business;

(iv) opportunities for cooperation across Australian stakeholders and with international stakeholders in dealing with cyber-safety issues;

(v) examining the need to ensure that the opportunities presented by, and economic benefits of, new technologies are maximised;

(vi) ways to support schools to change their culture to reduce the incidence and harmful effects of cyber-bullying including by:

- increasing awareness of cyber-safety good practice;
- encouraging schools to work with the broader school community, especially parents, to develop consistent, whole school approaches; and
- analysing best practice approaches to training and professional development programs and resources that are available to enable school staff to effectively respond to cyber-bullying; and

(vii) analysing information on achieving and continuing world’s best practice safeguards; and

(b) such other matters relating to cyber-safety referred by the Minister for Broadband, Communications and the Digital Economy or either House.

(2) That the committee consist of 12 members, 4 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition Whip or Whips and one Member from the independent Members, 3 Senators to be nominated by the Leader of the Government
in the Senate, and 2 Senators to be nominated by the Leader of the Opposition in the Senate or by any minority group or groups or independent Senator or independent Senators.

(3) That every nomination of a member of the committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(4) That the members of the committee hold office as a joint select committee until the House of Representatives is dissolved or expires by effluxion of time.

(5) That the committee elect a Government member as its chair.

(6) That the committee elect a non-Government member as its deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

(7) That, in the event of an equally divided vote, the chair, or the deputy chair when acting as chair, have a casting vote.

(8) That 3 members of the committee constitute a quorum of the committee provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(9) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(10) That the committee appoint the chair of each subcommittee who shall have a casting vote only and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(11) That 2 members of a subcommittee constitute the quorum of that subcommittee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(12) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(13) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(14) That the committee or any subcommittee may conduct proceedings at any place it sees fit.

(15) That the committee or any subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(16) That the committee may report from time to time but that it present its final report no later than 11 February 2011.

(17) That the provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

(18) That a message be sent to the Senate acquainting it of this resolution and requesting that it concur and take action accordingly.

Senator SHERRY (Tasmania—Assistant Treasurer) (11.51 am)—I move:

That the Senate concurs with the resolution of the House of Representatives relating to the appointment of the Joint Select Committee on Cyber-Safety.

Senator PARRY (Tasmania) (11.51 am)—I move an amendment to the resolution contained in message No. 523:

Omit paragraph (2), substitute:

(2) That the committee consist of 12 Members, 4 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition
Whip or Whips, and one Member from the Independent Members, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate, and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators.”

The amendment has been circulated in the chamber, and the whips were advised of it yesterday. In essence, the amendment goes to the composition of the senators on the committee. Under this resolution, the committee currently comprises 12 members. There are four government members from the House of Representatives, two opposition members from the House of Representatives and one independent member from the House of Representatives, totalling seven. The Senate has an allocation of three government senators, one opposition senator and/or one crossbench senator. I will read out the particular clause, clause 2. The tail end of that clause indicates:

… 2 senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and one Senator to be nominated by any minority group or groups or Independent Senator or Independent Senators.

So, in effect, that is restricting the coalition to one senator and giving the crossbenches one senator.

The composition of the Senate does not reflect that is how it should be represented. In essence, with this motion, the government get seven representatives, the opposition get three and the crossbenches of both houses get two. I will leave the House of Representatives issue to the House of Representatives. In relation to the Senate, if we have a look at a scale for senators in this place, the government would be allocated 2.11 senators, which would be rounded down to two; the coalition would be entitled to 2.43 senators, which would be rounded down to two—which is quite generous, but that is the way we have to do these figures when we have the numbers we have—the Greens would have 6.58 per cent, or 0.33 of a senator; and the crossbenches, Senator Fielding and Senator Xenophon, would have 0.13 of a senator, or 2.63 per cent.

In essence, we have always had the provision of two government, two opposition and one crossbench senator. The opposition has usually been disadvantaged, but we have been happy with that scenario. To have three government senators and two from the entire opposition and crossbenches, which actually represent the majority of this place, is incorrect. The amendment clearly addresses that issue of having two government, two opposition and one crossbench senator. I commend the amendment to the Senate.

Senator LUDLAM (Western Australia) (11.54 am)—I briefly indicate that the Greens will support the motion to establish the committee, or the message as it has come to us from the House. I strongly support the establishment of that committee; I think it is going to be able to do some very important work. I foreshadow that we will also support the coalition amendments, for the reasons that Senator Parry has just expressed to two decimal places—we did not go to the trouble of doing the numbers to quite that degree. In essence, it more accurately reflects the balance of the numbers in the Senate. I look forward to making a contribution to the work of the committee.

Question agreed to.

Original question, as amended, agreed to.
Debate resumed from 10 March, on motion by Senator Wong:

That this bill be now read a second time.

Senator BACK (Western Australia) (11.55 am)—I continue my discussion of the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009 in the true spirit of the capacity of this place to scrutinise legislation and of assisting the government in its endeavours. Last evening, I alluded to my concern about the absence of a business plan for the NBN Co.—a business that as proposed, if successful, would be of some $43 billion. In the spirit of assisting the government I was endeavouring to prepare for them such a business plan. I had got to the section in the business plan of cost-benefit analysis. Last night I used the words of the Minister for Finance and Deregulation, Mr Tanner—regarded as being one of the more sensible members of the cabinet—who said that a cost-benefit analysis is a complete and utter waste of time. I made the observation last evening that we cannot possibly judge or vote on this legislation until such time as we are in possession of a cost-benefit analysis.

I was somewhat ridiculed for that, but, when I looked into this further, I found that I am joined in that view by various luminaries. Treasury Secretary Ken Henry, on September 2009, said:

Government spending that does not pass an appropriately defined cost-benefit test necessarily detracts from Australia’s well-being.

So we have the Treasury Secretary confirming that we should be scrutinising this. I go further. International specialist in regulatory economics Henry Ergas, said at the same time:

Taxpayers deserve better.

This is hardly public policy as it should be. Nor is it structural reform. Rather, it is legislated blackmail. The legislation’s very vagueness makes this clear; what the government seeks is not a mandate for clearly defined change but an open-ended discretion to inflict massive costs, most immediately on Telstra and its shareholders.

Only last night we had the regrettable performance of Minister Tanner in the media, saying that the coalition is holding up the government’s business. Well, if the government had a business plan as part of its planning, we might not be in this position.

I go on in my business plan to the concept of competition. Anybody proposing a business would have a look at what was currently out there. As we have already heard in this discussion, there are some 175 carriers of communications services, 600 internet service providers, and three suppliers and providers of mobile services. What niche might the new NBN therefore obtain?

I ask: what is the imperative for this, given that it is already a very well supplied market? Those of us who use Skype, for example, know that we can communicate with up to four or five users around the world concurrently free of charge. So where is the imperative to commit the Australian taxpayer to $43 billion of expenditure? And as part of that process of competition I ask, particularly for an instrumentality that is government owned, as this one would be: where is the public benefit test in this whole NBN? We have already had established for rural and regional communities that that benefit is very, very limited. In the context of that public benefit I ask: what are the lost opportunities that would have come had we been able to expend those sums of money on other ac-
tivities or in fact to reduce debt or to not impose or incur that debt in the first place? I ask the question with regard to the public benefit: what are industry trends? What is industry doing? What is communications doing? We know that it is rushing to wireless communication. We know the uptake of wireless communication and telephony is very, very high. Satellite communication has always been there and is becoming more effective and more efficient. So in the 18-year or so life that it will take to roll out the NBN, should it be successful, where will communications be? I hesitate to say that it will be copper wired. It will be wireless. It will be satellite. So this will be a waste of money.

Again under that public benefit analysis I ask the question: who is affected in relation to this particular exercise? We already know there are 1.4 million people, Australians principally, who are shareholders in Telstra. How will they be affected? I will come to that in a moment. We know there are 30,000 workers within Telstra. We know there are nine million customers. All of these issues must be addressed, and they must be addressed by the government coming clean and giving us some indication of the information that they have. If they do not have it they should call a halt to this process until they get it, so that we can all enjoy it.

On the question of competition, we know that competition experts have joined us in criticising the government’s plan for Telstra to be disbanded the way it is and to be broken up and for the proposed National Broadband Network. One of the arguments that industry experts put is that it will result in yet another government owned monopoly generating very limited benefits. Who have made these points? None other than former ACCC chairman Allan Fels, who has said:

One must have a … real concern that the outcome of negotiations between Telstra and the government is that there will be a monopoly national broadband network, with Telstra and other major telco players all involved and with very little competition for anyone else.

He went on to say that ‘if the government was fully covered by the Trade Practices Act, its actions in refusing Telstra any new access to advanced broadband spectrum, which was needed for its future growth, would likely be an abuse of market power’. Allan Fels is saying the actions of the government would constitute an abuse of market power. It is a pure case of: do as I say but not as I do. I regard this, then, as an abuse of parliamentary process. Basically, we have a scenario in which people as independent as Allan Fels are expressing concern about the way to go.

What has the Australian Shareholders Association said? They have decried this proposal as lacking a ‘single positive aspect’ from shareholders’ perspective. ASA chief executive Stuart Wilson last year said:

I think it’s a giant kick in the teeth for Telstra shareholders. It severely damages the earnings potential of the company and there’s really not one good thing … to come out of the proposed legislation.

This is dangerous legislation if passed.

In the consideration of my hypothetical business plan to assist Minister Conroy I then underwent a SWOT—strengths, weaknesses, opportunities and threats—analysis. Not surprisingly, I could not find many strengths and I certainly could not find many opportunities, other than monopoly control of telecommunications. I asked myself the question: if the government considers Telstra to be a near monopoly and wants to break it up, where is the commercial or, in fact, the constitutional or the legal benefit in replacing it with another monopoly, on this occasion a government owned telecommunications monopoly? There just is simply no sense in the process. I found plenty of weaknesses and I found plenty to threats in the
SWOT analysis. I certainly recommend that the government go back and do a very simple one-page SWOT analysis, and I dare say they will find exactly what I have.

In this process of business planning I came to the next critically important area, and that is risk analysis, in which you ask yourself: what is the likelihood of something happening that could be detrimental to, in this case, the Australian community and, secondly, what would be the impact of the decision if it went ahead? As you would expect, most commentators would agree with me that it is high risk: the likelihood is high, the impact is high. I will quote from an internationally regarded telcoms analyst, Mark McDonnell, speaking last year at a conference in Sydney, who said the NBN’s $43 billion price tag:

... does not appear to have been based on any kind of detailed study ... specifically, there is no clarity around the underpinning assumptions or about the kind of network and industry arrangements implied.

He went on to query whether the putative $43 billion was ‘simply the construction and deployment costs’ or whether it did in fact also have ‘some allowance for start-up and operating losses’. His prediction was some $113 per month per customer if everybody was to actually sign up—in other words, 100 per cent penetration—but that that $113 would go up to $900 a month for customers if only 12 per cent participated in the process.

Only yesterday, Minister Conroy said to us in this place, ‘Your role is to scrutinise.’ How right he is. Our role is to scrutinise. He will not release an implementation plan only delivered to him last week and he cannot, surely, expect us to pass this legislation on that basis. (Time expired)

Senator MINCHIN (South Australia) (12.06 pm)—I rise to speak on the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009 in my capacity as the shadow handling the bill in the chamber and also as the former shadow minister for communications. The opposition will be opposing this bill. We do so for a whole range of reasons but principally it is because it is quite an extraordinary attack on a major publicly listed company by the Australian government. This is no ordinary company, as my colleague, Senator Back, said. This is a substantial Australian company, now publicly listed, with 1.4 million shareholders—I think the widest shareholding of any Australian company—30,000 employees and nine million customers.

This bill also has been quite obviously drafted in order to maximise the discretionary power of the minister. It hands largely unfettered discretionary powers to the ACCC to set upfront access terms and conditions as well as binding rules of conduct with absolutely no regard to procedural fairness or provision for merit review of decisions made.

Despite what the government has been saying, this bill, as it stands, has absolutely everything to do with the $43 billion NBN mark 2 proposal. This is a proposal recklessly committed to on the run without any business plan, as Senator Back has said, and absolutely no cost-benefit analysis whatsoever. The government’s first attempt at the NBN ended in complete humiliation for the government and the minister, and we then had the Auditor-General’s damning assessment of the RFP process. That was a process fatally flawed and doomed from the beginning. It wasted 18 months as well as $30 million taxpayers’ and bidders’ money. What we have seen here is a slow-motion train wreck from Senator Conroy in his handling of this policy area. For more than two years the telco sector, consumers and taxpayers
have had to endure this sorry saga of incompetence from this minister.

We have not had a single new broadband service delivered under the guise of an NBN since this minister came into office, now more than two years ago. We know the minister, apart from the bungling of this and the establishment of this extraordinary proposal for up to $43 billion of taxpayers’ money to be put at risk, is using it in a quite naked way to reward mates. The Mike Kaiser appointment, quite frankly, is a scandal. We have millions and millions of dollars of taxpayers’ money being spent on wages, consultants and the leasing of luxurious office space for a company set up by this government that has not earned any revenue at all and which has not delivered a single service to anyone. We await with great trepidation a future audit on the NBN mark 2 process. Despite Senator Conroy’s claims that the NBN can be built with or without Telstra, we all know that without Telstra, its customers and its network the NBN is dead in the water.

Part 1 of this extraordinary piece of legislation is nothing more than a mechanism to exert maximum pressure on Telstra to prop up the complete absence of any business case for NBN mark 2. It is nothing more than a legislative gun to the head of a major Australian company. Nobody is fooled that this bill is anything but directly and implicitly about the NBN. We have as evidence for that contention comments by David Forman of the Competitive Carriers’ Coalition. He told the Senate inquiry into this bill:

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

Stockbrokers Maple-Brown Abbott, described the bill as follows:

...a high risk strategy to deliver the NBN. That is exactly what it is.

The Minister for Infrastructure, Transport, Regional Development and Local Government, Mr Albanese, in the House gave the game away when he introduced the bill last year and outlined one of the government’s dubious options for Telstra. He said:

Telstra progressively migrating its fixed-line traffic to the NBN over an agreed period and under set regulatory arrangements and for it to sell or cease to use its fixed-line assets

It is utterly naked in its intent.

While the minister is engaged in a charade claiming the bill is all about improving the lot of consumers, in truth, if passed in its current form, consumers could well be worse off. In the supposed interest of consumers, Senator Conroy told us last year that this bill had to be passed through the parliament by the end of 2009 even though these measures for consumers do not come into effect until July of this year. The urgency of the bill was such that the minister chose to go to Egypt for a week during a sitting week last November when we could have dealt with the bill. The government failed to bring this bill on in the final two sitting weeks of last year, having been preoccupied with their CPRS. So we are not going to take any lectures about the urgency of dealing with this bill for the sake of consumers because of the nonsense that has come from this government. Despite this reality, the minister has been going to great pains to claim that the opposition is responsible for this delay, which, of course, is also a nonsense.

The coalition has consistently said that the government should be engaged in proper commercial negotiations with Telstra, free from this sort of legislative gun to the head. But we have not seen the outcome of those negotiations. Telstra thinks that we still have potentially months to go. On 2 March, Telstra advised its shareholders and the ASX:

Telstra’s position on this Bill has not changed.
We have always said this legislation is likely to destroy shareholder value and makes an agreement with NBN Co and the government harder to achieve.

Why on earth is this government intent on proceeding with the legislation now? We do maintain that major structural change to the telecommunications sector, as contemplated in this bill, should not be considered until the government releases and formally responds to its taxpayer funded $25 million implementation study into the NBN. We are all expecting that this will answer a lot of the questions about the NBN. The minister has consistently referred to the NBN at every opportunity to dodge scrutiny about his proposal. He uses the implementation study to avoid questions on everything to do with the NBN. When I asked him last May a whole series of questions about the NBN, the minister said, ‘The implementation study is examining most of these issues’. We were told that we would get this NBN study in February. It is now the middle of March and we are yet to see it. But we should not be considering this legislation until we get that study and the government’s response.

We are not opposed to sensible reform. We have made that clear and we are happy to consider sensible proposals put before us. The government, if it was sincere, would have put forward the parts of this bill which relate to the existing telecoms’ access regime and consumer measures separately from the evil encased in part 1 of this bill.

The government’s inconsistency here is extraordinary. We have now had the government saying that the NBN Co., which we were told would only ever be a wholesale company, now may well consider offering retail services. That of course has alarmed the rest of the industry, which thought only Telstra would be the victims of this creation. If these provisions were used, as respected business commentator Stephen Bartholomeusz said:

NBN Co’s monopoly, once the network is built, would be even stronger than Telstra’s.

So we think that what is on hand here is the potential for the re-creation of a government monopoly business.

The bill before us inserts a new part 33 in the Telecommunications Act which provides for Telstra to structurally separate. But, if Telstra does not voluntarily submit to the ACCC an enforceable undertaking to structurally separate, the bill then requires the functional separation of the company. In an update to shareholders on 2 March, Telstra maintained:

- functional separation could cost Telstra $1 billion—
  that is $1 billion that shareholders would have to pay—
and take five years to implement, damaging customer service and providing no real benefits to consumers.

The bill allows the minister to prevent Telstra from acquiring specific bands of spectrum for advanced wireless broadband service unless it structurally separates and divests itself of its hybrid fibre coaxial cable network and its interests in Foxtel. The bill contains amendments to increase the powers of the ACCC and to make changes to the USO, customer service guarantee and priority assistance arrangements. To sell the government’s case for breaking up Telstra, the government is relying largely on the lobbying efforts of Telstra’s competitors, who of course have a vested interest in breaking up a major competitor. But it is nakedly the government relying on their service in this matter.

But there is a fiction here. The fact is that the telecommunications market, which the coalition opened up to competition, is now much more competitive. The Labor Party are...
living in the past when they talk about the current state of the market. This is what the ACCC said about the state of competition in this sector, as recently as November 2007, when the Rudd government first came to office:

Since the introduction of the telecommunications-specific provisions in 1997 the industry has developed substantially. Consumers have benefited through improvements in service quality, the introduction of new services, an expansion in service coverage, and the reduction of prices. ACIL Tasman recently estimated that the Australian economy was around $15.2 billion larger than it would have been had the 1997 reforms—brought in by the Howard government—and other subsequent developments not occurred. A key reason for this has been the 31 per cent reduction in the price of telecommunications services since 1997-98.

Recent developments demonstrate that competition policy is continuing to produce significant consumer benefits.

That was the ACCC’s description of the telecommunications market in 2007, when we left office. A more recent review of the telecommunications landscape suggests there continues to be strong competition within the sector. The ACMA telecoms report most recently shows we have 175 licensed carriers, 391 fixed voice service providers, 638 ISPs, six mobile networks and four HFC cable networks. There are an extraordinary range of services available to consumers now.

While this debate focuses on the supposed continued market dominance by Telstra, revenue growth trends show Telstra now being outstripped by its major competitors. Last year Telstra lost 30,000 broadband customers in that reporting period, fixed line revenues are down seven per cent and revenue is down 2½ per cent. This extraordinary attack on Telstra by the government is such that the share price has been so depressed that yesterday the Financial Review revealed that Optus is now the biggest telecommunications company in Australia by market capitalisation. And this attack is led by a minister who had the audacity to say in 2006, in reference to our government:

…the childish and unedifying public warfare the government is pursuing against the Telstra board and management will serve only to undermine investor confidence in the company.

Well, here he is doing exactly what he falsely accused us of doing back in 2006.

I want to look at Labor’s apparent position, which is its ‘clear desire for Telstra to structurally separate’. This is a massive policy backflip on the part of the Labor Party. Their telecommunications policy platform of 2007 stated:

Labor supports fair, third-party access arrangements for communications infrastructure. Labor will ensure that Telstra’s wholesale and retail functions are clearly distinct within—

I repeat, ‘within’—

the company.

There is no suggestion at all of separation. As recently as last May, during Senate estimates, I asked Senator Conroy directly about his position on structural separation, and he said in reply:

I am not advocating it. I have never advocated it.

Minister Tanner said in a 2002 paper, when he was the shadow minister, I think:

Any sensible discussion of Telstra’s future must consider the possibility of full structural separation, although this idea may not be viable as its time may have passed.

So, even eight years ago, Minister Tanner was honest enough to admit this was something that might no longer be worthy of consideration. In 2005, he said:

Certainly, we are strong believers in a genuine internal separation of Telstra between wholesale and retail, so we can have fair-dinkum, level-playing-field …
This is a policy for which the government has no mandate whatsoever. In fact, it said to Telstra shareholders at the 2007 election that it would not be seeking the formal structural separation of the company.

This really goes to a major issue, the future of privatisations in this country. Who is going to buy shares in a government privatisation—and the government says it is going to privatise NBN Co.—if Mr Rudd and his minister use this sort of legislation to break up Telstra and destroy shareholder value in the way contemplated here? Those who did buy Telstra shares in good faith, in T1, T2 and T3, have every right to feel utterly betrayed by this government, which did not say before the last election that it would seek to break up their company. The message is: buy shares in government privatisations under the Labor Party at your peril. The government’s attack on Telstra also puts at risk years and years of hard work by previous governments to convince the international investment community that Australia is a safe, secure and reliable place to invest. In its submission to the Senate committee inquiry, the Australian Shareholders Association said:

International investors in particular will consider Australia to have a much higher level of sovereign risk if this Bill is passed and the Government allowed to impose its will on a private company.

Australia’s largest listed investment company, AFIC, said:

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.

Our government sensibly got out of the telecommunications business, allowing competition to drive the sort of investment and innovation that government owned utilities simply do not. Telstra’s scale and capacity as a national, vertically integrated incumbent enables it to make the margins necessary to support the provision of services in the many uneconomic areas of rural and regional Australia which would not receive the services otherwise. It is a reality conveniently ignored by the government, which is making sweeping and unsubstantiated claims that structurally separating Telstra will somehow result in a new wave of investment in rural and regional Australia.

Frankly, you only have to look at the low level of investment by Telstra’s competitors in fixed line services in rural, regional and remote areas to see the nonsense of the government’s claims. As of March last year just 537 of Telstra’s 5,300 telephone exchanges across Australia contained broadband equipment owned by Telstra’s competitors. These 537 exchanges cover some 13.2 million people, or 67 per cent of the population. The rest, while the exchanges are all open to the competitors, do not have any competitors’ equipment in them. The ones that do are located in the major cities and towns because that is where the access seekers can generate a commercial return on the investment. In the other 4,700 exchanges, while Telstra does not deny access to its competitors and there is no technical barrier to the investment, none of its competitors have installed equipment there. So there is no evidence whatsoever that the structural, or indeed the functional, separation of Telstra or any of the other provisions in this bill will result in a sudden surge of new infrastructure investment and affordable service provision—no evidence whatsoever.

In relation to functional separation, the government holds up British Telecom as a successful model. But that process, which commenced nearly five years ago and is yet to be fully finalised, resulted in significant consumer disruption and has produced no significant enhancement in service provision in rural areas. In fact the UK government is
said to be considering the introduction of a broadband levy to fund the enhancements in rural and other underserved parts of Britain as a result of what they have done. So structural or even functional separation of Telstra would take years to fully implement and would be very disruptive to the Australian telecommunications market and all the customers that Telstra has.

The government has produced this legislation clearly and obviously as a mechanism for forcing Telstra to the table. The government knows that this extraordinary proposition to spend up to $43 billion of taxpayers’ money to cover the disaster of the failed implementation of its first NBN policy can only succeed if the government effectively gets a hold of Telstra’s customer base, its access network, to make the NBN viable. This is an outrageous attack on a major Australian company. It is not owned by the government anymore, but by 1.4 million Australian shareholders. They are disgusted by the actions of this government, which is behaving almost like some Third World government that comes in and expropriates property of the shareholders of a company with no mandate whatsoever. I accept that it would be different if the government had gone to the last election and said, ‘Our policy will be to force the break-up of Telstra into two separate companies, wholesale and retail.’ At no stage was there any such warning to the Australian people or the shareholders of this great company. The government’s actions are a disgrace. The Senate should reject this bill completely.

Senator BOSWELL (Queensland) (12.26 pm)—We are debating the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009, which provides for Telstra to structurally separate. After listening to Senator Minchin, we could be forgiven for thinking that we were in the previous East Germany, where people just went in and took other people’s property.

The amendments we are debating today are all about forcing Telstra to prop up the government’s friendless $43 billion NBN mark II proposal. The government is trying to legislatively bully a publicly listed company, a company with 1.4 million shareholders, around 30,000 employees, and 9 million customers. The bill seeks to prevent Telstra from acquiring of specific bands of spectrum which could be used for advanced wireless broadband services unless it structurally separates and divests its hybrid fibre coaxial cable network and its interest in Foxtel.

If this publicly listed company refuses to comply with the minister, the bill then provides for a functional separation of the company on terms defined by the minister. This is the same minister who said that NBN services would be rolled out before the end of 2008. This is the same minister who wasted 18 months and $30 million running a tender process that had no prospect of producing an outcome. This is the same minister who committed to a $43 billion NBN project made with no business plan and who refused to do a cost-benefit analysis despite the calls from the Productivity Commission and the Business Council of Australia for a cost-benefit analysis of the government’s massive spending proposal. And it is the same minister who committed to a $43 billion NBN project made with no business plan and who refused to do a cost-benefit analysis despite the calls from the Productivity Commission and the Business Council of Australia for a cost-benefit analysis of the government’s massive spending proposal. And it is the same minister who committed to a $43 billion NBN project made with no business plan and who refused to do a cost-benefit analysis despite the calls from the Productivity Commission and the Business Council of Australia for a cost-benefit analysis of the government’s massive spending proposal. And it is the same minister who committed to a $43 billion NBN project made with no business plan and who refused to do a cost-benefit analysis despite the calls from the Productivity Commission and the Business Council of Australia for a cost-benefit analysis of the government’s massive spending proposal.

In May last year, during Senate estimates, Senator Conroy was asked about his position on structural separation. He replied:

I am not advocating it. I have never advocated it.

We are debating the minister’s bill here today which goes to structural separation. There is
separation happening here all right: separation between the minister and good policy. While the minister heavies Telstra shareholders, to have his way with their fixed line customers, consumers are moving to wireless services in droves, which further undermines the business case for a fixed line NBN to 90 per cent of the population.

Labor made a huge mistake in cancelling the coalition’s rural and regional broadband network project, OPEL, which would have seen new services delivered this year to around 900,000 underserviced premises. The coalition was set to invest $958 million in that project, with the private sector contributing a further $1 billion. That would have included the rollout of 15,000 kilometres of new open access fibre-optic backhaul into rural and regional areas. That plan, the OPEL plan, would have been completed by the end of last year.

Senator Conroy is directly responsible for nothing happening, and he is very good at that. The coalition in government required the accounting and operational separation of Telstra, but the coalition has never supported the calls for a structural separation of the company. The structure of the company is a matter for the company and its shareholders. What would happen if the government decided to structurally separate a major financial institution or a mining company? There would be uproar in the stock exchange.

Who is going to be the next to shake hands with ‘the dead hand of socialism’? I understand that expression was a senior minister’s solution last year to make Telstra behave over the plan for a superfast national broadband network. The senior minister said, according to Lenore Taylor:

The dead hand of socialism is always open to us …

That is the hand we are being dealt in the Senate today. Labor also wants to end the horizontal separation of the company by forcing the company to divest its HFC cable network and its interests in Foxtel—unless, of course, the minister determines otherwise.

I read yesterday that some unions were outsourcing their membership recruitment. Perhaps Senator Conroy should follow their lead and outsource some of his ministerial responsibilities. The outcome could only be better than what we have in front of us today. Not concerned with the splitting of a listed company down the middle and then slicing it sideways, Senator Conroy is also trying to prevent Telstra from acquiring specific bands of spectrum which could be used for advanced wireless broadband services. Denying Telstra future advanced spectrum will mean that there is no upgrade path. Given that Telstra has the largest network in the country, this is likely to have the greatest impact on rural and regional customers. The government is taking this extra punitive action despite the ACCC’s advice that no specific legislation changes are required to address the competition concerns in relation to the allocation of spectrum.

If Telstra is negotiating with the government in good faith, why is the parliament being asked to set a course in legislation that may be rendered redundant once the negotiations have concluded? The bill before us asks the parliament to give wide powers to the minister and the ACCC over the existing operation of the telecommunications network. This may fundamentally change as a result of the decision taken in response to the NBN implementation study. The cart is before the horse, and both the cart and the horse are going nowhere fast.

The lack of consistency in government policy must be making investors tear their hair out at the threat to sovereign risk. If only they could have believed Senator Conroy when he said about Telstra in 2007:
It’s a private company. Structural separation is more a matter for the board of Telstra, the shareholders of Telstra and the management of Telstra. If only investors could have believed the minister on April Fools’ Day 2008, when he was reported as saying, on structural separation:

I often get asked why we don’t just do it. It’s because Telstra is a private company. It isn’t a government-owned company any more.

In May 2009 he told an estimates committee:

I have certainly never advocated structural separation …

Yet here today in the Senate we are debating legislation for the structural separation of Telstra. How can we believe anything the minister says? Telstra was sold as a fully integrated telecommunications company. While the prospectus identified that there were regulatory risks attached to the purchase of shares, none of these extended as far as warning about potential horizontal separation, the divestiture of Foxtel and the HFC network, nor that Telstra would be excluded from future spectrum allocation. The move to deprive Telstra of access to additional spectrum in the Next Generation mobile broadband service unless it structurally separates and toes the government line has not been subject to appropriate policy considerations, particularly its impact on the mobile sector and customers in regional and rural areas.

A healthy Telstra is important to this country for so many reasons, not least because it invests far more capital than its share of revenue would suggest. That means that the other companies are not investing but are happy to take the revenue. While Telstra generated around 57 per cent of industry revenue, it accounted for 71 per cent of industry capital employed in the financial year 2008-09, including all consolidated business. Over the five years to June 2009, Telstra invested more than $23 billion of capital. That is 70 per cent of the total industry investment—significantly higher than Telstra’s 62 per cent share of the industry revenues over that period.

Because of Telstra’s scale and capacity as a national vertically integrated incumbent, it can support the provision of services in many uneconomic areas of rural and regional Australia where other providers choose not to go or invest. If Telstra is restricted from providing these services, who is going to provide them? The government will have to pay—and do not hold your breath waiting for a Labor government to invest in rural and regional infrastructure in Australia. The Rudd government has already abolished the $2.4 billion Communications Fund established by the coalition for a telecommunications upgrade in rural and regional Australia. That was straight-out theft, and Telstra’s NextG mobile network provided by far the broadest geographical coverage of any network. Starving Telstra of spectrum will mean rural and regional Australia will be deprived of faster and higher capacity services.

Once again, rural and regional Australia are being asked to pay the price of Labor’s incompetence on telecommunications, and its wilful neglect. Even the unions are unhappy. The national president of the Communications Electrical and Plumbing Union said: ‘We’re pretty concerned about what this might do for the jobs and conditions of the tens of thousands of people we represent in Telstra. If Telstra’s revenue streams are impacted, there will be pressure on jobs and conditions.’ He is right about that.

Telstra is also home to the investments of many Australian super funds—and woe betide any government that acts to devalue their future. The editor of the Sydney Morning Herald said on 8 October 2009: ‘In fact, all Australians have a stake in Telstra’s fu-
ture, thanks to the investments made by their superannuation funds or the government’s substantial holding of shares in the Future Fund. The structural separation of Telstra is against the interests of all Australians. I urge the Senate to reject this legislation.

Senator RONALDSON (Victoria) (12.39 pm)—The coalition acknowledges the need for regulatory reform and to examine all avenues to ensure that we have a competitive and thriving telecommunications sector. That is on the public record. What we are not prepared to tolerate is the Australian Labor Party and the Rudd Labor government blackmailing a good, honest Australian company that has 1.4 million shareholders. We are not prepared to let the Rudd Labor government blackmail this Australian company with a dramatic outcome for mum and dad investors who bought shares in good faith and have held their shares on the back of undertakings given by the Australian Labor Party in the run up to and after the 2007 election. These people have held their shares on the back of undertakings given and on the back of any policy announcements to the contrary which would have put their shareholding at any risk.

Indeed, if you want to see the impact of this policy and the outcome of the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009 on those mum and dad shareholders you need look no further than the Australian stock market over the last two days in relation to Telstra shares. Those shares are up 7 or 8c today on big turnover on the back of the potential for this legislation to be defeated. The market has made it quite clear that it views this legislation as being bad for Telstra shareholders and it has responded to the possibility of this bill being defeated by raising Telstra’s share price. This is further evidence that those small Telstra shareholders who bought in good faith, who main-
tained their shares in good faith, are being screwed by a bill that they have not had any input into. They are being screwed by a government that did not tell them either before, during or after the 2007 election that it would insist on this regulatory approach. What we have seen in the last two days is a very clear indication that this ill-thought-out policy, for which the government does not have a mandate, is only going to have the outcome of destroying shareholder value.

I invite honourable senators to read the speech of the Leader of the Opposition in the Senate, Senator Minchin, which details substantially the history of this matter and the commentary on it. I urge senators—Labor, coalition, Independent and Green—to read Senator Minchin’s speech and see what the history is, see what has been said in the past and see what people have been told to rely on when making decisions about whether to invest or retain their shareholding in this company. We are not talking in this case about large institutional investors who have the benefit of history and the benefit of volume.

Debate interrupted.
supervise trading on Australian domestic financial markets. The government announced these changes in August 2009, but both sides of parliament have had similar intentions for some time. Under these bills, ASIC will consolidate the current individual supervisory responsibilities by imposing market integrity rules on each market operator. ASIC will also seek to recover the costs of supervision from market operators, who will recover the fees from brokers in a manner similar to the way the ASX currently funds the enforcement of its rules. The principle is that for reasons of equity and efficiency the cost of financial regulation should be borne by those who benefit from it.

This legislation directly impacts the ASX, which is by far the largest market operator in Australia. It is important to note that the industry recognises that the ASX has performed well as a regulator. Nonetheless, the perception of a conflict of interest remains, and it is a particular concern for foreign investors. Moreover, under the current system, there are barriers to foreign market operators from operating in Australia. The current regulatory arrangements allow the situation where the market operator’s competitors would be supervised by the ASX. Because of this situation, the government has not granted an Australian operating licence to a market competitor at this point in time.

Removing barriers to entry will promote competition and encourage best practice between market operators. Allowing foreign investors to enter a more competitive Australian financial market is an important step towards improving Australia’s standing as a global financial centre. The financial services sector is already an important part of the Australian economy, accounting for 7.5 per cent of Australia’s GDP and employing over 390,000 people. Improving the sector’s performance and opportunities on a global scale should be a goal, and I am sure it is, for both sides of parliament. But increasing competition is not an end in itself. The Johnson report, entitled *Australia as a financial centre: building on our strengths*, demonstrates that Australia has scope to expand its financial sector. But to do so we need to increase its efficiency and its innovation. By providing brokers a choice between markets, this bill will generate incentives for financial market operators to innovate and become more competitive.

Notwithstanding these benefits, the ASX did raise some concerns about the legislation which have largely been addressed by Treasury. There is the issue of whether foreign markets should be subject to ASIC’s market integrity rules. The current regulations provide that an overseas market can only be granted an operating licence where the minister is satisfied that the regulatory regime in the foreign jurisdiction is sufficiently equivalent to Australia’s. Whilst we can debate which kind of oversight in Australia will provide the most competitive market, it is not the legislation’s intention to consider the issue.

The legislation also provides ASIC with additional enforcement powers, so as to align its powers broadly with those currently held by the ASX. These include the power to require a person breaching the rules to make a payment or commit to an undertaking as an alternative to civil proceedings. ASIC have had some high-profile failures in the courts recently and the merits of ASIC pursuing each case are being questioned by some. During Senate estimates, ASIC Commissioner Tony D’Aloisio indicated that ASIC took the public interest and deterrence aspects into account when deciding to pursue cases of this nature. These provisions will reduce the amount of litigation in the courts.

Finally, some have questioned whether ASIC is not becoming too stretched to han-
dle market regulation as well. ASIC’s responsibilities have grown under the current government, often in response to the government’s interference in the market. An example of this is the bank deposit guarantee. In this case, ASIC has been forced to administer withdrawals from mortgage trust accounts on hardship provisions, after mortgage trusts froze redemptions because of the guarantee-initiated mass withdrawals from investment funds into deposit accounts. The work of ASIC is far too important for it to be shouldered with the additional task of being required to mop up the unintended consequences of Labor government policies. Too often ASIC has been required to get involved in policy matters rather than using its resources for its core responsibility of administering regulation. ASIC already has market powers to investigate misconduct such as insider trading, and they are the logical choice to assume supervisory responsibilities. Through committee oversight and estimates hearings, parliament will have a role to ensure that ASIC is discharging its responsibilities effectively.

How ASIC deals with the stakeholders in the industry is essential to the effective and efficient enforcement of the rules. The majority of industry stakeholders say they already have a good relationship with ASIC. The industry is urging parliament to pass this bill to provide certainty and confidence to the sector. The coalition supports the measures. They will improve competition in the financial sector and free the ASX from its perceived conflict of interest. The opposition supports these bills.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (12.52 pm)—I thank Senator Fifield for indicating the opposition’s support and for outlining the effects of the Corporations Amendment (Financial Market Supervision) Bill 2010 and Corporations (Fees) Amendment Bill 2010. I will not reiterate all the intent of the bills.

The bills give effect to a government decision to transfer the responsibility for the supervision of Australia’s domestic licensed financial markets from market operators to ASIC. The reforms set out in the bills will change the way financial markets in Australia are supervised. These changes will further enhance the integrity of Australia’s financial markets and will contribute to the goal of making Australia a financial hub. It is important that the supervision of Australia’s financial markets is transparent and independent. It is also important that any actual or perceived conflicts of interests be avoided. Consequently, it is far more appropriate for an agency of the government to perform this important function. The decision to transfer responsibility for supervision of Australia’s financial markets to ASIC is a significant one—I acknowledge that—but it is one that will stand the operation of Australia’s financial markets in good stead into the future. By removing the requirements for the markets to supervise themselves, these bills also meet Australia’s G20 commitment to protect the integrity of financial markets by avoiding conflicts of interest. This reform is also in line with moves towards centralised or independent regulation in other leading jurisdictions.

I agree with Senator Fifield that ASIC is very well placed to take on the role of whole-of-market supervisor and has been fully resourced to perform this role. ASIC’s role as whole-of-market supervisor will enhance the stability and integrity of the market and, in addition, the bills provide ASIC with a wide range of enforcement options that will enable ASIC to respond swiftly to emerging market situations. Supervision by ASIC will consolidate the current individual supervisor responsibilities into one entity by streamlin-
ing supervision and enforcement and by pro-
viding unified supervision of trading on the
market. As Senator Fifield so rightly said,
industry is seeking support for this legisla-
tion from the opposition and is seeking the
certainty that this legislation provides. I
commend the bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading

Bills passed through their remaining
stages without amendment or debate.

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

Second Reading

Debate resumed from 22 February, on mo-
tion by Senator Carr:

That this bill be now read a second time.

Senator FIFIELD (Victoria)—Deputy
Manager of Opposition Business in the Sen-
ate (12.55 pm)—I rise to speak on the Tax
Laws Amendment (2009 Measures No. 6)
Bill 2009 which the coalition is supporting.
Principally, this bill seeks to amend various
aspects of tax law relating to the removal of
the capital gains tax trust cloning exception
and the introduction of limited fixed trust
rollover, loss relief for merging superannua-
tion funds, rules relating to income derived
from exempt annuity businesses of life in-
surance companies—try saying that three
times quickly—updates to the list of de-
ductible gift recipients, income tax exemp-
tion for the income recovery subsidy pay-
ments made to eligible recipients affected by
the north-western Queensland floods and
excise on spirits used for industrial purposes.

Schedule 1 of this bill refers to the aboli-
tion of the exception known as trust cloning
to capital gains tax events E1 and E2 and
replaces it with a limited CGT rollover. CGT
event E1 is when a trust is created over a
CGT asset and CGT event E2 is when a CGT
asset is transferred into an existing trust. Mr
Acting Deputy President Forshaw, I will be
checking afterwards if you can recite that
without reading it.

The ACTING DEPUTY PRESIDENT
(Senator Forshaw)—I hope you will not be
asking for a committee stage.

Senator FIFIELD—The current law con-
tains a CGT exception for assets that are
transferred from one trust to another where
the beneficiaries and terms of the trust are
the same. This is known as trust cloning. One
of the great joys of non-controversial legisla-
tion, Mr Acting Deputy President, is that you
are always learning something new. I was
previously completely oblivious to the con-
cept of trust cloning. I do not know how I got
by without having that knowledge, but I feel
the better for it at this time. I do not have a
lot of personal experience with trusts. I know
there are many opposite who have far greater
experience of trusts of one kind or another
than I do, so this may have greater personal
meaning for them. If that is the case, I hope
this is of interest and assistance to them.

This bill will remove the CGT trust clon-
ing exception to CGT events E1 and E2.
However, the schedule will introduce a lim-
ited CGT rollover provision for the transfer
of assets with the same beneficiaries and
same interests in each trust. It does not re-
move the other exception to CGT events E1
and E2 for taxpayers who are the sole bene-
ciciary of a trust that is not a unit trust and
are absolutely entitled to the asset. Under
these amendments changing a trustee of a
single trust will continue to not trigger a
CGT liability. I note that the Treasury has
undertaken an extensive consultation on the
removal of the exception and it appears there
is general agreement that the original provi-
sions were too broad, which opened the
prospect of some avoidance of CGT.
The other main section of this bill, schedule 2, seeks to remove income tax impediments to mergers between superannuation funds by allowing the rollover of capital losses and the transfer of revenue losses. Generally, when superannuation funds merge, the assets of one fund are transferred to another. If the transferring fund has a capital loss, then the loss would not be able to be transferred. This was creating a situation where the merged entity would not be able to use the losses to offset against future capital gains. This measure was originally announced as a short-term measure with an expiry date of 1 July 2010 but has now been extended to 30 June 2011. Many in the industry would perhaps like this to be extended again, but the government has decided to stick to the sunset clause because it wants to review this measure after it has considered the findings of the Henry review. How much of the public policy consideration of this nation is currently awaiting the findings of the Henry review.

Through the consultation process and during a Senate inquiry the superannuation industry has been broadly supportive of this measure. However, we on this side of the chamber are concerned that we do not know whether this measure will continue or not and that we will only find out when the government stops dragging its feet on its response to the Henry review. We on this side of the chamber believe that could act as a disincentive for any mergers that superannuation companies might be considering. I might make a prediction. I could well be wrong—and, indeed, I hope I am wrong—but the Henry review will probably not see the light of day until the budget is delivered. We may well get a release of the Henry review and the government’s response to it at that time. If that were to be the case, that would be quite a cynical approach on the part of the government to try and bury that document and its response in the context of the budget. I am sure that the government would not want to do that with something which was to be a root-and-branch reform of the tax system. I do hope that I am proved wrong and the government is not that cynical.

The third schedule in this bill is intended to clarify the rules relating to income derived from exempt annuity businesses of life insurance companies. An annuity business is a business that supports life insurance policies that are payable. As the life insurance policy holder is liable for income tax on the annuity they receive, the life insurance company is exempt from income tax to prevent double taxation. The schedule seeks to ensure the intended operation of the original provisions and also updates the language of the tax law to reflect the significant reforms made to the superannuation regime by the former coalition government.

Schedule 4 of this bill is one which I think we are all fairly familiar with. It updates the deductible gift recipient list to include two new entities—two very happy and grateful new entities, I am sure—and to reflect the name change of an entity already on the list. The two new entities are the United States Studies Centre, which I am sure we are all very well aware of, at the University of Sydney. The second new entity is one which I was not previously familiar with—the Green Institute Ltd. I am a naturally curious person, so when I read something about an organisation of which I was previously unfamiliar I do what most of us do and google it. So I googled the Green Institute and found that it is an organisation which undertakes what you would call green advocacy and green activism and also some green workshops. There are some interesting titles for the green workshops undertaken by the Green Institute, which I am sure that Senator Bushby would find particularly interesting given his
interest in economics. One of the workshops available through the Green Institute is called ‘Prosperity without growth’. I think they must have discovered a new economic theory that allows you to have prosperity without growth. That would certainly be an interesting one to attend. Another of the workshops is called ‘Gender, climate and the green new deal’. You never know quite where you are going to uncover gender aspects in public policy, but clearly there is a gender aspect to climate and the new green deal.

Mr Acting Deputy President, I do not know how you would take to this but the next workshop is called ‘How to eat your way to an equitable, cool and ecologically appropriate society’. I am not sure if they mean cool as in the concept of being funky or cool as in a globe with a lower temperature, but that is another interesting one. The next workshop, which DGR status will be helping to support, is entitled ‘Inclusiveness now! Practical ways to reach working class voters’. It goes on to explain:

With climate disaster on our doorstep, can we afford to keep green politics trapped in a middle-class inner-city terrarium?

I should actually have checked what a terrarium is. I failed to do that, so I cannot—

Senator O’Brien—It’s like a fish tank.

Senator FIFIELD—A fish tank. A middle-class inner city fish tank.

Senator Stephens—For plants.

Senator FIFIELD—For plants, thank you.

The ACTING DEPUTY PRESIDENT—Thank you, Senators; I am indebted to you for that information. I draw your attention to the legislation, Senator Fifield.

Senator FIFIELD—That is great, we have learnt something here today. When we are looking at DGR status it is helpful to look at the nature of the activities that that status is supporting. I make the serious point that a lot of extremely worthy organisations seek DGR status. It is not always an easy thing to get and from time to time you do have to ask yourself why some deserving organisations do not get DGR status and others, over which perhaps there is a question mark, do. I thought that was interesting to note, Mr Acting Deputy President.

Schedule 5 provides an income tax exemption for the income recovery subsidy payments made to eligible recipients affected by the north-western Queensland floods. The income recovery subsidy is available to those who suffered a loss of income directly caused by the north-western Queensland floods of January and February 2009 and, I am sure, we would all spare a thought for those in Queensland who have been subject to the more recent floods. I know Senator Joyce is in Queensland at the moment rendering assistance in those areas.

Schedule 6 provides an income tax exemption for the income recovery subsidy payments made to eligible recipients affected by the north-western Queensland floods—as I have mentioned. This is intended to clarify the excise treatment of high-strength neutral spirit. I note that this schedule deals with pure ethanol and does not deal with ethanol used for beverages or consumption. Schedule 6 also covers that aspect. Currently, high-strength neutral spirits that are used for industrial, manufacturing, scientific, medical, veterinary or educational purposes are free from excise duty when they are manufactured domestically. However, the same spirit attracts an excise when it is imported. The current practice is for importers to blend imported spirit with domestically produced spirit. The blended spirit is then treated in the same manner as domestic spirit under the concessional spirits regime, and this is the same excise treatment applied to other fuels.
The existing tax law does not have a provision deeming the blending of spirit as constituting domestic manufacture; however, the law does have provisions that relate to other fuels. This schedule brings the excise treatment of high-strength neutral spirit in line with other fuels by clarifying the law to ensure the intended operation of the law and allowing that the current industry practice can continue with greater certainty.

I acknowledge that the government has undertaken extensive consultation throughout the development of this bill and that there is broad support for these changes. The opposition will be supporting the bill.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (1.09 pm)—Thank you, Senator Fifield, for your comments and your support for the Tax Laws Amendment (2009 Measures No. 6) Bill 2009. As Senator Fifield will discover, we spend a lot of time in this chamber dealing with tax laws amendment bills, usually with a number of schedules, all of which reflect the complexity of our current tax framework. That is a reason why the Henry review is so important and should not be rushed. Senator Fifield has gone through each of the schedules and made a few observations about them. I want to touch on them quite specifically because it is quite important to understand the intent of the changes that are contained in the schedules.

Schedule 1, as he suggested, abolishes the exemption to capital gains tax events E1 and E2, known in the industry as ‘trust-cloning’ exemption, which is quite consistent with the policy principle of taxing capital gains that arise where there is a change of ownership of an asset. This schedule also provides a limited capital gains tax rollover for the transfer of assets between fixed trusts with the same beneficiaries, each of which has the same interests in each trust. This will ensure that capital gains tax considerations are not an undue impediment to the restructure of those trusts but will ensure that the subsequent changes to manner and extent to which beneficiaries can benefit from the trusts are also subject to appropriate tax consequences.

Schedule 2 amends the tax law to remove significant income tax impediments to mergers between complying superannuation funds by permitting the eligible entities to roll over capital losses and revenue losses under the merger and to transfer previously realised capital losses and revenue losses. This will preserve the offsetting value of the losses, thereby removing a potential barrier to superannuation fund consolidation. The loss relief will be available for complying superannuation funds that merge with another complying superannuation fund with five or more mergers, which will assist in maintaining a robust and safe superannuation sector. This is a temporary measure in the light of uncertain conditions in the global economy and the global financial market turmoil that existed around the time the measure was introduced. It has a limited period of application, from 24 December 2008 until 30 June 2011. There is no evidence or indication that any delay in releasing the Henry review will have any impact on merger plans between superannuation funds.

In relation to concerns regarding the operation of the provisions in respect of directly held assets, I can confirm that the amendments permit merging superannuation funds to access loss relief for losses in respect of directly held assets where the fund also holds assets that are a complying superannuation first home saver account, life insurance policy or units in a pooled superannuation trust. The government certainly appreciates the contributions of industry stake-
holders and the Senate committee in developing those provisions.

Schedule 3 amends the Income Tax Assessment Act 1997 to clarify the operation of the income tax law for life insurance companies that conduct immediate annuity business. Life insurance companies are exempt from tax on income derived in respect of immediate annuity policies that satisfy the annuity conditions. These conditions are designed to prevent the unreasonable deferral of income, so the amendments clarify the operation of the annuity conditions and ensure that they are consistent with the former annuity conditions in the 1936 tax act. Immediate annuity policies offered by life insurance companies often provide for superannuation income streams and the amendments will ensure that the annuity conditions do not apply to policies that provide superannuation income streams. As a consequence, life insurance companies will be taxed on this business in the same way as all other superannuation income stream providers.

I would like to focus a little more comment on Schedule 4, which amends the Income Tax Assessment Act 1997 to make certain organisations deductible gift recipients. Taxpayers can claim an income tax deduction for gifts to organisations that are registered as deductible gift recipients. This schedule, as Senator Fifield said, makes the Green Institute and the United States Studies Centre deductible gift recipients and changes the name of one organisation currently listed from Dymocks Literacy Foundation Ltd to Dymocks Children’s Charities Ltd. Making these organisations deductible gift recipients will assist them in attracting public support for their activities.

Senator Fifield might have enjoyed a moment of glory in commenting on the work of the Green Institute, but organisations who apply to the government for specific listing as a DGR are subject to a rigorous assessment process prior to receiving ministerial approval. There is a longstanding practice of research organisations associated with major political parties being listed in the tax law as DGRs. Under this convention the Menzies Research Institute, which is the research arm of the Liberal Party of Australia; the Chifley Research Centre, which belongs to the ALP; the Page Research Centre, which is the research organisation of the National Party; and the Don Chip Foundation have been listed as DGRs. The Green Institute is in fact a think tank associated with the Australian Greens, and it is equitable to list that institution alongside the other party affiliated research organisations. The institute will provide a forum for education exchange, research and debate on subjects related to its founding principles of environment, social justice, nonviolence and democracy.

Schedule 5 makes the income recovery subsidy payments for the north-west Queensland floods of January and February 2009 income tax exempt. Those payments were made to people affected by the floods early last year, including Australian resident employees, small business persons and farmers who experienced loss of income as a result of the floods and who received those payments. The government is certainly pleased to be able to remove any potential tax burden from the recipients, consistent with the others who have received disaster payments in the same spirit.

Schedule 6 maintains the status quo for importing high-strength spirits. Senator Fifield gave us chapter and verse on why all of that was so important. It ensures that when imported product is blended with domestically produced high-strength spirits the blends will remain free of duty. I commend this important bill to the Senate.
Thursday, 11 March 2010

Question agreed to.
Bill read a second time.

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

TAX LAWS AMENDMENT (2009 GST ADMINISTRATION MEASURES) BILL 2009

Second Reading
Debate resumed from 24 February, on motion by Senator Wong:

That this bill be now read a second time.

Senator FIFIELD (Victoria)—Deputy Manager of Opposition Business in the Senate (1.18 pm)—I rise to speak on the Tax Laws Amendment (2009 GST Administration Measures) Bill 2009. This bill seeks to implement a number of recommendations made by the Board of Taxation in its recent review of GST administration. The intention is to reduce GST administration costs and to streamline and remove anomalies in the GST administration framework.

There are six schedules relating to this bill, which I will briefly touch on. Before I do, it was with a real sense of nostalgia that I saw this particular piece of legislation listed. I got a little bit misty-eyed thinking back to my days in the former Treasurer’s office, working on the new tax system and the GST—and I also got a bit nostalgic for the old member for Griffith and the way he used to be. I reached back for that fantastic speech by the member for Griffith of 30 June 1999. I know it is a favourite of those opposite as well, because they warmly embrace every contribution the member for Griffith has made in the parliament. Of course I am referring to the speech where the member for Griffith said:

When the history of this parliament, this nation and this century is written, 30 June 1999 will be recorded as a day of fundamental injustice—an injustice which is real, an injustice which is not simply conjured up by the fleeting rhetoric of politicians. It will be recorded as the day when the social compact that has governed this nation for the last 100 years was torn up. It will be recorded as the day when the nation’s taxation system moved from progressivity to regressivity. It will be recorded as the day when the parliament of the country said to the poor of the country that they could all go and take a running jump. And it will be recorded as the day which marked the beginning of the end of tied grants to the states—grants which have underpinned much of the social development of the nation over the last quarter century. The national tragedy is this: so much of what is being done here today is not able to be undone or, if so, not for a long time.

That, of course, was the member for Griffith talking about legislation to introduce a goods and services tax.

Senator Brandis—Who said this rubbish?

Senator FIFIELD—The member for Griffith, Senator Brandis. There was one other absolute gem in the speech, which I want to share with you! It was the member for Griffith referring to the then Treasurer. He said that he is:

… almost like a personality permanently in search of sincerity …

‘Almost like a personality permanently in search of sincerity’. There are three words which came to mind when I read that: ‘pot’, ‘kettle’ and ‘black’. But that is just a historical aside.

The purpose of non-controversial legislation, discussed at this particular time in the diary of the Senate each week, is to facilitate legislation easily and quickly and without controversy. But I do not think it is controversial to try to put things into historical perspective. I think that is something that all senators enjoy and appreciate, because we have a much greater sense of history in this place than they do in the other place.
Mr Acting Deputy President, you will recall the concept of rollback. It was once the Australian Labor Party’s policy to roll back the GST. I have a terrific document here which was a good summary of this policy—not produced by the government but by those on this side of the chamber. It was the Labor Party’s position that the GST was so reprehensible—as put so eloquently by the member for Griffith, Kevin Rudd—that it had to be rolled back. It was such a fundamental injustice. I can imagine the member for Griffith and many of those opposite being devastated when the Australian Labor Party abandoned the policy of rollback and when the Labor Party said that the GST had to be kept. Given that Fundamental Injustice Day was 10 years ago, I can only imagine how the member for Griffith felt when he became the leader of the Australian Labor Party. His first thought would have been: ‘Terrific! I am now the Labor leader. I can bring back the policy of rollback, I can become Prime Minister and I can abolish the GST. I can do that which I really vowed to do on Fundamental Injustice Day: get rid of this evil GST.’ I am sure that was the first thought of the member for Griffith when he became Labor leader, and then when he was elected as Prime Minister he would have thought, ‘Great, I can do this.’

The member for Griffith did return to the policy of rollback, but it was not a policy to roll back the levying of the GST; it was a policy to roll back—or probably ‘pull back’ would be a better term—the GST revenues from the states and to redirect them elsewhere. Far from being opposed to the GST, the member for Griffith is now the greatest supporter and fan of the GST, because he is looking to GST revenues to fund one of his fundamental commitments. It is interesting to see how he has changed over time. The words he used to describe the former Treasurer ‘almost like a personality permanently in search of sincerity’ applies a little more to the member for Griffith these days. Mr Acting Deputy President, you might accuse me of slightly digressing, and I know you are desperate to hear what is in the six schedules relating to this bill—

The ACTING DEPUTY PRESIDENT—Senator Fifield, don’t plead guilty before you have been charged, but I ask you to focus on the bill. Let us get through the debate.

Senator FIFIELD—Your wish is my command. You are champing at the bit to know what is in the six schedules of the bill, so this is what is in them. Schedule 1 seeks to amend the A New Tax System (Goods and Services Tax) Act 1999, the Fuel Tax Act 2006 and the Taxation Administration Act 1953 so that input tax credits and fuel tax credits must be claimed within a four-year period. However, it does provide exceptions to the four-year restriction so that, where GST may be borne after four years, taxpayers can potentially claim associated input tax credits.

Schedule 2 seeks to extend the Tourist Refund Scheme to allow residents of Australian external territories, such as Norfolk Island and Christmas Island, to claim refunds of GST or GST and wine equalisation tax for goods separately exported to the external territories. Schedule 3 implements recommendation 40 of the board’s report by allowing intermediaries that facilitate transactions but are not common-law agents to be able to use the simplified accounting provisions of the GST Act. These procedures include the ability to issue tax invoices and adjustment notes in their own names. These new arrangements will include other intermediaries, such as billing agents and paying agents.

Schedule 4 seeks to clarify how the GST law applies to gambling operators making GST-free supplies, including where the operators accept wagers from entities outside
Schedule 5 clarifies the law to specify that overpaid refunds are due and payable from the date of overpayment. The last schedule, schedule 6, addresses anomalous outcomes that may arise as a result of the interaction between various GST provisions in relation to supplies between associates for no consideration.

This side of the chamber is delighted that the government warmly embraces the GST and sees the need to maintain that part of the Australian tax base, and the coalition is very happy to support this legislation.

Senator Barnett (Tasmania) (1.27 pm)—I stand in accordance with Senator Fifield in supporting the Tax Laws Amendment (2009 GST Administration Measures) Bill 2009 and note the Labor Party’s support for the GST despite their protestations and accusations that it is such an evil and detrimental initiative for our country. I also note that two days ago the Prime Minister announced in Tasmania and repeated his plan to rip off the states of some 30 per cent of their GST revenue to use it for what he describes as a takeover of the funding of public hospitals in this country. The GST is critical, obviously, because it is a growth tax and has been very beneficial to the expenditures of the states and state governments, particularly in Tasmania. The Report on GST revenue sharing relativities—2010 review notes that, compared with 2009-10, Tasmania’s share of the GST revenue remained constant at 3.7 per cent. The report goes on to say that the growth in the GST revenue available has led to a $91 million increase in the state’s assessed GST. That is a benefit to Tasmania.

But what I am concerned about is the waste, mismanagement and maladministration of that funding by the state Labor government in Tasmania. I notice a ‘spendometer’ has been released today by the independent TCCI. It is regarded by all political parties as the most accurate gauge of election spending commitments because the parties themselves supply the data. As the election gets closer, it seems to me, and I think to the public, that Labor is throwing around more and more money in its desperate bid to cling to power. I note that the spendometer, as at 10 March, says that the Labor Party plans to spend $443.8 million, a whopping amount of money—$218.8 million for recurrent funding and $225 million for capital funding. The Greens, on the other hand, have an even larger amount, $608.1 million, which is a very significant amount of money. Of that, $524 million is for recurrent funding and $84 million for capital funding. The Liberals obviously have a more conservative $306 million—$211.2 million for recurrent funding and $94.8 million for capital funding. That proves that you have one party demonstrating fiscal discipline in Tasmania at the moment. It also proves that if there were to be a Green-Labor accord in Tasmania, together they would be committing Tasmania to spend over $1 billion. That is scary—very scary indeed.

Senator Humphries—Hear, hear!

Senator Barnett—What it would do in Tasmania, Senator Humphries and others, is make sure that we would end up being a basket case in terms of the economy. The debt and deficit in Tasmania would be too huge to overcome. We also know that Labor has entertained the possibility of working with the Greens. What we can say, and what I am saying here on the public record, is that a vote for the Greens is a vote for Labor. There is only one party demonstrating fiscal discipline and that is the Liberal Party led by Will Hodgman.

I have copies of the spendometer with me today. They are colour copies and very easy to see. I am happy to make a copy available to anybody who wishes to look at it. I want
to applaud Peter Gutwein, the shadow Treasurer of Tasmania, for his tremendous advocacy of the importance of spending wisely, not wasting taxpayers’ money. He has called on Premier Bartlett to make it very clear whether he would cut funding and sell assets.

Senator Stephens—Mr Acting Deputy President Ryan, I rise on a point of order on the issue of relevance. We are trying to get through non-controversial legislation in the time allocated, and I do not think that Senator Barnett’s comments go to the issue of the GST administration measures that are part of this bill.

The ACTING DEPUTY PRESIDENT (Senator Ryan)—Senator Barnett, I remind you of the bill at hand and its wide-ranging nature, but specifically addressing the GST.

Senator Barnett—Mr Acting Deputy President, I was actually just making some concluding remarks and I will be relevant as best I can to the bill. I appreciate the comments of Senator Stephens with regard to the importance of relevance. The GST is a very important tax which is relied on by all state and territory governments around this country. It is a growth tax, and the question is: what will Labor do with that money in Tasmania, in particular now that the Prime Minister has made his announcement in respect of the takeover of public hospitals? Some people have referred to that—and I did in this place—as a ‘hospital hoax’.

In conclusion, I want to highlight the important advocacy of Peter Gutwein, the shadow Treasurer in Tasmania. He has asked the question: which assets does the state Labor government plan to sell to ensure that they fund the massive $443.8 million commitment that they have made during this election campaign? They seem to be on a spendathon—spend, spend, spend—and the waste and mismanagement is a clear concern to Tasmanian taxpayers whether they are using GST revenues or their own tax revenues. That is definitely relevant to the legislation before us, and it is a good question. Peter Gutwein has put that question and I hope that the Tasmanian Premier tries to answer it. But what is very clear is that only one party supports fiscal discipline in Tasmania—that is, the Will Hodgman Liberal Party. That is on the record, and in terms of real change it can be delivered on 20 March when Tasmanians will have the opportunity to make a choice.

I commend the bill. I note the importance of it and I stand with the coalition in supporting it.

Senator Stephens (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (1.34 pm)—Can I thank Senator Fifield for indicating support and remind him that, while he might have talked about the member for Griffith and his opposition to the GST in 1999, of course we also had the previous member for Bennelong, who said there would never, ever be a GST. So let us not just revisit history.

However, can I take the issues that are in front of us in the measures in this bill to reduce GST compliance costs to streamline GST administration and remove the anomalies. Senator Fifield has worked through each of the schedules that are in the amendments. I just want to make the point that the measures take effect from the date of royal assent. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.
BUSINESS

Rearrangement

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (1.36 pm)—I move:

That intervening business be postponed till after consideration of the government business order of the day relating to the Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010.

Question agreed to.

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

Second Reading

Debate resumed from 10 March, on motion by Senator Stephens:

That this bill be now read a second time.

Senator FIFIELD (Victoria)—Deputy Manager of Opposition Business in the Senate (1.37 pm)—I rise to speak on the Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010. The coalition will be supporting this bill, which seeks to implement some of the recommendations made by the Board of Taxation in its recent review of GST administration. This bill deals with two schedules. The first is to implement recommendation 6 of the board’s report to entitle taxpayers to a decreasing adjustment for third party payments. The second deals with rules that attribute input tax credits to specific periods.

Specifically, the first schedule seeks to ensure the correct amount of GST is paid to the Australian tax office by taxpayers who provide third party payments to end customers by taking into account the third party payments. In other words, where an entity makes a payment to a third party consumer, both entities will be able to apply adjustments to reflect the actual amount received and paid.

The second schedule implements recommendation 10 of the board’s report. Specifically, it seeks to clarify the law regarding the attribution of input tax credits for tax purposes.

As I indicated when Senator Forshaw was in the chair, while we all respect the fact that this period in the diary of the Senate is an opportunity to facilitate the passage of non-controversial legislation speedily and without controversy, it is also a time to take a look at legislation in a historical perspective. I thank Senator Stephens for taking part in that endeavour in the debate on the previous piece of legislation. But, I must respond to Senator Stephens saying that the former member for Bennelong once said ‘never, ever’ in relation to introducing a GST. He did, however, take that to an election, which he subsequently won. That is very different indeed from the Labor Party having said that they would roll back the GST only to get into government and fail to do that—I know the member for Griffith is, on occasion, a disappointment to those opposite.

But in closing: I was watching Q and A the other night and Mr Burke was on—Mr Burke who hails from Senator Stephens’s home state, of which he is a former party president. I must say, I think he is a bit of a dark horse in terms of future leadership prospects for a Labor government. I know everyone talks of Julia Gillard, but I think Mr Burke could be coming up behind.

Senator Brandis—The ghost of the DLP lives on, on both sides.

Senator FIFIELD—Indeed. He was quite impressive. I acknowledge I am digressing. I indicate that the opposition will be supporting this bill.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (1.40 pm)—I thank Sena-
tor Fifield for that contribution. It is very important to acknowledge that schedule 1 of the Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010 contains amendments which address concerns which were raised in many submissions to the Board of Taxation review of the legal framework for the administration of the goods and services tax. Those submissions expressed concern that the adjustment provisions failed to reflect the commercial reality of transactions by not considering related payments to third parties that effectively alter the consideration provided for the supply. These amendments ensure that adjustments are required in situations in which monetary consideration is paid by an entity in the supply chain to a third party, and this effectively alters the consideration paid. As a result, the GST outcome will reflect the true economic outcome of these transactions. An example of this could be where a manufacturer paid a discount to the purchaser direct without going through the retailer.

The amendments in schedule 2 remove any doubt that input tax credits may always be claimed in the current tax period. Allowing claims in the current period allows taxpayers to avoid the higher compliance cost associated with amending returns for the prior periods. This measure gives effect to the recommendation of the Board of Taxation review of GST administration and the measure will apply from 1 July this year. These two measures are part of our busy legislative program of delivering 41 of the 46 recommendations that the government accepted from the Board of Taxation review. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

CRIMES LEGISLATION AMENDMENT (TORTURE PROHIBITION AND DEATH PENALTY ABOLITION) BILL 2009

Second Reading

Debate resumed from 24 February, on motion by Senator Wong:

That this bill be now read a second time.

Senator BRANDIS (Queensland) (1.43 pm)—The opposition supports the Crimes Legislation Amendment (Torture Prohibition and Death Penalty Abolition) Bill 2009. It has been the unequivocal position of the Liberal Party throughout Australia to oppose the death penalty and to condemn the use of torture in all circumstances wherever it occurs. I know that my friend Senator Humphries is going to say a few words later in this debate, and I want to take the opportunity to acknowledge his work, in particular in relation to this issue, as the co-convenor of the cross-party working group on the death penalty, and the work of other Liberal senators and members on this important issue.

Sadly, the use of torture and the death penalty remain prevalent throughout the world, including in some of Australia’s major trading partners. While we oppose the continued use of those measures, we must remain clear-eyed about the gothic history of the Western legal tradition and indeed the existence of legalised brutality in our own history. The death penalty was only abolished at the Commonwealth level in 1973, and in New South Wales in 1985. Whipping was only removed from the Queensland criminal code in the early 1990s, although that particular form of corporal punishment had not been inflicted in the state of Queensland since the early 20th century.

The provisions of the bill are founded on the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, and the Second
Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty. Schedule 1 of the bill replaces the existing offence of torture in the Crimes (Torture) Act 1988 with a new offence in the Criminal Code, but in substantially the same terms. The definition of torture is: a public official, or someone acting at a public official’s behest, engaging in conduct that inflicts severe physical or mental pain or suffering on the victim for the purpose of punishing, intimidating or coercing the victim or a third person. The definition is derived from the UN convention and, as I have said, is essentially in the same terms as the existing law which, hitherto, has been located in the 1988 act. The UN convention requires that all acts of torture are offences under domestic criminal law, including the application of states’ jurisdiction to acts occurring anywhere in the world. The change effected by this bill is to create the extraterritorial offence applicable beyond acts committed in Australia or by persons subsequently present in Australia. The offence is intended to operate concurrently with state and territory offences.

Schedule 2 of the bill extends the application of the existing prohibition on the death penalty to state laws in addition to the Commonwealth, territory and imperial laws to which the Death Penalty Abolition Act 1973 already applies. Accordingly, the death penalty will not be able to be reintroduced anywhere in Australia without the concurrence of the Commonwealth—which, I am sure, will not occur. There are some who have said that this is a matter that ought to be left to the jurisdiction of the states and territories but, in the opposition’s view—given the importance of maintaining a strong face against the death penalty, and the international character of this issue reflected in the obligation assumed by Australia—this is an appropriate measure for the Commonwealth to legislate in relation to, albeit that the form of the provision is somewhat unusual. And of course it is hardly necessary to add that it is many years since any of the states or territories had the death penalty, so there will be no practical or substantive change to any state or territory law.

Given that torture and the death penalty are already prohibited, the effect of the bill is therefore, in this respect, largely symbolic. In relation to the extension of the torture offence, the explanatory memorandum states:

In enacting such an offence, the intention is to demonstrate the Government’s condemnation of torture in all circumstances.

It is not merely the government’s condemnation of torture and the death penalty—it is the parliament’s condemnation of torture and the death penalty, speaking in bipartisan fashion on behalf of all the people of Australia.

Senator HUMPHRIES (Australian Capital Territory) (1.48 pm)—I am very pleased to follow the remarks of Senator Brandis and indicate my strong support for the Crimes Legislation Amendment (Torture Prohibition and Death Penalty Abolition) Bill 2009, particularly insofar as it applies to the permanent abolition in Australia of the use of the death penalty within our criminal justice system. As Senator Brandis mentioned, I have been involved in the cross-party working group on the death penalty for some time, together with other co-convenors—and I recognise the member for Werriwa, Senator Hanson-Young and the late Peter Andren among those who have served in that role. There has been a strong desire on the part of the cross-party working group to ensure that, on a permanent basis—or as permanent as can be made possible under Australian law—the use of the death penalty was brought to an end.
Of course, the legislation concerned reflects practice among Australian jurisdictions now and for at least four decades. Not since the execution of Ronald Ryan in 1967 has the death penalty been applied in Australian law, although it is worth noting that the death penalty has been used throughout Australia’s history. The first use of the death penalty occurred only a few days after the First Fleet arrived in Sydney in 1788. But it is to me a matter of great satisfaction that today the federal parliament, on behalf of all Australian jurisdictions, is in a position to close the door finally—and, I think, irrevocably—on this particular, rather dreary, aspect of the Australian criminal justice system. Eschewing the use of the death penalty is the hallmark of a civilised society, and it behoves Australia—in its embracing of international conventions and its activity and role in a number of international fora where human rights are particularly placed on the agenda—to make, with this step today, the important, symbolic move of ending the use of the death penalty in our law.

The cross-party working group to which Senator Brandis referred had, for some time, lobbied not just the federal government but state and territory governments to deal with this issue by way of a referral of the power over the death penalty in each jurisdiction to the Commonwealth, under a provision of the federal Constitution, so that it was possible for the Commonwealth, by consensus, to legislate on behalf of all jurisdictions and end the use of the death penalty so that no backsliding might occur on that issue. That particular device proved to be very difficult to organise and it is, I think, logical that the Commonwealth should now come forward with this legislation, which relies on the external affairs power, to ensure that we are able to take this important and historic step.

It is a matter of record that Australia has, as I said, long eschewed the use of the death penalty in practice. But it is also, sadly, the case that there are calls from time to time within the Australian community for that power to be restored. It needs to be noted, I think, that we live in a less secure society. We live in a society in which terrorism is a very real threat. It would be, in my opinion at least, a very sad thing were Australia to react to that less secure society by attempting to restore this very vicious element of our previous criminal justice system by returning to the use of the death penalty, and I am very pleased that today, unanimously, this parliament takes the step of saying: ‘We will not take that option, at this point or at any time in the future.’

Parliaments around the world have been working towards the objective of eliminating the use of the death penalty. A disturbing number of nations still retain that power—not just developing nations but also some quite important developed nations—although it is true to say that the overwhelming majority of leading nations around the world no longer use the death penalty. I think it is important for Australia to say that this issue has been put behind us and that we have settled the issue very firmly and very clearly with the passage of this legislation.

We have long had a history in this country of being able to take part in international agreements. In this case, it is the second optional protocol to the International Covenant on Civil and Political Rights. As an early adherent to that process, it was entirely appropriate that Australia firmly, clearly and unequivocally honour its obligations under that agreement by ending the use of the death penalty with this legislation. I also note with pleasure that this legislation ensures that the use of torture under Australian law at any level, by any government is also to be brought to an end. It was not practised in Australia under the law, but nonetheless it is
very important to be able to officially declare these practices to be beyond the pale.

I commend the government for taking this step. I also note, with some pleasure, that in discussions yesterday between the Prime Minister and the President of Indonesia the question of the application of the death penalty to Australians on death row in Bali was raised. I am very pleased that our relationship with Indonesia is robust enough for these sensitive issues to be put on the table and dealt with at the same time. I sincerely hope that those discussions will lead to the consideration, at least, by the Indonesians of waiving the application of the death penalty in the case of those individuals. The crimes concerned are heinous, and in every case where society has sought in the past to apply the death penalty it is true to say that the crimes concerned have been heinous, but it is also true to say that, because our criminal justice system is administered by human beings—who are fallible—and because the temptation exists to make mistakes, the consequences for our society are very serious indeed.

I forget which jurist it was who said that it is better for 10 guilty men to go free than for one innocent man to be punished, but the occurrence of a single innocent person being subject to the extreme form of punishment of the death penalty has no reversal and we as a society need to not allow that to happen by making sure that we permanently end the use of the death penalty.

I am strongly supportive of this legislation and I commend the government for bringing it forward. I think it is an appropriate circumstance in which to use the external affairs power of the Commonwealth, and I hope that this closes a very long and sad chapter in Australian history once and for all.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research)
NBN is going to be your downfall because you cannot deliver it—and your political life is just going down the gurgler, my friend, slowly but very surely. The fact that the Telstra share price went up by 7c today is clear evidence that the market believes this bill is bad for shareholders. If mum and dad investors had had the opportunity to make a decision about whether they would or would not remain Telstra shareholders, that would have been an entirely different debate. What you have done to them is to put in place legislation that did not come before this parliament beforehand and was not part of your election promises. Indeed, everything Senator Conroy said is contrary to what has been done in this legislation. This is utterly deceitful. The government’s behaviour in this matter has been deceitful. You are using Telstra but, more importantly, you are using 1.4 million shareholders, mum and dad investors, in a public company—

Debate interrupted.

QUESTIONS WITHOUT NOTICE
Home Insulation Program
Senator BIRMINGHAM (2.00 pm)—My question is to the Minister for Climate Change, Energy Efficiency and Water, Senator Wong. When will all 50,300 homes fitted with foil insulation under the Home Insulation Program have that insulation removed or safety electrical switches installed? When will the first removal or safety switch installation occur and when will the last removal or safety switch installation be completed?

Senator WONG—It might not surprise the Senate to know that I do not have the date of the last removal on an inspection process which is being commenced. What I can refer senators to is the very extensive ministerial statement given by Minister Combet yesterday, which was very upfront about the significant issues associated with this program. He outlined a number of commitments. They include a commitment to remove foil insulation or, alternatively, to install safety switches in over 50,000 homes. This, of course, is as a result of advice received subsequently—

Senator Brandis—Shame nobody thought about that before.

Senator WONG—Thank you, Senator Brandis, for that interjection. It might be useful if you got across the facts before interjecting. If Senator Brandis had taken the opportunity to read yesterday’s ministerial statement, he would be aware that that advice was not available to Minister Garrett and has been received only recently. The second commitment the government has made is to do a safety inspection in a minimum of 150,000 homes. This is, of course, in addition to—

Senator Birmingham—Mr President, I rise on a point of order on the matter of relevance. The minister has consistently referred to Minister Combet’s ministerial statement of yesterday as if it somehow contains the information on time lines that the minister was asked about. That statement does not contain fixed time lines or firm time lines. Minister Wong should know that. That was the point of the question. Could the minister be drawn to the point of the question—the time lines for these installations or removals.

The PRESIDENT—There is no point of order. I believe the minister is answering the question.

Senator Wong—The minister has also indicated a commitment, as I said, that the government would undertake inspections of 150,000 homes in addition to the action taken in relation to foil insulation and he has made a number of comments in relation to more inspections. If the senator is not aware, at page 10 of the ministerial statement, Minister Combet goes on to indicate that he is
working with the department on the development of the inspection program—

Senator Abetz—When is the first removal?

Senator WONG—If I could perhaps finish—(Time expired)

Senator BIRMINGHAM—Mr President, I ask a supplementary question. If we cannot get time lines, let us try costs. What is the total cost of these inspections, removals or installations? What funding has been allocated to fix the disasters which have plagued this program and will householders who have foil insulation removed be offered replacement insulation?

Senator WONG—As I said, in relation to the installations, I would remind the senator that the minister indicated what the numbers would be but he also indicated very openly to the Australian people, through the parliament, that we are developing the inspection program as a matter of the highest priority. In relation to costs, the Treasurer has made clear today publicly that this will be a matter considered in the budget. The government has been upfront about that. We recognise that there will be very significant—

Opposition senators interjecting—

The PRESIDENT—Order! Ignore the interjections. They are disorderly. Address your comments to the chair.

Senator WONG—It is extraordinary to hear the Liberal Party talking about back of envelope calculations. What were the calculations on the great big new tax? Would someone like to remind me of that? You cannot even work out whether it is $5 million in income or $5 million in profit.

Opposition senators interjecting—

The PRESIDENT—Order! Come back to the question, Senator Wong.

Senator WONG—As I said, the Treasurer made clear today publicly that we recognise there will be significant costs associated with this issue. Those costs will be worked through and will be dealt with as part of the budget process. (Time expired)

Senator BIRMINGHAM—Mr President, I ask a further supplementary question. If the government is unable to tell us when this work will start, when it will be completed or how much it will cost, how can the 50,300 homeowners whose homes have been fitted with foil insulation or the 1.1 million homeowners who participated in this program have any confidence in Rudd Labor to fix this debacle?

Senator WONG—The minister has made clear our intentions in relation to this program. I also refer the senator to the minister’s statement yesterday, in which he stated that the Australian government will fund foil removal or safety switch installation. We have been clear. This is in relation to your first supplementary question, Senator Birmingham. If you had read the minister’s statement provided to the parliament yesterday, you would have had the answers to the questions you are asking.

Paid Parental Leave

Senator POLLEY (2.07 pm)—My question is to the Assistant Treasurer, Senator Sherry. Can the Assistant Treasurer outline to the Senate the Rudd government’s commitment on taxation? How does this commitment on taxation affect the Rudd government’s paid parental leave plan? How does this responsible and budgeted paid parental—

Opposition senators interjecting—

The PRESIDENT—Order! That is disorderly.

Honourable senators interjecting—

The PRESIDENT—Order, on both sides! The time for debating the issue is post question time.
Senator POLLEY—Can the Assistant Treasurer outline to the Senate the Rudd government’s commitment on taxation? How does this commitment on taxation affect the Rudd government’s paid parental leave plan? How does this responsible and budgeted paid parental leave plan compare with the alternatives? How would any of those alternatives impact on the economy, families and businesses? (Time expired)

Senator SHERRY—As has been said on many occasions, the Rudd Labor government remain committed to keeping taxation as a share of gross domestic product below the level we inherited, on average—that is, 23.6 per cent of gross domestic product in 2007-08. That is the level the Liberal-National Party left us and that is the level we have committed to keep taxation below. Of course, we saw earlier this week an announcement by the opposition leader, Mr Abbott, to introduce a big new tax to fund his parental leave proposal. The Rudd Labor government have decided not to go down the road of a big new tax to support our parental leave proposal. We have adopted the recommendations of the Productivity Commission. The Productivity Commission made three key recommendations. It certainly did not recommend a big new tax. I can assure the Liberal-National Party of that. It recommended there be a payment of 18 weeks duration financed by the government on behalf of the broader community, not a big new tax, and that in most cases employers would make the payment. It is fully costed, fully funded and fiscally and economically responsible.

On the other hand, Mr Abbott swore black and blue eight years ago that there would be a paid parental leave scheme ‘over his dead body’. That was his commitment eight years ago. He has been swearing black and blue since he became Leader of the Opposition, at the end of last year, that there would be no new taxes and no increases in existing taxes. Barely a day has gone by when Mr Abbott has not said there would be no new taxes and no increases in existing taxes.

Senator Brandis—What about the super surcharge?

Senator SHERRY—I am glad you reminded me of the super surcharge. There was some confusion in the opposition as to whether or not it was a tax. Is it a tax? (Time expired)

Senator POLLEY—Mr President, I ask a supplementary question. How is the government supporting businesses through taxation policy to help them recover from the global recession, to assist the Australian economy to grow and to keep Australians in jobs?

Senator SHERRY—The last thing any sector of business in the Australian economy needs is a big new tax during this period of recovery.

Opposition senators—A big new tax!

The PRESIDENT—Order!

Honourable senators interjecting—

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

Honourable senators interjecting—

The PRESIDENT—Order! On both sides I need silence.

Senator SHERRY—There was apparently no consultation by Mr Abbott with his colleagues about this big new tax. In fact, there was considerable confusion about whether or not it was a tax.

Honourable senators interjecting—

The PRESIDENT—Order, on both sides! There is a time for debating this question at the end of question time.

Senator SHERRY—I have to give credit to Senator Joyce. He was asked, ‘Is it a new tax?’ He said: ‘Um, ah, er, ah, yes. It is a new tax. It’s a tax.’ However, when Dr Stone in
the other place was asked whether it was worth breaking a promise about a tax, she said: ‘Well, we don’t call it a tax. We call it an investment in human capital.’ That is the latest name for a new tax. We should be thankful that Dr Stone did not call it a surcharge. Surcharge, tax, investment in human capital—there is total confusion on the other side, understandably, about whether or not it is a tax. (Time expired)

Senator POLLEY—Mr President, I ask a further supplementary question. Can the Assistant Treasurer give an assurance that the government’s paid parental scheme will not mean a tax hike for businesses? Can the same be said for the alternative schemes?

Senator SHERRY—I was just reflecting on some of the confusion in the opposition after Mr Abbott’s lack of consultation about whether it was a tax, a levy or a surcharge. It makes me wish for the days of Rod Kemp. It really does. Tax, levy, surcharge—the memory ticks over. I wish the opposition could get it right. Is it a tax or not?

What we do not need this time with the economy recovering is a big new tax. The Labor government has put forward a responsible parental leave plan. Those opposite did nothing on parental leave for almost 12 years. Mr Abbott said that there would be a parental leave scheme over his dead body; there would be no new taxes, no increase in existing taxes. Of course, this week, he announces a big new tax to fund his parental leave scheme. This new tax is actually $11 billion over the forward estimates. (Time expired)

Home Insulation Program

Senator RYAN (2.15 pm)—My question is to the Minister for Climate Change, Energy Efficiency and Water and the Minister representing the Minister for Environment Protection, Heritage and the Arts, Senator Wong. How many tonnes or square metres of foil insulation will need to be removed from the 50,300 homes it was fitted to under the bungled Home Insulation Program?

Senator WONG—This is a serious issue. We do take it seriously. I have just been asked a question which is asking me to estimate the meterage in 50,000 homes. Unsurprisingly, we do not have that estimate. What we have is a commitment from the minister and the government that, in all of those homes, the government will fund the removal of the foil insulation or the installation of safety switches. We are doing so because safety is of the highest priority, because we have received advice and because we are working assiduously to rectify the issues associated with this program.

I appreciate that the opposition wants to make a range of points about this issue. Minister Combet has given an extensive statement to the House, outlining quite clearly the problems associated with the home insulation scheme and outlining the measures the government has taken and will take to remedy those. This is a very substantial program and, therefore, these sorts of rectification measures will take some time to roll out, but the government remains committed to doing so. The commitment in relation to foil is clear: the installation of safety switches or the removal of foil, and the government will fund same.

Senator RYAN—Mr President, I ask a supplementary question. I suppose, given the nature of the program, I should not be surprised at the lack of an answer. Will the government ensure this foil is recycled, or will it simply go to landfill?

Senator WONG—As I have previously indicated, the minister has stated that he is working on the development of the inspection program as a matter of the highest priority, and that is in relation to the 150,000 of non-foil installation. He has also outlined
some issues associated with the removal of foil insulation, and those issues are outlined in his ministerial statements. So, as soon as I have further information on the detail of the program for removal of the foil insulation and/or the installation of safety switches, I will obviously ensure this is provided to the Senate.

Senator RYAN—Mr President, I ask a further supplementary question. Given that the average size of a home is 200 square metres, isn’t it true that there could be up to 10 million square metres of foil insulation destined for landfill as a result of this debacle? Does the minister know, or will her department release, the carbon footprint of 10 million square metres of foil insulation? And, given that, how can this program even remotely be considered an environmental success?

Senator WONG—It is unfortunate that a senator from a party which has done nothing other than block action on climate change through its opposition to the Carbon Pollution Reduction Scheme would attempt to use an issue such as carbon footprint to try and get some political mileage in this Senate. This is a serious issue. This government is taking it seriously. We are putting in place resources to rectify what is a significant problem—

Honourable senators interjecting—

The PRESIDENT—Order! I cannot hear the answer because of the interjections. The interjections are disorderly on both sides.

Senator WONG—As I said, it is unfortunate that the senator, who is part of why this chamber has voted against action on climate change so consistently, should seek to use an issue of carbon footprint, because, let us remember, if you want to talk about carbon footprint, it is the coalition or particularly those who currently run the coalition, who are people who do not believe that climate change is real, who are increasing Australia’s carbon footprint. In relation to foil, I have made it clear, as has Minister Combet through the ministerial statements which have been tabled in this parliament, what the government’s intention is. (Time expired)

**Tasmanian Regional Forest Agreement**

Senator MILNE (2.20 pm)—My question is to Minister Sherry representing the Minister for Agriculture, Forestry and Fisheries. Has the Rudd government had any talks with, or given any undertakings to, Tasmanian Premier David Bartlett or any member of the Labor government in Tasmania about immediately renegotiating the Tasmanian Regional Forest Agreement to provide for logging of old-growth forests in Tasmania until at least 2037—20 years beyond the end of the current agreement due to end in 2017?

Senator SHERRY—It seems like there is an election in Tasmania. It is Tassie week. This is the third question we have had this week on Tasmanian issues. The government is committed to supporting regional jobs and communities and encouraging sustainable forestry, investment in forestry and helping our forest industry prepare for the future challenges. The regional forest agreements, commonly known as RFAs, are the primary mechanism for ensuring sustainable forestry management in a particular region, which balances economic, social, environmental biodiversity and heritage outcomes.

I am not sure whether Senator Milne was also going to my specific responsibilities as Assistant Treasurer. I think the only area of policy development that I am directly involved in as Assistant Treasurer is an examination of the tax arrangements relating to managed investment schemes, which in turn, of course—

Senator Bob Brown—Mr President, I rise on a point of order. Clearly Senator
Milne asked a question of the minister in his capacity as representative of the minister for forests, and it was about a 20-year extension of the Tasmanian Regional Forest Agreement. That is the question that the minister should be answering.

The PRESIDENT—I believe the minister is seeking to answer the question and I believe that the minister has 54 seconds left. I cannot instruct the minister how to answer the question. I draw the minister’s attention to the fact that there are now 54 seconds remaining.

Senator SHERRY—I was really trying to be helpful by going to managed investment schemes, which are critical in terms of forestry plantations. In terms of representational responsibilities for my colleague Minister Burke, I can confirm that RFAs are 20-year agreements.

Senator MILNE—Mr President, I ask a supplementary question. I would like to now ask the minister whether the Rudd government supports the ongoing logging of old-growth forests in Tasmania until 2037, and are they open to renegotiating the regional forest agreement to deliver on that promise?

Senator SHERRY—As I have mentioned, I am the representational minister. I really was trying to get into a bit more detail as Assistant Treasurer. I have confirmed RFAs are 20-year agreements. I can confirm there are 10 RFAs, in Tasmania, New South Wales, Victoria and Western Australia. They were developed in the mid-1990s, following the largest scientific assessment and consultation process undertaken for forestry. Clearly a level of forest activity and harvesting is permitted under RFAs.

I will take the remainder of questions, on the very few areas that I have not been able to comprehensively answer, on notice and refer them to Minister Burke. I will try and get you an answer, Senator, before the Tasmanian elections, because I think that is what your motivation is.

Senator MILNE—Mr President, I ask a further supplementary question. Can the minister tell the Senate whether Premier Bartlett has misled the Tasmanian people by saying that he would immediately renegotiate the Tasmanian Regional Forest Agreement to provide for logging of old-growth forests in Tasmania for another 20 years if there had been no talks with the Commonwealth—or have there been talks with the Commonwealth? It is one or the other. Have there been talks with the Commonwealth?

Honorable senators interjecting—

The PRESIDENT—Order! When there is silence I will call the minister.

Senator SHERRY—Believe it or not, despite being from Tasmania—

The PRESIDENT—Wait a minute, Senator Sherry. I will give you the call, Senator Sherry.

Senator SHERRY—I have not actually been following it day by day—

Senator Ronaldson interjecting—

The PRESIDENT—You have the call, Senator Sherry.

Senator SHERRY—Thank you, Mr President. I was being instructed by Senator Ronaldson over there—

The PRESIDENT—Don’t listen to others’ instructions.

Senator SHERRY—I have followed his instruction in one regard. He knows what it is—a very, very fine instruction.

The PRESIDENT—That can be dangerous, Senator Sherry. Just address the chair.

Senator SHERRY—Sorry, Mr President. Believe it or not, I have not been following every statement that the very fine Premier of Tasmania, Mr Bartlett, makes in respect of the Tasmanian election. I was certainly at the
launch on Monday and I cannot recall him referring to forestry in that policy speech.

**Senator Bob Brown**—That’s because you were asleep!

**Senator SHERRY**—It was a fine speech, Senator Brown. Nevertheless, I cannot recall him mentioning forestry on that occasion. I will check—I will have a look at other public statements he has made. I am aware, obviously, that there is a Tasmanian state election on. I will come back to you. *(Time expired)*

**Home Insulation Program**

**Senator CORMANN** *(2.26 pm)*—My question is to the Minister assisting the Prime Minister for Government Service Delivery and Minister for Employment Participation, Senator Arbib. How many workers displaced by the cancellation of the Home Insulation Program have been provided support by the Rudd government to retain their current jobs?

**Senator ARBIB**—Thank you to the good senator for that question. The guidelines for the government’s worker assistance package were placed on the Department of Education, Employment and Workplace Relations website this week. The government has put in place 25 insulation project coordinators to work with insulation companies to assist them to transition workers through to the new system. I can also confirm that 1,797 workers have commenced in the government’s employment services programs and are being assisted by Job Services Australia providers to find new jobs.

On Friday of last week I visited the Mark Group, which is an insulation company in West Ryde. I spoke to the workers on the site about what they were doing—

*Honourable senators interjecting—*

**The PRESIDENT**—Senator Cormann, resume your seat. When there is silence I will call you. Senator Cormann.

**Senator Cormann**—Mr President, I rise on a point of order on relevance. I asked the minister a very specific question on what support had been provided to retain workers in their current jobs. I did not ask him about how many people had gone through the employment services assistance program.

**The PRESIDENT**—I cannot tell the minister how to answer the question. The minister has 28 seconds remaining. I draw the minister’s attention to the question.

**Senator ARBIB**—Thank you, Mr President. I have answered that part of the question. The project coordinators are talking, day in, day out, to insulation companies. My understanding is my department has spoken to over 700 companies, insulation firms, about accessing the funding pool. But just coming back to it, can I say that at the Mark Group, talking to the workers, the first thing they asked me was: ‘When will the new system come into play?’ That is a pretty important question, Senator. Will the coalition support— *(Time expired)*

**Senator CORMANN**—Mr President, my supplementary question is: what, if any, special assistance—that is, assistance which is not available to any other job seeker—is available to workers who lost their jobs as a result of the cancellation of the Home Insulation Program?

**Senator ARBIB**—In terms of the insulation package, as was announced, the government is providing 7,000 training places and 3,000 of those are structural adjustment places which will be provided through Job Services providers to these workers. But if Senator Cormann is so concerned about the workers then, as I have said before, go down the hall, talk to Mr Abbott and get him to support the new program. If you went out, Senator, and actually spoke to some of the workers, you would know what they are after is certainty—certainty that there is going to
be an industry from 1 June. This is some-
thing that the Liberal Party and Liberal sena-
tors refuse to deal with. They will not com-
mit to the new program, which will provide a lifeline and jobs— **(Time expired)**

**Opposition senators interjecting—**

**The PRESIDENT**—Order! I am waiting to call Senator Cormann.

**Senator Fifield interjecting—**

**The PRESIDENT**—Senator Fifield, I am waiting to call Senator Cormann.

**Senator CORMANN**—Mr President, I ask a further supplementary question. Clearly the government has only reshuffled existing money, so I do not know what the minister is going on about, but the question is: how much money to date has been paid and to how many employers to help them retain their current workforce?

**Senator ARBIB**—As I have said, the guidelines for the insulation package were released only this week and we have insulation project coordinators in the field talking to these companies as we speak. If Senator Cormann were fair dinkum, if he actually cared about the workers, rather than coming in here and trying to make a political point he would be talking to Mr Hunt and Mr Abbott and asking them to support the new program. That is the first point that the workers in the industry want to know: when will the new system start?

**Senator Cormann**—Mr President, I raise a point of order. The minister is misleading the Senate. He keeps talking about a new program. There is no new program.

**The PRESIDENT**—There is no point of order on that. I draw the minister’s attention to the question, and to the fact that you have 27 seconds remaining to answer the question, Minister.

**Senator ARBIB**—Thank you, Mr President. Again, the government has provided 7,000 training places.

**Senator Cormann**—Out of your existing program.

**Senator ARBIB**—Three thousand of those are from the structural adjustment places, Senator. On top of that, $11.5 million is coming out of the Jobs Fund, a flexible pool to assist firms, but at the same time as that project coordinators.

**Opposition senators interjecting—**

**Senator ARBIB**—I say to those Liberal senators and I say to those National Party senators: the test will come in here when the new program comes in. If you vote for it, you are supporting the workers. If you do not— **(Time expired)**

**Honourable senators interjecting—**

**The PRESIDENT**—Order! Time for de-
bating the issue is at the end of question time.

**Murray-Darling River System**

**Senator WORTLEY** (2.33 pm)—My question is to the Minister for Climate Change, Energy Efficiency and Water, Senator Wong. Can the minister advise the Senate whether the Rudd government supports a reduction in how much water can be taken out of the rivers of the Murray-Darling Basin and is the minister aware of alternative views?

**Senator WONG**—I thank Senator Wortley for her question and her interest in water issues. Yesterday in Canberra we saw the South Australian Liberals, led by Ms Redmond, talking tough about the Murray—just like senators opposite, including Senator Birmingham and the rest of the South Aus-
tralian Liberals, like to do. But of course what they do not seem to understand is that the federal opposition policy is in fact to wind back reform in the Murray-Darling Ba-
That is your policy: wind it back. Last week, Mr Macfarlane, the shadow water minister, agreed with the National Farmers Federation, which claimed that basin reform was happening too fast and that too much priority—listen to this, Senator Birmingham: too much priority—was being given to improving river health. I look forward to Senator Birmingham fronting up on Adelaide radio and saying, ‘Yes, our position is too much priority is being given to improving river health.’

This makes clear what Mr Abbott’s call for a referendum really is. If the opposition’s referendum proposal were successful, it would mean slower reform and more water being taken out of our rivers than under the government’s plan. In fact, all Mr Abbott’s referendum would do is to give control of the Murray-Darling Basin to—guess who? The National Party and the Country Liberals. Talk about the foxes in charge of the henhouse! It is unbelievable that the coalition still has not learnt the lessons of the last 100 years of the mismanagement of the Murray-Darling Basin. We need to take less water out of the rivers, not more.

Opposition senators interjecting—

The PRESIDENT—Order! Senator Wong, resume your seat. When there is silence we will proceed. Senator Wong, continue.

Senator WONG—Thank you, Mr President. Down in South Australia, the South Australian Liberal Party talk tough about takeovers but the reality is nothing more than a plan for the foxes to take over the henhouse. Under Mr Abbott’s plan it is quite clear—(Time expired)

Senator WORTLEY—I thank the minister for her response. Mr President, I ask a supplementary question. Can the minister inform the Senate of recent developments that may throw doubt on the future of the Murray-Darling Basin?

Senator WONG—The reports today confirm what I have just told the Senate. The National Party have made it clear they will not support a referendum that puts South Australia in a stronger position on the Murray. They have made that absolutely clear. The Leader of the Nationals, Mr Truss, has written to the New South Wales Irrigators’ Council saying that the referendum is not National Party policy.

Senator Ian Macdonald interjecting—

The PRESIDENT—Order! Senator Macdonald, it does not help question time when people debate the issue across the chamber at this hour. The time to debate it is at the end of question time; everyone knows that. Senator Wong, continue.

Senator WONG—The Leader of the Nationals has written to the New South Wales Irrigators’ Council saying that Mr Abbott’s referendum is not National Party policy. His colleague Kay Hull told the party room this week—

Senator Ian Macdonald interjecting—

The PRESIDENT—Order! Senator Macdonald, constant interjection is completely disorderly; you know that. Senator Wong, continue.

Senator WONG—Ms Hull told the party room this week that there is no way the National Party will let the South Australian Liberals decide what happens in the Murray-Darling Basin. Those opposite may not like it, but the fact is they cannot deliver on the referendum they are promising. The only referendum they can deliver on is one that gets National Party sign-off. Go down to South Australia and sell that, Senator Birmingham. (Time expired)

Senator Heffernan—Mr President, on a point of order: I would like to clarify that the
Minister for Water Security in the Labor government in South Australia is a Nat.

The PRESIDENT—Order! That is not a point of order. Resume your seat. When there is silence, we will proceed. The time for debating these issues is at the end of question time. I keep reminding senators of that.

Senator WORTLEY—Mr President, I ask a further supplementary question. Minister, what is the best way to ensure the long-term health of the Murray-Darling Basin?

Senator WONG—The best way to ensure the long-term health is to implement the plan the government is implementing. It is to take action now. The government has taken over basin-wide planning. That plan will reduce the amount of water that can be taken from the rivers. In contrast, what we now know is the opposition will continue to give priority to irrigators upstream rather than focus on the overall health of the basin.

The reality is the South Australian Liberals talk tough in South Australia. What they should be telling the South Australian people is the truth: the federal opposition’s policy is to wind back reform in the Murray-Darling Basin. They should fess up to the fact that the Country Liberal members and the National Party will have to sign off on any referendum that Mr Abbott puts forward. They have made it clear that they will only sign off on it if it does not do the right thing by South Australia.

Home Insulation Program

Senator COLBECK (2.40 pm)—My question is to the Minister for Climate Change, Energy Efficiency and Water, Senator Wong. Can the minister tell the Senate the total amount of claims for reimbursement by insulation companies under the Home Insulation Program that remain unpaid by the Rudd Labor government and when they will be paid?

Senator WONG—I am not sure that I have the detail of precisely how many claims are outstanding. I know that Mr Combet provided some figures to the House yesterday in relation to the total number of homes insulated, which was 1.1 million homes at an average of 137,000 per month. I will see if I can provide any information about outstanding claims. I do know, because of the significant size of the program, that there may have been some delays in relation to the payment of claims. I will see if I can provide any further information to you on that issue, Senator Colbeck.

Senator COLBECK—Mr President, I ask a supplementary question. One of these companies that are owed money under the bungled Home Insulation Program from the government is one of the biggest insulation companies in the north-west region of Tasmania. As a result of the government’s bungling, it has been forced to drastically reduce its workforce and will lose almost all of its employees. How many Tasmanians have lost or will lose their jobs as a result of the bungled Home Insulation Program?

Senator WONG—I have just found some information, Senator Colbeck, in relation to your first question. A range of manual payments were received by the Department of the Environment, Water, Heritage and the Arts in the seven days after the closure of the program—around 107,000 manual claims. That has obviously put a strain on the payments system. To help address concerns, I can indicate that Medicare Australia has put on extra staff to assist in the processing of the backlog of these claims. The payments will not be made to companies until it is clear they have satisfied the necessary compliance requirements. I would make clear that the compliance checking may take some time but I am advised that the department is working hard to process the claims as quickly as possible. So the figure was
107,000 manual claims in the first seven days.

In relation to the industry issues, the government is considering all issues in relation to the closure of the Home Insulation Program. (Time expired)

Senator COLBECK—Mr President, I ask a further supplementary question. What investigations is the government conducting into the concerning practice of major insulation manufacturing companies dispatching to contractors after the closure of the scheme large consignments of insulation, which are now of no use? What action will the government take in relation to this practice?

Senator WONG—There are a range of compliance and audit issues which this program has experienced. The government has been very open and forthcoming about those issues.

Senator Abetz interjecting—

Senator WONG—Senator Abetz, if you had taken the time to read the ministerial statement, you might actually be aware of some of them. What I can indicate is that the minister has outlined a number of steps taken to mitigate risk. He has outlined the department’s compliance activities, which are continuing subsequent to the termination of the program. He has also indicated that the department will work closely with the Australian Federal Police as well as state and territory police—

Senator Colbeck—Mr President, I rise on a point of order in respect of relevance. My question was not in relation to the insulation contractors and companies who were installing insulation but in relation to the practices of the major manufacturers who have dispatched large consignments of insulation to these contractors after the date of the closure of the scheme and which now are worthless to the contractors. It is quite different from what the minister is saying.

The PRESIDENT—The minister has 10 seconds remaining to answer the question.

Senator WONG—If the senator is suggesting there is fraudulent, inappropriate or noncompliant behaviour in relation to this program, he should forward that information to the appropriate authorities. (Time expired)

Building the Education Revolution Program

Senator FIELDING (2.45 pm)—My question is directed to Senator Carr, the Minister representing the Minister for Education. Given the government’s so-called Building the Education Revolution is supposed to be in full swing, can the minister explain why the government has been so incompetent in delivering this program and why Sandringham East Primary School is still waiting for construction to begin on its six classrooms, despite all plans having been drawn up and all approvals having been granted by the government in June last year? Given that construction will now take place during the school year, instead of during school holidays, does the government actually give a stuff about how this is going to disrupt this school and its classes?

The PRESIDENT—Senator Fielding, some words in that question sail close to the mark, I would suggest.

Senator CARR—I am not certain I can thank Senator Fielding for that question, because I really do think that, given the circumstances and the way in which this chamber operates, the suggestion that people feel that way about the schools program is totally inappropriate and grossly inaccurate. I was asked about what progress is being made in regard to Building the Education Revolution. We have a program of $16.2 billion now to support jobs in local communities in response to the global recession. As a result of that we have some 24,009 projects, as of 31 December, which have been approved for
some 9,500 schools right across this country. So what we have actually seen is a very significant rollout of major projects which has enormous benefit—

The PRESIDENT—I do draw your attention to the question, Senator Carr.

Senator CARR—Mr President, I was asked a specific question about what progress is being made on Building the Education Revolution and I was asked a specific question in regard to a particular school in Victoria—and obviously I will seek further information about the specific matters in regard to that one school. But I was asked a more general question, contained within that question, that went to the fact that this government is spending $16.2 billion on investment in Australian schools that allows us to provide world-class educational facilities, in terms of new infrastructure and refurbishment of those facilities, right across this country. What that means, for the students of Sandringham and every other suburb across this country— (Time expired)

Senator FIELDING—Mr President, I ask a supplementary question. Given that this delay means that Sandringham East Primary School is still short of classrooms and that 48 grade 1 children have been forced into the one classroom, can the government explain why this issue is clearly not a priority for them to fix but it is a priority for them to make sure the school received a sign to put up saying the government was funding the project?

Senator CARR—The government stands by its commitment to ensure that every school across this country receives the benefit of what has been the largest single rollout of infrastructure for education in this country’s history.

Senator Abetz—Whether they want it or not.

Senator CARR—Senator, this is where we get to, when it goes to the question of your misunderstanding of the program.

Opposition senators interjecting—

The PRESIDENT—Order! Ignore the interjections, Senator Carr.

Opposition senators interjecting—

Senator CARR—There are some 10,000 schools across this country and what you are seeing is a massive improvement in the quality of facilities provided as a direct result of this government’s expenditure on education. For those who do not understand it, an improvement in the facilities actually leads to an improvement in the educational environment for students, the environment in which they learn. It might be a little matter that you have overlooked, but the fact is the improvement in science labs— (Time expired)

Senator FIELDING—Mr President, I ask a further supplementary question. Given that Cheltenham Primary School is also waiting for the government to get its act together, can the minister confirm that it is not just a coincidence that these massive delays in construction at Sandringham East Primary School and Cheltenham Primary School have occurred to schools in a safe Liberal seat?

Senator CARR—This government does not allocate education programs on the basis of electorates. It does it on the basis of providing equality of opportunity to students right across this country, for all Australian students.

Honourable senators interjecting—

The PRESIDENT—Order! When we have silence on both sides, we will continue. Senator Carr.

Senator CARR—The Labor government are actually in the business of improving opportunities for all Australians. We do not pick and choose on the basis of the way in which people vote. That is the strategy that
the coalition pursued throughout their decade of neglect of education in this country. So, Senator Fielding, it is about time you appreciated whose education policies are being run in this country. But, if you are so keen to work with the Liberal Party on these matters, I suggest you stand for preselection for them.

Honourable senators interjecting—

The PRESIDENT—Order! I am waiting to call Senator Boswell, so that he can ask his question. Senator Boswell, you have the call.

Emissions Trading Scheme

Senator BOSWELL (2.52 pm)—My question is to the Minister for Climate Change, Energy Efficiency and Water, Senator Wong.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Boswell, wait a minute. You are entitled to be heard in silence. Senator Boswell, continue.

Senator BOSWELL—My question is to the Minister for Climate Change, Energy Efficiency and Water, Senator Wong. I refer the minister to the $220 million co-generation plant established by New South Wales Sugar Milling Co-operative to produce renewable energy to help meet the nation’s 20 per cent renewable energy target. Is the minister aware that this massive investment was financed on the then reasonable basis that the renewable energy credits would be worth approximately $50? Is the minister further aware that since solar renewable credits flooded the market last year the REC price dropped to $24—it has come up a bit—making the plant so unviable that the receivers are expected later this week?

Senator WONG—I thank Senator Boswell for his question. He has consistently advocated for the interests of this particular company and I do have some information for him. The government has announced a redesign of the renewable energy targets to put in place two streams, as it were. One, a large renewable energy target, will give certainty to projects such as the one he is outlining. The second is a small renewable energy scheme which would enable small-scale household type renewable energy products to receive support under the scheme.

In relation to the New South Wales sugar milling plants, I understand that when this project commenced the REC spot price was around $30—this was in 2005. I would again indicate that the price of these certificates—the RECs—is set by the market and depends on the supply of renewable energy as well as the demand created by the annual targets. I believe that the REC price on the spot market is currently around $40—I will check that but that is my recollection. I am obviously not aware of what contractual arrangements were entered into by the proponents of this project. If it is the case that the proponents have not entered into a long-term contract for the sale of renewable energy certificates outside the spot market this would obviously mean that they were more exposed to fluctuations in the spot price. I am advised that these plants in Broadwater and Condong commenced operation in late 2008. From the commencement of operations to mid-2009 the price of RECs on the spot price was between $40 and $50. I note that there have been some media reports that the plant’s difficulties are also related to lower than expected quantities of sugar cane trash being available for conversion. (Time expired)

Senator BOSWELL—Is it true that the government’s change to policy allowing domestic solar renewable energy credits after the plant was commissioned has effectively ruined this renewable energy project and placed the 2010 sugar harvest at risk of not
having a plant available for the June crushing?

Senator WONG—I think, with respect, Senator Boswell, that the short answer to that is: no, that is not the government’s advice. We have made clear that we are altering the design of the renewable energy target to deal with the perception that small-scale renewable energy was taking up too much of the target. That is why we have split the renewable energy target into two parts: the larger renewable energy target, which gives a fixed, clear amount of the gigawatt hours that will be met through large-scale projects and then a separate scheme for smaller scale products, such as solar panels—which I think that you referenced—where support will be provided at a fixed price but will be unlimited. That is to give sufficient certainty for large-scale projects at the same time as continuing to give Australian households support for small scale renewables such as solar.

Senator BOSWELL—Given that the government has announced changes to fix up the mess with its scheme, with these changes taking effect from 1 January 2011, which you indicated, what happens in the meantime to these vast renewable energy projects which today are on their knees to financiers solely because of the government’s mismanagement?

Senator WONG—Through you, Mr President, I remind Senator Boswell that, when his party was part of the government, renewables actually went backwards. They went from 10½ per cent of our electricity supply in 1997 to 9½ per cent in 2007. We have made clear to the market by way of the announcement that was made on this issue what the targets will be. We will be introducing legislation to give effect to that but the government has made clear through the announcement that has been made what the targets for these projects will be and given clarity and certainty to the market as a result. The rest of the clarity and certainty will obviously depend on the Senate chamber and whether the Senate in fact passes the government’s legislation.

Green Car Innovation Fund

Senator PRATT (2.58 pm)—My question is to the minister for Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister advise the Senate on recent activities supported by the government’s—

Honourable senators interjecting—

The PRESIDENT—Order! Senator Pratt, stop. I cannot hear the question. Senator Pratt, continue.

Senator PRATT—Thank you, Mr President, I value the opportunity to ask this question. Can the minister advise the Senate on recent activities supported by the government’s Green Car Innovation Fund? How is the fund benefiting automotive firms, including those in Western Australia? What environmental benefits and economic benefits can Australia expect from the government’s actions to support investment in automotive innovation?

Senator CARR—I thank Senator Pratt for her question. A Perth company, Orbital Australia, has been awarded a $440,000 grant from the Green Car Innovation Fund to develop its carbon-cutting engine technology for the Chinese auto maker Changan Automobile. Orbital will carry out this work, under the grant, in Perth. This is great news for Western Australia and great news for the Australian auto industry. It is the latest in a series of success stories for the government’s A New Car Plan for a Greener Future. This is a plan which is transforming the automotive industry, and it has put it on a more environmentally and economically sustainable footing. It is also based on the principles of partnership and mutual obligation.
Consistent with those principles, Orbital will more than match the grant with investment of its own. That support will be provided through Orbital’s development of its FlexDI engine management and combustion system. The air-assisted direct injection technology has the potential to deliver best-in-class fuel economy for passenger cars and other applications. It will be applied to Changan’s four-cylinder petrol engine to produce a car that complies with the new Chinese fuel economy standards.

Changan is China’s fourth largest auto maker, with sales of 1.8 million vehicles last year and projected sales of 2.2 million vehicles this year. The partnership between Orbital and Changan Automobile is an important development in Australia’s deepening relationship with the world’s biggest car maker. (Time expired)

Senator PRATT—Mr President, I ask a supplementary question. Can the minister please inform the Senate how the automotive industry and other branches of manufacturing have responded to the global recession?

Senator CARR—The automotive sector is the cornerstone of Australian manufacturing, and manufacturing is the cornerstone of the Australian economy. The global recession hit our manufacturing sector hard, and companies and workers have responded creatively to minimise the loss of skills and capacity. The industry is now in a position to take advantage of the recovery and new opportunities in major markets like those in China.

The Australian Industry Group’s Performance of Manufacturing Index hit 54 last month. I am sure senators would be aware that a reading of above 50 indicates that the activity is actually expanding. The index has been in positive territory for six of the last seven months. While manufacturing still faces many challenges, over the past 18 months it has given us a vivid demonstration of its resilience, its capacity for innovation and its continuing value to the Australian economy. (Time expired)

Senator PRATT—Mr President, I ask a further supplementary question. Can the minister please advise the Senate of what other evidence there is that the automotive industry and the economy more generally are recovering? How has government policy contributed to this recovery?

Senator CARR—There are many signs of recovery. One is that 2009 ended strongly for the automotive sector, with record numbers of vehicles sold in December. Vehicle sales in January and February, including sales of Australian-made vehicles, were well up on the same month last year. Our economy grew 0.9 per cent in the final quarter of 2009 to be 2.7 per cent higher throughout the year—an outcome that even those opposite would surely envy and which is certainly the envy of the developed world.

Business confidence is rising. One measure of this is the overwhelming industry response. For instance, the North West and Northern Tasmania Innovation Investment Fund received some 126 applications from firms eager to invest in that critical region. The successful applicants will be announced soon. So all of these indicators point to one conclusion: the government’s stimulus package is working. (Time expired)

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Tasmania: King River

Senator WONG (South Australia—Minister for Climate Change, Energy Efficiency and Water) (3.04 pm)—On 9 March Senator Colbeck asked me a question in my
capacity as Minister representing the Minister for Environment Protection, Heritage and the Arts concerning the government’s plans for the remediation of King River and fox eradication in Tasmania. I have further information on that issue. I seek leave to incorporate the document in Hansard.

Leave granted.

The answer read as follows—

- Environmental remediation after mining is the responsibility of state and territory governments consistent with their legislative requirements.
- In 1998 the Australian Government agreed to provide $7.5 million to implement innovative technology to treat acid drainage on the Mt Lyell mine lease site.
- In 2004 these funds were provided to the Tasmanian Government from the Natural Heritage Trust. The project was to be undertaken by the Tasmanian Department of Primary Industries, Water and Environment.
- At 30 September 2009, $7.077 million (including interest) of the Australian Government funds were unspent and agreed milestones for the project had not been met.
- Taking into account an independent review which raised future commercial viability issues and technical requirements of the project the Natural Heritage Ministerial Board decided in November 2009 to reallocate these funds within Tasmania to support the priority Fox Eradication program. This decision was based on the fact that the project had not progressed sufficiently to justify a further extension, and the unspent funds could be relocated to support higher priority natural resource management issues in Tasmania such as the Fox Eradication program.
- It is not correct that prior to this the Government had no plan to fund fox eradication in Tasmania.
- The Australian Government has provided over $5 million to the Tasmanian Government’s Fox Eradication Program since 2005. This includes $980,000 in 2008-09 and an additional $1 million in 2009-10 from the Australian Government’s Caring for our Country program.
- In 2009 the Tasmanian Government commissioned an independent review of the Fox Eradication Program. The Australian Government agreed to reconsider its funding commitment following that review. As the findings of that review were positive, and given the progress of the program, the Australian Government committed a further $7 million over the next four years to the Fox Eradication Program.

Home Insulation Program

Senator ARBIB (New South Wales—Minister for Employment Participation and Minister Assisting the Prime Minister on Government Service Delivery) (3.05 pm)—In answer to a question from Senator Cormann earlier, I said that I had visited a company on Friday of last week. It was in fact Monday of this week, just to correct the record.

QUESTIONS WITHOUT NOTICE:

TAKENOTE OF ANSWERS

Home Insulation Program

Senator RYAN (Victoria) (3.05 pm)—I move:

That the Senate take note of the answers given by the Minister for Climate Change, Energy Efficiency and Water (Senator Wong) to questions without notice asked by Senators Birmingham, Ryan, Colbeck and Boswell today relating to the home insulation program and to renewable energy.

If it were not for the tragic elements of the Home Insulation Program, it would be fit for a skit by Monty Python. Here we have a government that announced a program to spend billions on pink batts and foil in people’s ceilings. It was warned about the program from day one from this side of the chamber. It was warned by experts, by businesses in the field and by the people who did this work at the time. It was warned that the
dramatic expansion of the program by simply showering an industry sector with money would lead to shonks, would lead to homes being ill-fitted and would be dangerous.

For several weeks the government has gone to extraordinary lengths to deny that it was warned about the dangers of this program. People lost their lives and houses were burned down, and we do not know what will happen in the coming weeks and months, but at no point has the Prime Minister or any of his ministers stood up and apologised to those families for the harm that this policy has caused. This government sought to expand an industry by a factor of more than 20 in a matter of weeks. I was on the Senate committee that inquired into the stimulus package, and this issue was covered—the issue that you cannot pump $2 billion into a sector in a matter of weeks hoping that a dramatic uptake of inexperienced and unskilled labour will perform this task safety and efficiently.

This government has achieved something that I do not know of any other government in the history of this country having achieved—the creation and destruction of an industry in an 18-month period. Hundreds of businesses have been put out of business. Many of them were legitimate businesses which saw the government pouring money into home installation and decided to tap into it, but at the same time there were a number of shonks. We do not know how many there were, and we may never find out. The government is now promising to try to chase them up, but if that attempt turns out to be anything like the government’s home insulation scheme we know we will never find out.

This government cancelled the scheme after these tragedies occurred, despite having had warnings beforehand, and threw hundreds of people out of work. Not only that but the shonks in this industry have now unnecessarily caused grave concern to thousands of Australian families as a result of this government’s flawed policy. I ask the government: if you had had foil installed in your roof in the last 12 months, how would you feel right now? The government is not even promising to investigate every single home that has had foil installation installed. The problems may not be limited to foil; we do not know yet because there has been absolutely no oversight of this program.

Today, I asked Senator Wong: if these homes get checked what is going to happen to the enormous amount of foil that there will be after this insulation is removed? The minister could not say. Is it going to landfill? There is another cost there. We do not know when these homes are going to be checked, we do not know the cost and we do not know the implications. What we do know is that hundreds of millions of dollars—billions of dollars, potentially—have been wasted on a policy which this government is now trying to run away from in spite of the fact, and the opposition will not let the government forget this, that it was warned about this from day one.

The government justified this policy on the basis of both stimulus and environmental sustainability. Are we going to hear that the hundred million-odd dollars that it is going to take to fix this bungled policy is somehow part of another stimulus package? Nothing from this government would surprise me. Earlier today, the Treasurer, Mr Swan, outlined how fixing the bungled policy that started with the waste of money will lead to budget cuts in other programs. So are we to expect another private health insurance rebate reduction bill based on the ‘saving-a-home-from-Labor’s-insulation-scheme program’? Is that what we are to expect in this place?
Finally, I comment that there was an interesting article in today’s *Australian*, with experts in the field punching a hole in this government’s claims about how this program was meant to save energy and reduce the carbon footprint of homes. This policy is undoubtedly the worst that this country has seen. It is probably up there with various things undertaken by Gough Whitlam and Jim Cairns.

Senator HURLEY (South Australia) (3.11 pm)—Certainly, as Senator Ryan said in this debate to take note of answers, the Home Insulation Program was introduced in response to a financial crisis—a financial crisis that threatened to engulf this country. I notice that some people are now referring to it as a ‘North Atlantic problem’. That is just nonsense; that is just rewriting history. I think a number of those manufacturing industries in Asia and South-East Asia that have seen their consumer manufacturing industries decimated would take issue with that.

This government acted quickly and swiftly to put in place stimulus measures to ensure that Australia would not be badly affected by the crisis. Those stimulus measures were put in place not only to bring confidence and stability to our economy but also to save employment, because the evidence is that employment suffers badly post recession and that it takes some time for the employment rate to pick up. This installation program was one of those stimulus measures that was designed to assist in that, and that is why the coalition opposed it—not because they saw any particular problem with this program but because they opposed every single measure in the stimulus package. The coalition’s view was that they would do nothing in response to the global financial crisis. That was the basis of their opposition. It had nothing to do with the inherent good or otherwise of the package.

The economy, as has been widely recognised, is now in terrific shape. That has been stated by Treasury, by the Reserve Bank of Australia and by a number of commentators. It is in terrific shape with our stimulus measures working properly, our debt well under control and our growth now looking on track. So we have had excellent results from our stimulus package. The government designed the stimulus package measures with the intention that they would not just be job creation measures but would also have longer-term benefits. For example, in the Building the Education Revolution program, which in fact the coalition opposed more fiercely than they did the installation program, they fiercely opposed the building of school halls because the program was a stimulus measure, not because of any other aspect of it. But the government wanted to do something that would have long-lasting benefits for the community, unlike some of the programs that the previous government had under the regional rorts program, which produced no benefit whatsoever for the community and which chewed up millions of dollars for no discernible gain to many of those communities.

The government was determined to avoid that kind of behaviour and did put in place programs that it expected would have long-lasting benefits. The government has been very upfront about this. There were problems with the insulation program which the government right up to the Prime Minister has accepted full responsibility for and has apologised for, and it has now put in place measures to remedy those problems. And now we have the coalition, rather than saying that it is a good thing that we have the programs in place and the priorities in place that will ensure the safety of the program and that those employed in the industry will have some safeguards for their ongoing employment, carping at and criticising this as well.
But the government is determined to put in place measures that will ensure that households can be confident that any insulation put in is safe; it has a detailed program in place for that. The government also has a detailed employment program in place which fortunately has a good chance of succeeding because our unemployment is still in a very good position thanks to the stimulus measures and the actions that this government took at the start of the global financial crisis. I commend the government for that.

Senator NASH (New South Wales) (3.16 pm)—It is an extraordinary situation here. I rise to take note of answers given by Minister Wong. As my very good colleague Senator Ryan referred to in his opening remarks, if it was not so very serious, it would be like a Monty Python skit. And it absolutely is. The government is like the Black Knight, acting with an air of confidence when everyone can see what a pathetic condition the government is in. This is just the most extraordinary situation that the government has got itself in: 100 house fires linked to the scheme and the government is going to have to pay for 50,000 homes with foil insulation to have it removed or have a safety switch installed. I note the minister said before that the government would be picking up the tab. It is taxpayers’ money. It is not the government’s money; it is the Australian people who are going to have to pick up the tab of what looks to be millions and millions of dollars for this bungled program.

It is very interesting that the Treasurer, Wayne Swan, has said on ABC’s AM that the government does not know what the full cost will be and adjustments may be needed in the budget. He said, ‘Well, it will certainly be quite expensive, there’s no doubt about that.’ Well done, Einstein. You do not have to be a rocket scientist to figure out the cost to the Australian people from this bungle from the government. This government is completely inept. Twenty-one warnings this government got about the problems associated with this program. The Prime Minister confirmed on 21 January that they had indeed received 21 warnings. What sort of a government ignores 21 warnings for something like this, for a program for the Australian people? It is absolutely irresponsible of the government to act in that way when we are looking at a program like this that is being rolled out to millions of houses across the country. It is sort of like an episode of Lost in Space: ‘Warning, Will Robinson. Warning, Will Robinson.’ And they just did not listen.

It is simply an example of the systematic failure that we are seeing from this government to be able to deliver properly any kind of delivery for the people across this country. The spin over substance is unbelievable. You can almost see the Prime Minister when they were talking about this saying: ‘We have to get this rushed out. We have to get everything out there into the community straightaway. Don’t worry about the 21 warnings, we’ve got to get this out into these homes because we’re going to look really good when we do that.’ Well, they do not look very good now, because the Australian people have been watching this so closely, and what they are doing now is asking the question: how can the Rudd Labor government have got this so very wrong? As my good colleague Senator Ryan said, they are not even going to inspect all the homes. We have families in their homes now looking up at their ceilings that have had this insulation put in wondering if they are safe. The absolute primary responsibility of this government is to ensure that Australians are safe. To have rolled out a program like this, ignoring the warnings, is absolutely appalling.

What is very interesting to note is when all the heat was on and we saw, especially in the House of Representatives, questions being fired at the minister and fired at the
Prime Minister, the Prime Minister ended up under a lot of pressure over this, and he still is. He was under a lot of pressure, and what did he do? ‘Oh, I’ll just whip out my new announcement for our health policy, that’s what I’ll do. I’ll pull that out of the back pocket and try and get the people of Australia to focus on something else.’ A bit of a weapon of mass distraction. But the people have not bought that distraction. They know how inept this government has been in this.

What is occurring to them is that, if the government can get it so wrong on this program, if the government can be so inept in their delivery of this program, why on earth should they trust that they will be able to do anything else with any level of confidence at all? If they are so inept that they can end up with this result from this program affecting thousands of people right across the country, then how on earth, those people in Australia are saying, can we trust this government to get it right on anything else. They obviously simply cannot get it right. It is all spin, no substance; all talk, no action, and the Australian people are waking up to it.

Senator LUNDY (Australian Capital Territory) (3.21 pm)—The first point I need to make is that for the opposition senators to stand up and say the warnings were ignored is patently untrue. Systematically the minister, as problems came to light and were reported to him, made changes to the Home Insulation Program as those problems were brought to light. That has been demonstrated now in the forum of Senate estimates committees and the forum of inquiries repeatedly in the parliament by Minister Garrett and Minister Wong. So to stand up and say that is genuinely misleading on the facts as they have now been established.

I am not saying that the opposition cannot come in here and purport all sorts of things, but the difference between the government and the opposition is that, for us, actions speak louder than words. In stark contrast to the conduct of the former government, we have acted quickly, whenever information has been made available, to resolve the problem. The culture of the Labor government is to do exactly that. When we know of a problem, we move to fix it. There is no skulking or hiding or thwarting inquiry. It is about putting it out there and being upfront about fixing the problem, and that is what you have seen from Prime Minister Rudd right through the front bench and right through to committee members of the Labor government in resolving this problem.

I am really proud of the way the government is dealing with this. I come from the building industry. I am extremely sensitive to the challenges and difficulties in trying to uphold occupational health and safety laws in the building and construction industry, and I think there is no tougher problem to solve than making sure that those laws are enforced. We know, as Minister Combet, the Minister Assisting the Minister for Climate Change and Energy Efficiency, has made very clear, that at least a proportion of the problems here occurred because the right thing had not been done by several of the businesses engaged with the government program. I think it is critical to make that point. I remember many, many years of campaigning from the other side of the chamber in opposition about the impact on occupational health and safety laws of the former government’s Work Choices, so I find it quite galling that suddenly the opposition are purer than the whitest snow in arguing for the protection and safety of households and workers. I wish they had felt so strongly about these issues when it mattered—when the laws were being changed, under the Howard government, to undermine the capacity of unions and workers to represent their members on occupational health and safety issues.
As I said, actions speak louder than words; and a series of actions that the Labor government has now put in place to resolve these problems do speak for themselves. Our first priority is, appropriately, safety. Given the safety advice received by the government, we have agreed that all houses that have had foil insulation installed under the Home Insulation Program will be inspected and given the chance to have that foil removed or to have a safety switch installed. As I am sure has been said many a time, there will be more statements about how this will proceed, but the bottom line is that if people want an inspection, they will be able to ring and organise that. If they have foil insulation, they can organise an inspection right now by contacting a licensed electrician.

So, I challenge Senator Nash very specifically on this point of fact: she said that people would not be able to get inspections. That is not true. If they are concerned, there is a course of action they can take to allay their fears. I take objection to the almost gleeful fearmongering that is occurring across the chamber. I have said before that I find it quite galling. Those opposite do not even have the wherewithal or the political gumption to acknowledge that action has been taken. By all means hold the government to account on how that action proceeds, but do not come into this chamber and mislead and fearmonger about us not being committed to resolving these problems and putting household safety up front as the priority.

I will say a couple more words about fraud. As a government, we are disgusted at the reports of alleged fraud under the program. I know this issue was touched on by Senator Ryan in his question, and I will conclude by quoting Minister Combet in this regard:

For the hardships caused, for the loss of value of legitimate businesses, for the extent of safety and fire hazards and for the loss of consumer confidence, the failure of duties of care and regulatory compliance, the government attributes a burden of responsibility to the minority of companies involved in the program that cut corners to achieve a quick buck.

(Time expired)

Senator COLBECK (Tasmania) (3.26 pm)—I too rise to take note of answers given by Senator Wong, the Minister for Climate Change and Energy Efficiency, to questions from opposition senators today. I am really pleased that Senator Wong is in the chamber to hear this, because, having had conversations with contractors myself, some of whom I have known for 20 or 30 years—because I too come from the construction industry—I can put some perspective on your comments in a moment, Senator Lundy. This is really about the practical impact of what is occurring right now out there in the industry. There has been a lot of discussion about the impacts on and the safety of homes, and they are all very legitimate issues, but some significant issues are occurring within the insulation contractor sector right now that, quite frankly, make for a very chilling tale.

I said in my contribution to the debate on the stimulus that insulation contractors needed to start looking then at what they might do at the end of the program. Little did I realise where we might find ourselves as we got through this program itself. In Tasmania, prior to this program starting, there were six registered insulation contractors and some plasterers who installed insulation in conjunction with their plasterwork. There are now 115—that was the number at the time of the cessation of the program. Senator Lundy talks about how you maintain occupational health and safety values in the construction industry. When you have that level of increase of inexperienced people coming into the industry you are going to get problems with occupational health and safety—things
that, by virtue of the fact that they are not experienced and have no understanding of the industry, they will not know. They will fall through ceilings and they will hit electrical cables, as, sadly, has happened. That is what will happen as a result of that sort of growth in the number of contractors in the industry, and that is what this program has promoted: growth from six registered installers in Tasmania at the commencement of the program to 115 by the time the program was closed.

I spoke to some companies last week and I am very concerned about Senator Wong’s answer that 106,000 claims have come in since the program was completed and may take some time to be verified. I spoke to one contractor who is owed $160,000. If it takes a long time for him to get that money, he is in real trouble. He has had four containers of insulation lobbed on him that were dispatched after the scheme was closed. He is in a situation where he has a huge debt owed by the Commonwealth, he has the insulation company on his back for his account and he has this huge amount of insulation that he cannot do anything with. If the insulation company so desire, they can cut him off and close off his credit—where does he go from there?

He was asked by the member for Braddon whether he had any other work to do. Could he mow lawns? He has been an insulation contractor for 25 years. That is what his business is. That is what he has been doing. He sacked most of his employees and sold his vehicles. Where is his business? I raised this during the debate on the stimulus package. The one thing the installation company told me when I spoke to them last week—I note that Prime Minister Rudd asked his backbenchers to go out to talk to contractors and some of them have, which I found as I went around—was, ‘Pay us the money you owe us.’ I sincerely hope the government talks to the major insulation suppliers and says, ‘Work with your clients on payment of accounts,’ because there is huge capacity for companies to go to the wall.

In my local paper on the north-west coast of Tasmania, Craig Polden today has said that his business is finished. He was taken off the register without his knowledge during the chaos of the scheme and had to seek assistance from the local member, who helped to get him back on the register. That created a huge hole in his business and now it is all over; his business has gone. This is complete chaos. The government says it is trying to sort these things out but I do not think it really understands the chaos it has created in the way it has terminated this scheme.

Question agreed to.

**Tasmanian Regional Forest Agreement**

**Senator MILNE** (Tasmania) (3.32 pm)—

I move:

That the Senate take note of the answer given by the Assistant Treasurer (Senator Sherry) to a question without notice asked by Senator Milne today relating to Tasmania’s regional forest agreement.

Premier David Bartlett in Tasmania, when he was in real trouble in the first two weeks of the election campaign, said on Friday, 26 February, that he would immediately begin negotiations with the Commonwealth government to renew the regional forest agreement, that he would be sealing a new 20-year agreement which would provide the industry with the security needed and that, since the RFA in Tasmania is due to expire in 2017, it would take it out to 2037. That was a pledge to continue logging old-growth forests out until 2037.

What an absolute disgrace—that a premier would come out and say that in a time of climate change in the International Year of Biodiversity. Next year is the International Year of Forests and here we have the Tasma-
nian Premier saying that he would immediately renegotiate the regional forest agreement with the Commonwealth government to provide for logging of those huge carbon stores, biodiverse forests, and do it for another 20 years. There is one problem: Premier Bartlett cannot make that commitment without the agreement of the federal government because a regional forest agreement is negotiated between the federal government and the state government. The question is: has Premier Bartlett had secret negotiations with the Prime Minister to log Tasmania’s old-growth forests until 2037? Who else in the Commonwealth has he spoken to, or alternatively, has he spoken to nobody in the Commonwealth and instead just made it up as an election promise to con forest workers in Tasmania to vote Labor because he is going to promise them that he will continue logging in Tasmania until 2037? Today in Tasmania there has been an announcement that they are about to set the state on fire again, as they do every year, with massive regeneration burns. And what undertaking has the Commonwealth given in relation to greenhouse gas emissions from the mega-burning of Tasmania’s forests?

This comes down to a question of integrity. Somebody is not telling the truth here. Minister Sherry has plainly refused to confirm any notion that the Commonwealth has been in any negotiations with Tasmania about extending the RFA or extending logging for another 20 years. That would be consistent with my understanding of where the Commonwealth is because every time I raise extending or renegotiating the regional forest agreement for the protection of forests, I am told by every single federal minister I raise it with that they are not touching the RFA, that they will not renegotiate the RFA, that they will not even consider protecting another twig under the RFA because it is set in concrete. They will not go near it. They cite Mark Latham, which is mythology, but nevertheless that is what Commonwealth ministers say one after the other. Then we have the Premier in Tasmania saying no, that he will immediately renegotiate the forest agreement in Tasmania to provide for logging of old-growth forests out to 2037.

My view is that Premier Bartlett made it up on the day, that it is wedge politics in Tasmania, that he was polling badly and decided to go out with the old tried and true wedge politics to set up a community divide in order to advantage the Labor Party, when in fact the regional forest agreement has led to massive job losses in Tasmania, all of those companies shedding jobs with their supposed RFA guarantees in place. It is now up to the Prime Minister to say whether he has given an undertaking to Premier Bartlett to extend old-growth logging in Tasmania to 2037. If there has been no such undertaking, then Premier Bartlett had better cough up to the Tasmanian people, come clean and say that he made it up on the day, that there is no commitment from the Commonwealth and that in fact it is a confidence trick in the lead-up to a state election.

Question agreed to.
was given almost at the same time as the Minister for Climate Change, Energy Efficiency and Water, Senator Wong, herself was making a ministerial statement in this place in relation to the green loans saga. As I said yesterday when taking note of that ministerial statement, it was transparently the government’s ‘air the dirty laundry’ afternoon. With all of the other things happening in Canberra yesterday, with the visit of the Indonesian President and otherwise, the government decided it was a good time to get all the dirt out—to wheel it out. So we had the spectacle of Senator Wong and Minister Combet both on their feet in both chambers at the same time making full confessions, as it were, on behalf of the government about the manifest failures in the programs that Peter Garrett, then the Minister for the Environment, Heritage and the Arts, was responsible for administering on behalf of the government.

These two programs—the Home Insulation Program and the Green Loans Program—together are worth billions of taxpayer dollars, together involve hundreds of thousands of Australians and together are a failure and a disaster on every score that anybody could consider. They are a failure and a disaster not least of all because in both instances there were warning signs for the government that it failed to heed and failed to act upon in relation to these programs. Had it heeded, had it acted upon, those warning signs, it could have averted the disasters that have occurred in both of these programs.

Specifically, the Home Insulation Program is truly a human tragedy, an economic tragedy and an environmental tragedy. Peter Garrett has truly overseen a tragedy on all three fronts in this area. The human toll has been well discussed in this place, the other place and through the media—the tragic loss of life of four young installers, house fires in at least 93 Australian homes, the potential risk to thousands more Australian homes fitted with either foil insulation or other insulation products, that homes may be at risk of electrification or indeed, following on from that, potentially at risk of fire. There are real risks, real tolls and real human tragedy in this.

We have seen, from the government’s need to bring an early halt to this program, further human tragedy which is related to economic tragedy, and that is the loss of jobs and the loss of businesses. There have been serious problems affecting real people throughout Australia—thousands of ordinary Australians. Senator Colbeck cited today some examples from Tasmania. We could all cite examples from each of our home states of people who have been put out of work as a result of the mismanagement of this program, people who are losing businesses, in many cases business that were operating long, long before the government brought about and supercharged this program with its stimulus spending last year. It is a seriously grave toll on the human front and the economic front from that loss of jobs and that loss of businesses.

But let us not forget the use of taxpayers’ money here. Around 1.1 million installations of insulation have occurred under this program at a subsidy of between $1,200 or, for most of the life of the program, $1,600. We are looking at well in excess of $1 billion that has already been spent by the government on insulation under this program. Some of it, of course, has been worth while. Some of it will be of benefit to those lucky home-owners who have had the right product installed correctly. But all too much of it either has been installed incorrectly or has been the wrong product. Indeed, in too many instances, we see that the financial mechanisms put in place to ensure that this program did not attract fraudsters were inade-
The government has failed to manage every aspect of this program. On the budgetary front, there is not only the wasted money that has gone before but also now the cost of the clean-up—the fix-up—and how much that is going to be. We see no evidence from the government as to what that will be. There is no idea from the government as to what the cost of that clean-up is. In his ministerial statement, Minister Combet talks about the clean-up and talks about getting it done, but there is no cost estimate. When asked in this chamber today, Minister Wong could not give any indication of a budgetary allocation towards the cost of this clean-up. All we know is that industry estimates vary. The cost of removing the foil insulation or installing electrical safety switches could be between $50 million and $150 million with industry estimates of the overall cost of the inspections and the work required to fix up this mess ranging up to $450 million—a bill that the Australian taxpayer is going to have to bear; a cost because of the mismanagement of this program and a cost that comes on top of the $1 billion-plus spent on this program to start with. This is massive waste of taxpayers’ money and, indeed, is a massive budgetary and economic tragedy.

Lastly, it is an environmental tragedy because of the loss of confidence that has occurred from the damage to reputable businesses that were doing the right thing in trying to install product that had an environmental benefit. There is the loss of confidence that has occurred among investors who might have thought about going into this industry and providing environmental benefits. There is the loss of confidence that has occurred from homeowners in terms of getting insulation into their homes. It is a massive loss of confidence across the board in pursuing the type of environmental outcomes that the government said this program was about when it started.

Today, we learn that there could be further environmental negatives flowing from the clean-up of this program. The government, in saying that it is going to take foil insulation out of potentially 50,300 homes, has no idea of what it will do with that foil insulation. It has no idea whether it will end up in landfill or where it will go. I do not know how much energy goes into manufacturing foil insulation, but I imagine that it is not insubstantial. I imagine that a reasonable amount of energy goes into manufacturing foil insulation. I imagine that it comes with a reasonable carbon footprint when installed, with the aim, of course, that it then repays that and more over its life. If it is ripped out within months of being installed and put into landfill, that is energy and economic, financial and environmental resources wasted by this government. It is a waste of resources for the economy. It is also a waste of human and environmental capital.

The government says that it stands by the ministerial statements it made yesterday in regard to the clean-up for this program and the fix-up for the Green Loans Program. Those ministerial statements are fine. They are welcome. The government needs to act with urgency in cleaning up this mess. Today we heard Minister Arbib urging this side of the chamber to make sure that we support a new program on home insulation. They challenged us to support a new program on home insulation. I challenge the government to make sure they get a new program on home insulation right, that they get the terms of it correct, that they make sure all of the safety standards are up to scratch and that they make sure that the new program restores, as I said before, the confidence of businesses, installers and, most importantly, homeowners that they should be investing in home
insulation and pursuing the environmental benefits that that offers.

There is a big task for this government. These ministerial statements make a start in laying out some of the government’s commitments, but they do not give any level of detail. The opposition will be holding the government to account for that detail. We do want to know exactly when the fix-up will start, exactly when it will be finished and exactly how much it is going to cost. We expect answers to these things over the coming weeks and, most of all, we expect the government to deliver for the Australian people by cleaning up the mess of its own making.

Senator Wong (South Australia—Minister for Climate Change, Energy Efficiency and Water) (3.47 pm)—I will speak briefly to the motion. I want to start by saying that I think in this debate it would be useful if we could try and separate the fact from the hyperbole, the fact from the exaggeration and the fact from what is simply a political attack.

There was some discussion in the chamber earlier today whereby senators on that side suggested that the government had shown no regret. I think it is unfortunate that those statements were made because the government’s regret has been communicated very clearly in public statements and also by the minister assisting me in his statement, which was made in the House yesterday and tabled here today. He has expressed in a personal context his deepest regret and sympathy to the families on behalf of the government as well as himself as minister. I did want to make that point because I think there is no-one in this chamber who regards the deaths of four young men as anything other than a terrible tragedy, and that view has been put by the minister publicly as well as privately, and the sympathies communicated to the families.

There are undoubtedly significant problems with this program. I would remind those opposite that this was a very large program. As Mr Combet has said, the amount of insulation rolled out in less than eight months was to 1.1 million Australian homes. That is an average of around 137,000 homes a month. In fact, each month the number of home insulation jobs was around double the previous annual average. So, in a month, under this program, the government funded around double the previous annual average undertaken. It is an extraordinarily large number, and there are environmental benefits as a result of that rollout. It is also important to remember that the large majority of insulation installations were completed in compliance with the program.

Leaving that aside, there are clearly issues. The government has not hidden from those. We have been upfront about them. Another misfact that was put in the chamber today by another senator is that the government did not act on any of the warnings. That is not true. If you look at the statements, including the ministerial statements made by Minister Garrett and other public statements which ministers have put on the public record, we have made clear the way in which the government responded to different warnings and new advice. The most recent new advice we have also acted on, and that was in relation to the advice regarding foil whereby the advice subsequent to Minister Garrett closing this program is that the foil will need to be removed or safety switches installed. The government have moved quickly to act on that advice and have indicated that we will do so and that we will fund it.

In relation to budget issues, as the Treasurer has said, we are also very upfront about the fact that we will need to fund these
measures. Those amounts will be considered in the context of budget preparation. The government will make those clear as and when they become available. This is a difficult set of problems but it is a set of problems that the government is determined to fix. Minister Combet is to be commended for the way in which he has taken on board this program, the way in which he is moving as quickly as is possible to rectify the issues in the program. He is responsibly addressing each of the various policy issues which have arisen.

But that is not enough for the opposition. They continue to come in here and make a range of assertions, many of which are simply not true, about what is occurring in relation to this program and at times, if I may suggest, are almost gleeful about some of the issues. In question time today the question about carbon footprint was put. For an opposition led by a man who thinks climate change is absolute crap to be attacking aspects of this program on the basis of carbon footprint speaks of utter hypocrisy. It really demonstrates that the opposition, in large part, are not interested in the facts associated with this program, nor in how the government isremedying those problems—but they are interested in making a range of inaccurate and wild political accusations.

This is a government that is determined to remedy the issues in this program. We will continue to work to do so. We will not pretend to the Australian people that we can fix it overnight, because we know that that is not the case. What we will say, as Minister Combet has said, is that we will work assiduously to remedy the problems with the program and to deal with the issues which have arisen.

In relation to this program, I would also make the point that this is a very comprehensive ministerial statement outlining the way forward. Minister Combet has clearly indicated to the Australian people, through the parliament, a great deal of transparency and openness about the issues and how we propose to address them. I think he is doing a very good job in relation to this program. As I said, we know these things cannot be fixed overnight, but we are determined to address them and the government has laid out the ways in which it intends to do so.

Senator MARSHALL (Victoria) (3.54 pm)—I would also like to make a few brief comments about the ministerial statement because, like the minister, I too have sat here and been a little disappointed at the level of some of the debate. I think Senator Birmingham’s contribution actually had a lot of positive aspects to it. He was trying to walk a fine line in acknowledging some of the reality that we are confronting in terms of the consequences of this program and the way that it has unfolded but at the same time trying to make some political opportunity out of it. Now this is a political environment and I understand the temptation from time to time to do that, but I think we need to cut away from some of those things. We need to look at the ministerial statement, which is a very honest attempt by this government and this minister to acknowledge and identify the problems that this program has had, and identify a proper way of addressing the problems. Of course the government has expressed regret for some of the negative outcomes of this program. This government takes the deaths very seriously and is deeply concerned about the reasons why they occurred.

Senator Birmingham, in his contribution, did identify the major problem with this program, and that was fraudsters, shysters and shonky operators coming into the system and conducting fraud, criminal activity and non-compliance. They avoided their obligations under the law and, in particular, under the
occupational health and safety law. That is of deep concern to this government.

It is very easy for the opposition to say, ‘Well you should have managed the program better.’ There has been a rollout of 1.1 million homes in insulation since this program began, averaging 137,000 homes being insulated per month. I think what the opposition are suggesting is that the government—and the hyperbole over there would suggest the minister himself—should have been on the job checking on every operator in every instance, to make sure that they were following the program guidelines. The operators were legally obliged to follow these, and to comply with their legal requirements regarding occupational health and safety and all the other employment arrangements that are supposed to be put in place. These are the normal things every single employer is supposed to do. The suggestion that the minister or the department should be on the job watching every single operator—with 137,000 homes per month being insulated—is just ridiculous.

It is an obvious political line which they would like to run: ‘Well you are responsible for the program because you run it.’ We have taken the responsibility that we should take. But the problem with the fraud was not about the government making the money available for home insulation; it was about criminal activity—people avoiding their legal obligations as employers. They ought not do that. Those people ought to be held to account and this government will make them be held to account. This government, with the Federal Police and the other law enforcement agencies, will pursue those people who defrauded the Commonwealth through this program, who avoided the program guidelines and their obligations under the law and who failed to put proper occupational health and safety programs in place for their employees. They are the shysters; they are the ones who have brought it undone.

The minister went through this in detail in his statement yesterday and it is a pity more members of the opposition have not actually read it. It gives us an honest assessment of where the program is and what this government is going to do about it. The opposition says, ‘Tell us exactly how much this is going to cost.’ A lot of those things are still being worked through in fine detail but not too far into the future we will be able to identify those costs.

I think a question was asked in question time today about what sort of square meterage of insulation had been installed—what a ridiculous question. Every house has a different square meterage. To expect the minister in question time to do a calculation and work out how many square meters of roof insulation have been put in to 1.1 million houses is just ridiculous.

It demonstrates the poverty of the debate that the opposition have brought to this whole issue. They ought to now be a little bit more serious. They have made their political points, they have made their political opportunism, but they ought not make politics with the tragic aspects of this program. We need to get on and pursue those who have defrauded the government and those who have avoided their obligations. But it is also worth making the point that there were a lot of excellent operators in the system. There were long-established companies that did well, and the vast majority of home insulations were actually done in accordance with the program guidelines and with the law. It is a shame that it was those unscrupulous operators that took advantage of this program that have brought it into disrepute and created the problems we have. We acknowledge that that has damaged the whole of the industry—we freely acknowledge that. That is why,
through the ministerial statement, the minister has indicated a range of programs of assistance to the industry itself and assistance to those employees who, as a result of a program closing down, will find themselves in a difficult employment situation or unemployed. We have programs in place for that and we have industry assistance programs.

We would have preferred to be in a situation where this program could continue to be rolled out, but that was not the decision that was made because of those operators that avoided the obligations of the program and their obligations under the law. So here we are doing what the government needs to do. We want to now fix those problems. We freely acknowledge the problems that are there and we want to do what is in our power to fix those problems and move forward. It is nearly as if the opposition, after acknowledging the problems and having the government acknowledge the problems that we have, do not want the solution. They do not want the solution, and now it is about opposing what the government is putting in place to address those very issues.

We want to provide some certainty for the future of this industry. Home insulation is an important thing. This program was delivering home insulation to many hundreds of thousands of people who otherwise would not have been able to afford it. The vast majority of the insulation has been installed properly. People across the board, the vast majority of those 1.1 million households, are actually obtaining the benefit of the government’s program. That ought not be lost on people. The stimulus impact to the economy when it needed it was also achieved. That ought not be lost either.

The government has taken responsibility for the management of the program for which it had responsibility and control. We need to home in on those who undermined the system, those who defrauded the Commonwealth and those who avoided their obligations under the law. We need to pursue those people and we need to really sheet the blame home honestly, without the politics that the opposition likes to apply to this, and ensure that we can move on with this program.

Question agreed to.

COMMITTEES

Selection of Bills Committee

Report

Senator O’BRIEN (Tasmania) (4.03 pm)—I present the fourth report of 2010 of the Selection of Bills Committee.

Ordered that the report be adopted.

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

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 4 OF 2010

1. The committee met in private session on Thursday, 11 March 2010 at 11.58 am.

(a) The committee resolved to recommend—that the order of the Senate of 25 February 2010 adopting the committee’s 3rd report of 2010 be varied to provide that the provisions of the Anti-People Smuggling and Other Measures Bill 2010 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 11 May 2010 (see appendix 1 for a statement of reasons for referral).

2. The committee resolved to recommend—that the following bills not be referred to committees:

- Customs Tariff Amendment Bill (No. 1) 2010
- Ombudsman Amendment (Education Ombudsman) Bill 2010
• Personal Property Securities (Corporations and Other Amendments) Bill 2010
• Transport Security Legislation Amendment (2010 Measures No. 1) Bill 2010
• Veterans’ Entitlements Amendment (Income Support Measures) Bill 2010.

The committee recommends accordingly.

3. The committee deferred consideration of the following bills to its next meeting:
• Food Importation (Bovine Meat Standards) Bill 2010
• Keeping Jobs from Going Offshore (Protection of Personal Information) Bill 2009
• Social Security Amendment (Flexible Participation Requirements for Principal Carers) Bill 2010.

(Kerry O’Brien)
Chair
11 March 2010

APPENDIX 1
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Anti-People Smuggling and Other Measures Bill 2010
Reasons for referral/principal issues for consideration:
The increased powers granted to ASIO and other security agencies
Possible submissions or evidence from:
ASIO
Customs and Boarder Protection
AGs Department
Law Council of Australia
Australian Privacy Foundation
Civil Liberties Council
AHRC
Human Rights Law Resource Centre
Refugee Council of Australia
Amnesty International

Committee to which bill is to be referred:
Legal and Constitutional Affairs Legislative committee.
Possible hearing date(s):
Week of April 12 or 19
Possible reporting date:
11 May 2010

Rachel Siewert
Whip / Selection of Bills Committee member

Environment, Communications and the Arts Legislation Committee
Report
Senator O’BRIEN (Tasmania) (4.04 pm)—At the request of the Chair of the Senate Environment, Communications and the Arts Legislation Committee, Senator McEwen, I present the report of the committee on its examination of annual reports tabled by 31 October 2009.

Ordered that the report be printed.

Membership

The DEPUTY PRESIDENT—Order! The President has received letters from a party leader requesting changes in the membership of committees.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.05 pm)—by leave—I move:

That senators be discharged from and appointed to committees as follows:

Finance and Public Administration References Committee—
Discharged—Senator Parry
Appointed—
Senator Williams
Participating member: Senator Parry
Legal and Constitutional Affairs Legislation Committee—
Discharged—Senator Fisher
Appointed—
Senator Parry
Participating member: Senator Fisher

Legal and Constitutional Affairs References Committee—
Discharged—Senator Fisher
Appointed—
Senator Parry
Participating member: Senator Fisher

National Capital and External Territories—Joint Standing Committee—
Discharged—Senator Joyce
Appointed—Senator Adams.

Question agreed to.

FOOD IMPORTATION (BOVINE MEAT STANDARDS) BILL 2010
Second Reading

Debate resumed from 9 March, on motion by Senators Colbeck and Joyce:
That this bill be now read a second time.

Senator WILLIAMS (New South Wales) (4.06 pm)—I rise to speak on the Food Importation (Bovine Meat Standards) Bill 2010 put forward by Senators Joyce and Colbeck in relation to the ministerial decision from Ministers Burke, Crean and Roxon to allow the importing of beef into Australia from countries that have had confirmed outbreaks of BSE or, as we commonly know it, mad cow disease. This bill is most important, and I would like to say that that decision by the ministers was actually supported by people such as Greg Brown from the Cattle Council of Australia. I want to make the point that one of our greatest marketing tools in Australia is our clean, green image. People not only in Australia but overseas can buy Australian food with total confidence, whether it be our beef, our vegetables, our lamb or whatever.

We have a great advantage in our island nation where fortunately, for decade after decade, we have escaped many of these diseases. So having to face a situation where the ministers had made this decision to allow the importing of beef was of great concern. There was so much concern that I had a poll on my website where 3,191 people voted, and 98.7 per cent opposed the ministerial decision. They are people concerned about keeping that clean, green image we have in Australia and about the risk of bringing disease into this nation.

This bill says three things. Firstly, that we do not allow the importing of beef from countries that have had this disease, BSE, until a proper import risk analysis has been carried out. Thankfully, the minister has agreed to that and will now continue along those lines. That is a pleasing result. Why he did not do that in the first place is beyond me but, thankfully, Minister Burke has now announced that he will be carrying out an import risk analysis. Let’s wait for the science on that. That is the right thing to do and something we have called for since day one when this issue arose.

Secondly, Australia has the National Livestock Identification System, which was controversial when it was first introduced. Many of the cow cockies did not want it. Some said it was expensive, a waste of time and not necessary. However, it was brought in and implemented. We can go back over time to the seventies when we conducted the brucellosis testing of cattle right around Australia to eliminate that disease. That is why I come back to this clean, green image and the way we have protected our country from such diseases.

We now have a national livestock identification scheme. Surely, we should not be importing beef from any country that does not have an equivalent trace-back, trace-forward
scheme, so if a disease is discovered, you can trace it back to its origin. Identification from birth to plate is what we have in Australia. If we are going to consider importing beef, we should at least insist on an equivalent scheme.

Finally, we need a labelling system so the Australian consumer can identify what they are eating. Australians have, for a couple of hundred years now, eaten our beef with total confidence. A labelling system that identifies imported beef and where it comes from, to me, is essential. Thankfully, the government has now acknowledged that.

This bill says three things. The government have already conceded on two out of the three. I hope they concede on the third by accepting this legislation. I would like to thank the public for the pressure they have applied on this issue. As Minister Burke said, there was a loud call from the public. That call was justified. People were concerned about the risk of importing a disease into our nation that we do not have here, and rightfully so.

Honourable senators interjecting—

Senator WILLIAMS—The interjections of those allies of Mr Greg Brown I can hear in the background are beside the point. We have achieved two out of three concessions and there is one step to go.

I am not going to speak for long on this but I just want to say steps have been taken in the right direction after a disastrous decision by our ministers. Thankfully, the public pressure and political pressure have brought some commonsense to this whole debate. I commend the bill. I will not spend any more time speaking on this. I will allow my colleagues to continue the debate.

Senator O’BRIEN (Tasmania) (4.10 pm)—It is interesting that this Food Importation (Bovine Meat Standards) Bill 2010 that hit the deck—if I can put it in the vernacular—earlier this week has not been to a committee, has not been the subject of any scrutiny and has been subject to such a scant address by the coalition. I note that, on other important legislation that the government put up recently, we had speaker after speaker speaking for 20 minutes and taking days to deal with legislation that everyone knew the coalition was going to vote against. But on this bill the first speaker, Senator Williams, gave us about five minutes of his time and addressed none of its specifics.

From the government’s point of view, this is unnecessary legislation. It does not add any additional protection for Australians or Australian cattle. It is ambiguous and it is unworkable. For example, in proposed section 4 of the bill the definition of meat and meat products as ‘bovine meat and food ingredients’ is very broad and could be interpreted to include milk and milk products. Biosecurity Australia’s formal regulated import risk analysis process, which Minister Burke announced, is limited to fresh, chilled or frozen bovine meat or meat products and does not include retorted—that is, canned—beef products.

Proposed section 9 of the bill refers to the 2009 assessment processes. Clearly, we cannot be certain which assessment processes this bill refers to. For example, does it refer to the food safety process, the animal quarantine process, the chemical residue process or other processes? If, indeed, it purports to be an omnibus bill that refers to matters that are dealt with in other legislation, what sort of nightmare is that going to give to the regulators in terms of observance and enforcement?

The National Livestock Identification System, which is referred to in proposed section 6(b) of the legislation, does not require animals to be tagged at birth. They are required to be tagged before they leave the property
of birth, which could be years after they are born. I will interpose here that we have strongly resisted pressure from the European Union and Japan over the years to introduce the date of birth. There are many cattle in Australia that do not have traceability under NLIS—for example, cattle born before the relevant state or territory mandated the NLIS. The receiver of animals does not record cattle sale or movement, which is a legal requirement. And proposed section 6(b) requires traceability of animals but does not specify which species of animal.

This is a hasty piece of legislation which I understand the government is concerned about but which the opposition is keen to simply rubber-stamp through this chamber. Indeed, there was discussion earlier that somehow there would be a move to guillotine debate on the bill to require it to be voted on by 5.50 this evening. So far that has not happened. I do not know whether that has happened. I do not know whether it is intended at some stage to attempt to do that, but that would be most unfortunate, I think, in the circumstances.

The bill itself has been through the Selection of Bills Committee, and the report, which has just been presented, indicates that the question of whether the bill should be referred to a committee has been deferred—in other words, the committee has not decided that the bill should not be referred to a committee. In addition, the Senate Rural and Regional Affairs and Transport References Committee report on beef imports including BSE matters, which have been dealt with by government decision and which are objected to by those opposite, has been deferred. We have yet to see that final report and the comments of the senators who participated. One would have thought that at least we would have that final report on the record before there was an attempt to pre-empt its findings by bringing this bill before the chamber.

Given that we have had very limited time to look at this bill and very limited time to explore its consequences, why is it so urgent that the bill be dealt with today? Why would the coalition be so concerned about the passage of this legislation that they would float the idea of a guillotine motion to ensure a vote on it before six tonight, when the time for general business will conclude? The bill cannot have any effect, because, given Minister Burke’s decision to refer the issue of bovine imports et cetera to an import risk assessment, there cannot be any imports until that is concluded, which is expected to be in around two years. So one wonders what the urgency is about the passage of this bill. I can only conclude that the coalition are looking to use this as a political campaigning tool, not as a real issue. They want to campaign not on the basis of the science of this matter but, again, on the basis of fear—the fear campaign that has been run in relation to BSE by some of those opposite and by others in the community, some of whom have been witnesses before the rural and regional affairs committee inquiry.

In terms of labelling, the fact is that this government has already made an announcement. It is our intention that FSANZ, Food Standards Australia New Zealand, be tasked with the proposal to label fresh beef in the way that pork and seafood are now labelled, as one sees in the supermarket cabinets. This bill would present a problem for the food regulatory system. This is because the FSANZ Act in and of itself has no effect on state or territory food law due to constitutional constraints. The adoption, monitoring and enforcement of the Australia New Zealand Food Standards Code is dependent on states and territories putting the standards into their laws, meeting the conditions of the agreement with the Commonwealth. Therefore, a standard developed in accordance with proposed section 12 of the Food Impor-
tation (Bovine Meat Standards) Bill 2010 is not likely to become law, as states and territories are not bound to adopt something that is developed outside of the food regulatory framework. The FSANZ Act, the food regulation agreement and our treaty with New Zealand do not contemplate a process whereby the Commonwealth can unilaterally impose a law on the states, let alone New Zealand. To do so would require a significant referral of powers. So this is a rather hasty drafting of legislation which creates more problems than it solves.

As I said earlier, on 9 March, the Parliamentary Secretary for Health, the Hon. Mark Butler, announced his response to consumer concern about the labelling of beef products: I am asking FSANZ to review the Country of Origin Labelling standard to ensure that consumers are fully informed of the origin of the fresh beef they are buying.

The state and territory governments, as I said, are responsible for enforcing food laws, including country-of-origin labelling, so that is going to have to be worked through there, and that is the proper process.

In terms of the underlying intent of this bill, I can only interpret it as an attempt to impose, upon a process which is taking place in accordance with Australian law, conditions which I have no doubt our trading partners will find objection with. The last thing that beef producers want is a dispute with our trading partners that might lead to a finding against this country by the World Trade Organisation. Some people are wont to make what I would describe as—if you will excuse the term, which in the context of some of the recent photographs of the opposition leader might be taken more humorously than I initially expected—hairy-chested statements about our right to control what comes into this country, and say that we should take no risk.

Senator Nash—There is no need to explain—we understand!

Senator O’BRIEN—I will be interested to hear what Senator Nash says when she has the call but at the moment, as I have the call, she might listen to what I have to say. In terms of our quarantine arrangements, over the last decade of coalition government the coalition repeatedly lectured those who talked about implementing measures which might be seen as protectionist that there was a requirement for us to operate a quarantine regime based on science and on the appropriate level of protection determined by their government, and indeed previous governments and, I suspect, the current government. The appropriate level of protection is one which cannot of necessity involve no risk. In reality there is always some risk and we need to be consistent as to how we apply the laws of this country in relation to our obligations. Just as we require other countries not to exclude goods that come from Australia to their country on quarantine grounds that are not scientifically based, we are entreated by our international commitments to observe the same standards as to goods which are imported to this country.

The basis of this bill, if I understand it—and we have had a limited time to understand it—is that somehow whatever happens with future assessments, the provisions which occurred on 1 July—that is, before this government responded in a responsible way to requirements to reassess the treatment of beef in relation to BSE—should apply and the bill should come to this house on the basis of a disallowable instrument for both houses.

Senator Back—There isn’t a disallowable instrument.

Senator O’BRIEN—This legislation in clause 9 talks about varying the processes that were in effect on 1 July 2009 by a legis-
ative instrument, and the intent of that is to create a disallowable instrument. So, irrespective of findings, the intention is to bring it back to the political process so that it can be disallowable.

The law we are operating under at the moment is effectively coalition made law, and the problem with that is that we are seeking to put in place arrangements which would override the basis of a scientific assessment and return it to the political process. I can assure you that in my time in this place, whenever we have been seeking to examine the processes which have been used in determining import risk analysis, we have been looking at the process and the science and there have been plenty of complaints, for example, from New Zealand in relation to apples, from Canada in relation to pork and to salmon and from the European Union in relation to a whole lot of other things, suggesting that we in fact were not proceeding on the basis of science but were proceeding on the basis of a political assessment of the matter.

This particular bill will lend a lot of weight to the arguments that those countries will make in the future if it is passed by the Australian parliament. It will be saying that we have got all these processes but we are going to implement a process where, ultimately, everything is disallowable by the Australian parliament—so science has gone out of the window and it becomes a political football and we will run the extreme risk of assessments being taken to the World Trade Organisation and findings being made against this country, a situation which must be resisted. A finding against this country in relation to trade allows a finding as to what is an equivalent retaliation. That country can then take that retaliation in any area it chooses, against any commodity that we are exporting to that country.

I say this on the basis of a limited assessment of this bill. This bill is recently created. Private members’ bills are often created in a hurry and they are often created for political rather than legislative purposes. One could well have been excused for thinking that that was the purpose of this bill, and indeed I believe it still is.

In relation to the urgency of dealing with this matter, why is this more urgent than dealing with the fairer private health insurance legislation or the Carbon Pollution Reduction Scheme pieces of legislation which took us days and days and have been through this place twice? I think there were 29 coalition speakers the second time the CPRS went through this chamber, and we knew that all but two of the coalition were voting against the bills. Yet they were prepared to take up the time of this chamber with those bills, which I suggest were much more timely than this piece of legislation, given that, with an import risk assessment running for two years, if this legislation is passed by both houses of parliament it would sit there with nothing to act on for that period of time. If it were to do anything else it would be retrospective, and this chamber has resisted the concept of retrospective legislation for decades.

What we have is a rushed piece of legislation. There is apparently a proposal—perhaps it is not going to be put now—that this bill be rushed through this chamber in time for it to be talked about as early as tomorrow as legislation that the government must pass in the House of Representatives. We have seen the commencement of another scare campaign about beef when, in reality, the minister’s responsible decision has made sure that there will be an assessment responding to concerns in the community. There will be a proper assessment. The rural and regional affairs committee intends to
look at other matters, and that will continue.

(Time expired)

Senator NASH (New South Wales) (4.30 pm)—I note with interest the contribution from Senator O’Brien on the Food Importation (Bovine Meat Standards) Bill 2010. At the outset he seemed to suggest that we were trying to bring this to a vote today. The senator knows full well that, by agreement, there are no votes in the chamber after 4.30 today. Just before I commence my comments on the bill, I will refer to a couple of the comments that Senator O’Brien made. I am on the Senate Standing Committee on Rural and Regional Affairs and Transport with Senator O’Brien—have been for some time—and I have great respect for his intellect and his knowledge.

Senator Heffernan interjecting—

Senator NASH—No, Senator Heffernan, I do. I have a lot of respect for Senator O’Brien as a Senate colleague. But on this issue the government has got it completely wrong. Senator O’Brien referred to a scare campaign. Over the last few months, some sectors of the community have repeatedly said that my coalition colleagues and I are running a scare campaign, as Senator O’Brien has just alluded to. I fail to see how raising an issue in the public domain is a scare campaign. Anybody who is calling it a scare campaign obviously has something to hide. It was entirely appropriate for the Senate rural and regional committee to conduct an inquiry into this very matter. The Australian public deserved to have some scrutiny of this issue. They deserved to know what was going on. They deserved to know what the government was doing. For people to label that as a scare campaign is undermining the appropriate use of the committee system of the Senate. Quite frankly, I think that is appalling.

I will quote Senator O’Brien. I am fairly sure Hansard will show that I am correct, because I would not want to verbal him. Senator O’Brien said that the bill we are discussing this afternoon was created for legislative purposes. Yes, it was. It was absolutely created for legislative purposes, because the government decision to, on 1 March, relax the rules about the importation of beef had no legislation attached to it whatsoever. There was nothing. There was no regulation—nothing. It was simply a decision of the minister to change a policy on an issue this big: the relaxation of the rules for the importation of beef from countries that have had BSE, or mad cow disease.

I think the Australian people deserve more scrutiny and more accountability than is provided by a minister simply deciding that something seems like a pretty neat idea. That was not good enough. That was exactly why the Senate committee held the inquiry: to make sure that we could drill right down into the detail of the issue. What that did, ultimately, was show so many holes in the process that it simply could not go ahead. One of the main difficulties with the process was the fact that there was no recognition at all of the impact on the beef industry. It was done purely on the basis that it was a human health issue, and there were even some questions around the scientific basis of that. That simply was not good enough.

If we take it the next step further, when looking at that impact on human health, all of the assessment was going to be done by Food Standards Australia New Zealand. Let us just have a look at that for a moment. Food Standards Australia New Zealand were going to be providing a questionnaire to the countries that wanted to export beef to Australia and that had had outbreaks of mad cow disease. The questionnaire was provided to the committee and through the inquiry process we looked at it in detail. While the ques-
tionnaire showed the questions that were going to be asked of those countries and the detail that it asked them to provide, there was absolutely no indication to the committee or to the general public from Food Standards Australia New Zealand of what their requirement would be to accept beef from those countries. They had said what they were going to ask those countries, but they had not said at any stage what their requirement was going to be for the tick-off for those countries. That raised a lot of alarm bells on our committee. We felt that process simply was not good enough.

Let us take it one step further. Not only was there no indication of the requirement Food Standards Australia New Zealand would have for those countries to receive the tick-off; there was no accountability once they had made their decision. Once Food Standards Australia New Zealand had made their decision, that was it. It simply rested with Food Standards Australia New Zealand. There was no ministerial or parliamentary accountability. The only thing underpinning the risk assessment for this entire process, for allowing the importation of beef into Australia from those countries, was the Food Standards Australia New Zealand questionnaire. There was no indication of what they were going to require to give those countries the tick-off, and, once they had, there was no accountability for the decision they had taken. My coalition colleagues and I felt that this simply was not good enough. It just was not good enough, which is why we so stridently called for the minister to put in place a full import risk analysis.

I again congratulate my Senate colleagues—in particular, Senator John ‘Wacka’ Williams, Senator Chris Back, Senator Richard Colbeck, Senator Julian McGauran and the leader of the pack Senator Bill Heffernan. Without Bill’s input we would not be at the stage right now where the minister has changed his mind. Bill belled this cat long before anybody else and has done an extremely good job of making sure the Australian people knew what was going on—as have the rest of us. It was a coalitio...
for people across the country, particularly those who are involved in agriculture—in this instance, the beef industry. As a National Party senator, it was about doing the right thing not only for Australian consumers as a whole but, in particular, for the beef industry so that they knew the right process had been gone through and that it was fair.

The private senator’s bill before us today does three things, as my very good colleague Senator Williams referred to earlier. It insists on a full import risk analysis, it insists on equivalence when it comes to identification in overseas countries and it insists on labelling. Interestingly, the government has already agreed on two of those three areas, so one would hope that they will insist on equivalence. They have been saying all along that equivalence is very important and that we have to have it. So there is absolutely no reason whatsoever for the government not to support this bill. If the government do not support this bill, they will actually be going back on the things they have said are important and that they would agree to. They have agreed to an import risk analysis, they have agreed to labelling, and they have said in the past that they think there should be equivalence. So there is absolutely no reason for the government not to support this bill.

With that, I will conclude my remarks. Again, I thank and congratulate my colleagues for the work they have done to raise this issue and make sure that we got the right outcome for the Australian people. The fact that the minister has changed his mind and we have a full import risk analysis goes partway there. We know there is still more to do to make this process perfect. But, thanks to the committee, the inquiry and the people of Australia, the import risk analysis is now in place. I am certain that the committee will continue to keep a watching brief over this to ensure that the right thing is done not only by the beef industry but by people right across the country.

**Senator STERLE** (Western Australia) (4.41 pm)—I have been looking forward to making my contribution to the debate on the Food Importation (Bovine Meat Standards) Bill 2010. There are a few things I would like to correct on the record. One is the scare campaign that Senator Nash keeps accusing some of us of accusing opposition senators of. I will tell you who the biggest pusher of that is. Me. And it was a scare campaign. I will tell you why it was a scare campaign. There is nothing wrong with the political process of getting out there and talking to people on the ground. In fact, it is absolutely fantastic and it is rewarding. The IRA has been implemented in the last week because the minister has heard the people speak. What is wrong with that? The difference is that, when there are scare campaigns, when there are absolute mistruths being spoken by that lot over there—

**Opposition senators interjecting—**

**The ACTING DEPUTY PRESIDENT** (Senator Carol Brown)—Order! Senator Heffernan, you will have your chance later in the debate.

**Senator STERLE**—The same bobbing heads pop up all the time as soon as you want to tell the truth. They cannot handle the truth. It sounds like a movie line, but it is so true. It was a brilliant scare campaign. That lot over there still cannot get it through their boofheads that the government actually negotiated with industry. They did not want to ‘take it to the people’ when they were talking about Work Choices.

**Senator Nash**—Madam Acting Deputy President, on a point of order: Senator Sterle might like to retract that. I do not think I have a boofhead.

**Senator Heffernan**—Madam Acting Deputy President, on a point of order: Sena-
tor Sterle might like to withdraw ‘boofhead’ in relation to my Senate colleagues, but he can leave it there for me.

The ACTING DEPUTY PRESIDENT—Senator Heffernan, please take your seat. Senator Nash, I did not hear Senator Sterle call you a boofhead. Senator Sterle, please continue.

Senator STERLE—Thank you, Madam Acting Deputy President. I retract ‘boofhead’. It should probably have been ‘thickheads’! I am not going to call Senator Heffernan a boofhead because that would be the nicest thing anybody has said about him all week! I apologise to Senator Nash.

As I was saying, the government has listened and the government has made the desired changes. The government should be congratulated. I got a bit confused listening to Senator Nash’s contribution where firstly she attacked the industry, then attacked the government, then congratulated the government. But I want to make it very clear for those who are listening out there and are not sure that the government consulted with industry that the government consulted with the Red Meat Advisory Council. The government consulted with the Cattle Council of Australia. The government took guidance from the industry. There are other industry players who are absolutely minute and, as I said, unfortunately in their contribution to this discussion here earlier this week all of a sudden those opposite wanted to grab some lines and some figures from people who purport to represent industry but who represent five-eighths of not very much. I will defend the industry. I will defend the government. I think it has been a fantastic outcome. It has been a consultative outcome all the way through, and congratulations once again to the minister for implementing the IRA.

Let us get some other facts and figures on the table while we are at it. No country has made any application to export beef to Australia. As has been clearly stated by senators opposite, the IRA will be at least two years. Senator O’Brien has even mentioned that fact—at least two years. But I will bet London to a brick that that scare campaign will still continue, and I bet London to a brick that at the so-called grower or producer meetings out in the bush the protagonists will throw in a host of other issues around agriculture. It is very easy to whip up fear in the bush.

I also want to discuss a statement by Senator Williams. His words were that this bill is very important. I would not insult the good people in the bush by saying this bill is not important. It is a mess and it is very ambiguous, but this issue is very important to the people of the bush, absolutely no argument about that, as it is to all Australians. But what we have seen in this chamber in the last two years, but particularly since the new Leader of the Opposition, Mr Abbott, has taken over the reins after his one-vote win over the previous leader, has been nothing short of obstructionism. As this issue is very important, so are the previous 41 pieces of legislation that we have seen tipped out in this chamber, not through an argument over what is good for Australia and Australians but through pure obstructionist politics from that lot over there. They are still suffering from relevance deprivation syndrome. They still do not get it that in November 2007 the Australian people spoke. There are numerous issues we took to the election. There was none of this core promise stuff that we got from the previous Howard government. We took a number of clearly defined policies to the electorate and people voted. Forty-one pieces of legislation. They should be absolutely ashamed of themselves; their carry-on has been disgraceful.

When you start looking at some of the very important bills, you can talk about the CPRS, for example. I take note that my es-
teemed colleague Senator O’Brien mentioned that there were no less than 29 opposition speakers. I know it was a busy fortnight but it was also a crazy fortnight, and you would not find 29 opposition senators in this chamber contributing to any bill unless they wanted to filibuster. And they were making that very clear at the time. I was very confused, mind you, with so much going on, trying to work out some form of consistent conversation around the CPRS from that lot over there. They had so many mixed messages: they wanted to do it in May, some wanted to do it there and then, and some did not even know what the heck it was all about. Some have still got their heads stuck in the sand. But it was very difficult because they were all out there fighting their leader. I know how hard it is. I can understand. I could see the pain in their faces every day when they came in and said, ‘Who will I vote for today, because I really do not like either of them.’ I could see it, or I assume that is what they were saying. It was absolutely incredible. In fact, it was so scary during the CPRS debate that I was too scared to walk through Aussie’s in case any of them had a plastic knife in their hand. It was unbelievable: swords at dawn.

Senator Parry—What has this got to do with the bovine meat bill?

Senator STERLE—Senator Parry asks what this has got to do with it. I will help you out, mate. Clearly this is filibustering from you lot. That is what we have seen here. You just oppose for the sake of opposing.

Senator Parry interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator Parry, you know that interjections across the chamber are disorderly and I ask you to refrain.

Senator STERLE—It is quite hurtful to listen to that lot over that side. It is very hard to focus while you are trying to make an intelligent contribution in this chamber. I know it has been hard lately.

Let us make it very clear what else they had been out to obstruct. Clearly the Rudd Labor government has had a parental leave plan, no ifs and no buts. Nothing came from that side. In fact—I am sure someone on that side will jump if I am wrong, but the Leader of the Opposition, Mr Abbott, about eight years ago when he was a minister in the Howard government made the comment on the implementation of a paid parental leave scheme that it would happen over his dead body. All of a sudden he has had another thought bubble and he wants to come up—

Senator Back—What about bovine meat?

Senator STERLE—I tell you what, this is all very relevant because of the behaviour of this lot in this chamber. Forty-one pieces of legislation. I remind you, Senator Back, coming from Western Australia, that there are a lot of Western Australians hanging on that legislation being passed. You are just as guilty as the other ones opposite. But this lot over there go on the attack on anyone who says anything against them, because they have to be the gatekeepers to all the intelligentsia in the bush. I cannot help this because it is absolutely amazing watching them. If someone from the bush has a different view than those on the RRAT committee, oh my goodness, don’t they cop it. Don’t they get the absolute personal attack because they have got no idea what they are talking about, but the three or four senators from the opposition—

Senator Heffernan interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator Heffernan, please do not distract Senator Sterle.

Senator STERLE—He has just hurt my feelings again.
Senator Back interjecting—

The ACTING DEPUTY PRESIDENT—Order, Senator Back! Senator Sterle, please continue.

Senator STERLE—Thank you, Madam Acting Deputy President Brown. To go on a personal attack and trash people’s reputations is nothing short of embarrassing. It is embarrassing for the Standing Committee on Rural and Regional Affairs and Transport, which most of the time is a very respected and reputable compilation of senators, in its latest inquiry into mad cow disease, or BSE. It has also been embarrassing, I think, for those opposite.

Senator Nash interjecting—

Senator STERLE—Can I take that interjection through you, Madam Acting Deputy President? Senator Nash plays the good cop, bad cop. While Senator Heffernan is out there trashing people’s reputations and abusing them, Senator Nash sits there like butter would not melt in her mouth. I tell you what, and I will stand corrected if I am wrong, she is either a very good actress or she has absolutely no control over her senatorial colleagues on that committee. Let us get back to some of the truths.

Senator Nash interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator Nash, please cease interjecting.

Senator STERLE—As I was saying before I was rudely attacked again, Madam Acting Deputy President, two years before any beef will come into Australia there will be an import risk analysis. There is absolutely no argument about that. This decision was based on science. I have said it before and I will say it again, and I will put it in an email for them if they need it. In 2000, when there was a mad cow disease outbreak in Britain, the previous government were correct to implement an across-the-board ban. They were absolutely correct and there is no argument about that. They did the right thing by Australia, by Australian consumers and by Australian producers, and they did the right thing by our market and our trading partners. But the science has moved on. There is far greater science around mad cow disease now than there was then. The government sat down with the beef industry and the health industry and consulted widely. It would not hurt for that lot over there to remember who was involved. It was not a rash decision. The decision was made on the science and it was on good science.

Senator Nash interjecting—

Senator STERLE—Here we go again with interjections from that side. There were esteemed professors in health inquiring into the matter and, all of a sudden, a farmer—and no disrespect to the farmers; I have one walking past me at the moment—or a producer or someone who has lived in the bush is far more expert than a professor. They were just mistruths.

Then they chuck in the mixed labelling argument, so let’s talk about that. I have no dramas and no argument with the labelling situation because we have made the announcement that we are going to make the changes and have the inquiry. This is where we have to get the truth out.

Senator Nash interjecting—

The ACTING DEPUTY PRESIDENT—Order, Senator Nash!

Senator STERLE—Australia’s biosecurity protection and the likes should not be determined on the supermarket shelf, Senator Nash—through you, Madam Acting Deputy President. That is not where it should be done. It should be done at our borders with our border control. So there is another mistruth to stir up the population to think that the tag on the shelf will solve everything. It
will all be done with the correct protocols. To listen to that lot on the other side say that all of a sudden on 1 March we were going to be bombarded with beef from countries that had mad cow disease was just totally misleading. It is not hard to upset the public—just chuck out a scare campaign and that will have the desired effect. We have to cut through all that and get to the truths.

We were talking about the National Livestock Identification System, which I know Senator Williams quoted. I will check the Hansard that Senator Williams, quite rightfully, said that other countries should have the same procedures as us from birth. That is not a problem. I just want to clear that up because the NLIS does not require animals to be tagged at birth. If you listen to that lot on the other side you would think that every time a calf was born it would have a plastic tag on its ear. That is not the case and I will stand corrected if I am wrong. I do not hear Senator Nash attacking me now. I do not hear the good Dr Back attacking me now. If I am wrong, prove it.

Senator Nash interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator Nash, please cease interjecting.

Senator Nash—I wasn’t saying anything.

The ACTING DEPUTY PRESIDENT—Order, Senator Nash!

Senator STERLE—See, she comes across as being all innocent. See the way she did that? I heard her.

The ACTING DEPUTY PRESIDENT—Order! Senator Sterle, please address your remarks through the chair.

Senator STERLE—Thank you Madam Acting Deputy President. That is another mistruth that has been spoken, this time from Senator Williams. The actual law requires the tag to be put on before the animals leave their property of birth. You will have your turn to stand up and knock me over on that one but I do not hear too much opposition coming from that side. Getting the truth out to the people and having decent, honest, open conversations with the people affected is a far more honourable way than going out and making all sorts of false accusations and claims. I listened to all those claims and, if I had not been involved in the committee, I would have thought that come 1 March we would have been bombarded with every imaginable disease that could come to the country. And it just was not true. It was absolutely nowhere near the truth.

We have strongly resisted pressure from the EU and Japan over the years to introduce date of birth tagging. There are some major trading partners on our case but we have resisted them. There are many cattle in Australia that do not have birth-to-death traceability under the NLIS. If you listened to Senator Williams you would think that that could not be further from the truth. I will give you an example. For cattle born before the relevant state/territory mandated the NLIS, the receiver of the animals does not record the cattle sale or movement.

I know that is a favourite of Senator Hef fernan. I heard all through the committee about cattle being born in Mexico and trotting over the border to America before they actually got a tag. Also, in the new bill—the new, flawed bill; the ambiguous bill—section 6B requires traceability for animals but it does not specify which species of animals. There is a lot of work to be done. I have not heard of this yet. Something may have happened in the last half hour or so, but I do not recall it being recommended that this bill go off to a committee for inquiry. If it is going off to a committee, that is fantastic because I will look forward to it coming through the Rural and Regional Affairs and Transport Legislation Committee and I will
look forward to working with opposition senators because, from now on, I am sure there will not be a big scare campaign—no, I cannot say that in all honesty. I would hope that truth will be transmitted through all media statements and meetings out in the bush with growers.

It is all right for those opposite to jump up and down about accountability and honesty. There was a suggestion earlier today that we should try and ram this bill through because of its high importance. It was said we had to get it through today before we even had the chance to properly go through it, to analyse it and to dissect it. The modus operandi of those opposite is to circumvent the Senate committee system when it suits them. It was not that long ago, Madam Acting Deputy President Moore—as you and I would both remember, when we were in opposition—that the Senate committee system was shaken on its head and tipped upside down because it did not suit that lot on the other side. They were very quick to do away with some, I think, eight committees. As soon as they got into opposition and there was the chance of doing a grubby deal—I will take that back; of doing a deal—to appease some of the sooks in the Greens, they all of a sudden tipped it back. I do not have to apologise for ‘the sooks’, do I?

The ACTING DEPUTY PRESIDENT (Senator Moore)—I will ask you to watch your language, Senator.

Senator STERLE—I will take that back. I will say some of the ‘whingers’ in the Greens. They had the chance to tip the committee system back on the other side again to give us what we had before. That lot on the other side see Senate committees as their little plaything. It suits them when they have the numbers. When they do not have the numbers, they do not want to play by the rules. It has been no more evident than it was through the inquiry into the importation of beef. I am looking forward to having some more conversations with industry. I am looking forward to going through the import risk analysis. I am looking forward to seeing any extra science. I am also looking forward to making sure that mistruths are not spread out there in the countryside. I have said on many occasions that producers are very decent, hardworking people. There is not an argument; I have never had that argument. I also know that they are under immense pressures not only from the drought but also from the Aussie dollar being low—

Senator Back—High!

Senator STERLE—High—I am sorry. Thank you very much, Senator Back. I know they do it tough. I know they face a heap of problems. It is not hard to throw out some wild statements, scare the living bejesus out of the country people—

The ACTING DEPUTY PRESIDENT—Senator Sterle—

Senator STERLE—Yes—the living daylights. I am sorry. I looked at the other side and I lost my train of thought.

Senator Cormann interjecting—

Senator STERLE—Hang on! Here is the intelligentsia from the Western Australia Liberal Party. It is Senator ‘the knife’ Cormann. Welcome to the chamber. I do not recall seeing your fat head at any of these hearings.

The ACTING DEPUTY PRESIDENT—Senator, again, your language. You are getting very close to your time.

Senator STERLE—I know. Thank you, Madam Acting Deputy President. There is something about Senator Cormann that makes me lower my standards to his modus operandi, and I do apologise for that. As I say, I look forward to this bill coming to the committee. (Time expired)
Senator HEFFERNAN (New South Wales) (5.03 pm)—It is nice to listen to someone who absolutely does not know what they are talking about! Can I table a document?

Leave granted.

Senator HEFFERNAN—Thank you very much. I am tabling a document, which is a press release from R-CALF USA. It reads:

R-CALF USA (Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America) is a national, non-profit organization dedicated to ensuring the continued profitability and viability of the U.S. cattle industry. Members are located across 47 states and are primarily cow/calf operators, cattle backgrounders, and/or feedlot owners.

It is a great pleasure to speak on the Food Importation (Bovine Meat Standards) Bill 2010, a bill for an act to ensure the equivalence of Australian production standards in the importation of bovine meat and meat products. ‘Equivalence’ is a great word, because there is great variation between what people in the office of Simon Crean; the Cattle Council; MLA; RMAC; the Minister for Agriculture, Fisheries and Forestry, Minister Burke; and the growers think that means. We are insisting in this bill on full traceability from birth to death and that, when the tag goes in, it is property of birth. Some people mark their calves at six weeks, some mark them at six months and some mark them when they wean them. When the tag goes in depends on the management of the property. It is property of birth. That is to clear it up for Senator Sterle, as he probably does not realise that because after all he is a truck driver. I am a truck driver, too, and a wool classer and a welder and I have not read a book since I left school. But anyhow.

What this is really about is getting a clear understanding in parliament of what we demand of people that want to import product into Australia and of what ‘equivalence’ actually means. The difficulty we have had is that there are a few things surrounding this debate that have been confusing to people. There is no question, as Senator Nash has said, that the government would not have changed its mind if we had not got the inquiry up and if we had not got talkback. I commend the talkback people—Leon Byner in Adelaide and Alan Jones—and the various print media people who had a crack at this, because it was the power of the people that combined with the Senate inquiry to change the government’s mind on this. It was nothing else. I commend the minister for the strong stance he took against his own trade minister.

This is about ensuring that we do in fact have full traceability and that we do have a full import risk analysis—unlike the analysis that went on with the beef importation from Brazil. I will go to the tabled document. It is headed ‘On 25 February confirmation of a BSE positive cow kept secret’. It points out that in Canada they have had their 18th case of BSE—in a 72-month old Angus cow, which means the cow was born in 2003-04. Canada has an arrangement with the United States that any cattle born after 1999 can be exported into the United States. In fact, this press release points out that 40,000 older Canadian cows were imported into the United States for domestic slaughter.

Senator Back—This year.

Senator HEFFERNAN—This year—I am sure that Senator Back will go into great detail on this particular press release:

Forty organisations representing consumers, the cattle industry and other livestock and farming interests sent a joint letter to USDA in November 2009 urging the new Administration to restore the United States’ weakened import standards that are exposing the US to a heightened risk of BSE.

Hence my insistence and this bill’s insistence that, if the US want to export meat to Australia they have to make up their minds about
what is equivalence. Equivalence is not about a closed herd status because anyone can rogue that; equivalence is not about a state boundary; it is about a national boundary. If we are going to have birth-to-death traceability, they either close the border with Canada and Mexico or they trace cattle back with a tag to wherever they were born in Canada or Mexico. That is the basis of traceability.

I can give you the impact against the rising Australian dollar—Senator Sterle thought it was the falling Australian dollar; I guess that is understandable. In 2004, the United States exported 375,455 tonnes of meat into Japan. When they got their infection, they imported 797 tonnes. In Korea, 246,595 tonnes went in 2003; in 2004, 672 tonnes went in. This gives you an idea of the worry we have in losing that market share because we have the world’s cleanest, greenest and freest status of beef production. Australia is the safest place in the world to eat beef and we want to keep it that way.

This bill is designed to bring to parliament some accountability. What was proposed before, as Senator Sterle says, ‘we made a fuss’, was a system of assessment where one bureaucrat, Mr Steve McCutcheon, would have been accountable. No-one in the government is accountable. No-one in this parliament would have been accountable for any catastrophic mistake. A few years ago, we made a catastrophic error with Brazil and, sure enough, the person who made the mistake has moved on to another part of the bureaucracy.

This announcement today by the United Stockgrowers of America points to the fact that there are serious flaws in the United States, Canada and Mexico trade. We want to straighten it out. We want it in black and white and we are prepared to have it tested by whoever wants to test the process. We are quite happy to go through a biosecurity process, we are quite happy to go through a FSANZ process, but we absolutely want the people in this parliament to be accountable to the process.

I have full sympathy for the various bodies that gathered together to do the secret deal on 28 July last year. There were eight people there from the industry. Seven of them were from the processors and they were dominated by the international processors. One producer and seven processors signed up to the government to say, ‘We’re going to do this but we won’t tell anyone.’ In Armidale the other day, the chairman of Meat and Livestock Australia, David Palmer, said that in fact it was said in that meeting, ‘Don’t tell Bill Heffernan,’ that is, me. The government actually said that—‘Don’t tell him.’ As a consequence, everyone has to walk backwards on this because we need to protect our reputations.

We had excellent evidence given to our committee. I feel sorry for the people who did not know the difference between an import risk assessment and an import risk analysis. They did not understand there was even trade, including the bureaucrats who were putting the protocols in place on Thursday a fortnight ago. They did not know that there was trade across the border with Mexico, they did not know the status of the Mexican herd, which we have now given in a question on notice. With the excellent technical backup of people like Senator Back, Senator Nash, Senator Williams and others, we are in good shape.

I commend this bill to the parliament. This is a bill to protect the interests of not only Australia’s cattle producers but also Australia’s consumers of beef. Let us keep Australia the safest place in the world to eat beef. There is a whole lot of new science which will come forward through the IRA process,
which has only just come in the last few weeks and will point out the unknowns and the difficulties in identifying the spreadability of not only the prion of BSE, that is the protein, but also things like the new wasting disease which is now up on the Canadian border with the United States where all this border traffic is. There is a wasting disease in a laboratory which has now spread to cattle. We do not want that in Australia. We brought Johne’s disease in because of a sloppy process with sheep in New Zealand a few years ago. We do not have scrapie. Let us keep Australia the best place. This bill ensures that. Thank you very much.

Senator PARRY (Tasmania) (5.13 pm)—According to standing order 199, I move:

That the question now be put.

The ACTING DEPUTY PRESIDENT (Senator Moore)—I remind honourable senators that if a division is called for on Thursday after 4.30 pm, the matter before the Senate shall be adjourned, pursuant to standing order 57(3), until the next day of sitting at a time to be fixed by the Senate. Accordingly, the matter is adjourned.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (5.14 pm)—I am sorry for those listening to today’s broadcast because they would be trying to make sense of what is going on in the Senate. Given Senator Parry’s motion, I move:

That the votes be taken after the discovery of formal business on the next day of sitting.

Question agreed to.

DOCUMENTS

The ACTING DEPUTY PRESIDENT (Senator Moore)—Order! It being 5.15 pm, the Senate will proceed to the consideration of government documents.

NBN Co Ltd

Debate resumed from 25 February, on motion by Senator Birmingham:

That the Senate take note of the document.

Senator BILYK (Tasmania) (5.17 pm)—I rise today to speak to the NBN Co. Ltd report. I was really delighted to be present on 1 March when the Minister for Broadband, Communications and the Digital Economy, Senator the Honourable Stephen Conroy announced stage 3 of the delivery of the Rudd government’s National Broadband Network in Tasmania. Minister Conroy was the bearer of some exciting news for Tasmanians on a significant expansion of the rollout in this state. Minister Conroy announced that the Rudd government will make an equity injection for $100 million into my home state, Tasmania, through the Tasmanian NBN company to facilitate the further rollout of the fibre-to-the-home broadband. This is stage 3 of the NBN rollout and it will extend delivery to 90,000 premises in the major population centres of Hobart, Launceston, Devonport and Burnie. Detailed design work is now underway with 40,000 premises in Hobart, 30,000 in Launceston and 10,000 each in Burnie and Devonport to receive access to optic fibre.

The Rudd government’s $100 million investment will mean that, combined with the first two stages, the NBN rollout in Tasmania has now risen to around 100,000 premises, including homes, businesses, schools and hospitals. This work will connect communities which are mostly underserviced with high-speed optical fibre broadband. The National Broadband Network will change the fabric of our nation, and it is wonderful that Tasmanians will be the first to benefit. The National Broadband Network is about more than just high-speed telecommunications. It is about better access to health services for Tasmanian families. It is about better educa-
tion opportunities for Tasmanian kids. It is about creating new business opportunities and stimulating Tasmania’s economy. And it is about creating and keeping jobs in Tasmania.

Leading key Tasmanian industry players have strongly endorsed the NBN project. Robert Wallace, CEO of the Tasmanian Chamber of Commerce and Industry, says that broadband is the business tool of the future. He states:

This will certainly allow us to interface with our customers and our consumers far more efficiently and more cost effective.

The President of the Tasmanian ICT, Darren Alexander, has said that the rollout of the NBN in Tasmania provides ‘an opportunity to be one of the best and to be the first to be able to be driving this project’. Chris Oldfield, Chief Executive of the Tasmanian Farmers and Graziers Association states:

For farming it will be revolutionary. It will change forever what we do and the way we do it.

The strong working relationship between the Rudd and Bartlett governments has been fundamental to bringing the NBN to Tasmania. The Rudd government appreciates the hard work and support of the Bartlett government. The Tasmanian Labor government knew a good opportunity when they saw it, and they capitalised on it by making a compelling bid to the government’s RFP processes last year. The Bartlett government has put Tasmania at the forefront of broadband transformation in this country.

Yet the leader of the federal opposition continues to actively oppose the NBN—a position he first mooted in his maiden speech to the House of Representatives as opposition leader late last year. Mr Abbott is apparently oblivious to the need for Australia to be at the forefront of the rapidly developing information superhighway and ignorant of the opportunities which I have just outlined.

He would actively seek to deny not just Tasmanian but all Australian citizens and businesses the opportunity to fully participate in the global information age. I call on the Tasmanian federal Liberal Party representatives and the leader of the Tasmanian Liberals, Will Hodgman, who professes his support for the NBN rollout in Tasmania, to condemn the short-sighted and ignorant policy stance of their federal leader. I seek leave to continue my remarks later.

Leave granted.

Senator RONALDSON (Victoria) (5.22 pm)—I am afraid I cannot let the comments of the good senator go by without some comment. As Senator Bilyk knows, I consider her a good colleague. But, if she honestly thinks that on the eve of a Tasmanian election the voters in Tasmania are going to judge the Labor Party, both state and federal, positively on the back of the NBN, I would be utterly amazed. If the Australian Labor Party are allowed to get away with $43 billion of unfunded expenditure, without a business plan, the people who will suffer will be the people of Tasmania—the federal government will put this country into so much debt that the good people of Tasmania will not be able to get the services that they clearly deserve.

Senator Bilyk’s leader, who has rushed into the NBN, the Home Insulation Program and the Green Loans Program for cheap political purposes, is exposing Senator Bilyk’s fellow Tasmanians to excessive debt. Your fellow Tasmanians, Senator—through you, Madam Acting Deputy President—will be required to pay off the debt of Kevin Rudd, the Prime Minister, and your party. The good people of Tasmania, who will need doctors and hospitals, and roads and other infrastructure, will not be able to access those services because the Australian Labor Party will have spent and spent, putting this country into
enormous debt. It beggars belief that they can justify spending $43 billion without a business plan. I do not for one minute think that Senator Bilyk can honestly accept that that sort of expenditure, which will leave the people of Tasmania exposed, is an appropriate use of taxpayer funds. I do not for one minute believe that she could honestly believe that.

I want you, Senator Bilyk, to think, please, about what your response is going to be when you start getting letters from constituents who cannot get a doctor, who cannot get additions to their hospitals, who cannot get their roads built and who cannot get other government services. What is your response going to be? Regrettably, it is not going to be: ‘I stood up for you by opposing this wanton expenditure. There was no justification for it.’ When you can say that, I will have some sympathy for you.

The Acting Deputy President (Senator Moore)—Senator Ronaldson, I know you are directing that through the chair.

Senator Ronaldson—I am sorry, Madam Acting Deputy President—I am indeed. There is not one Tasmanian in this place. I can see at least two of my colleagues who are going to contribute to this and other debates. What they want you to do, Senator Bilyk—through you, Madam Acting Deputy President—is to say to the people of Tasmania, ‘I will oppose this wanton expenditure so you can get the services you deserve in due course.’ I suspect, Senator Bilyk—through you, Madam Acting Deputy President—that you will be here for some time, so you will have plenty of time to see the dramatic outcomes of this expenditure.

The people of Tasmania deserve better. On Saturday week I am convinced they are going to start the process of putting in place people who actually know something about the economy and about managing responsibility: a Liberal government. That is just the start of it for the people of Tasmania. Senator Bilyk, if you come across to this side of the chamber and we go where you are presently, there will be a chance for them to get even better services.

Senator Marshall (Victoria) (5.27 pm)—Senator Ronaldson being a Victorian, I am not sure what role he sees fit to play in the Tasmanian election. The volume and the theatrics of Senator Ronaldson’s contribution are no substitute for substance. People should take a bit of a cold shower. We are talking about the provision of a world-class, fast broadband system, which this country has lacked for so long. On this issue, the previous government, in their 11 long years, fiddled and mucked around and could not work out what to do. They had 10 different plans and could not get one of them implemented. They left this country far short of anything world-class or reliable that would underpin our economy, our education system, our future and our economic development.

In this very important debate, Senator Ronaldson flippantly linked the provision of that world-class system to the lack of doctors, roads and other things in Tasmania. I know state elections do funny things to people, but maybe we should leave that to the Tasmanians. Senator Ronaldson, I know you like to speak in here and put on a good show—I must say I normally enjoy it—but let’s come back down to earth. The debate about the broadband system is a debate we are very happy to have, but to try to link it in some way to the provision of state services is to draw an incredibly long bow. I will leave my comments there. In case anyone listening thought there was any veracity to the linkages that Senator Ronaldson made, I just wanted to make those comments to put that to bed.
Senator BARNETT (Tasmania) (5.29 pm)—I want to respond to some of the comments that have been made, particularly those of Senator Bilyk. I do not know exactly what she said, but I do know what is happening in Tasmania and that is that there is no business plan and no detail about the exact costs to the user of that broadband service or about the estimated costs of this rollout in Tasmania. It was estimated at $700 million, and Senator Conroy and, indeed, the Prime Minister are advocating this $100 million injection. Senator Conroy could not detail what has happened to the other money, when I asked him a question in this chamber the other day. Where is the remaining money from the $700 million? He talked about a $100 million investment. What has happened to the other $600 million and who is paying for it—is it federal or state? We do not know. He does not know what the take-up rate is and yet all of this is meant to happen magically in July. This is a government that is in the never-never with its plans. It is flying kites; it is hot air. There is no detail—and the devil, of course, is always in the detail. These are critical decisions. Would any business in its right mind, small or large, proceed with such a large investment with no business plan? We ask time and again for a business plan, but they do not have it.

I also want to refer to the NBN and the RFP, the request for proposals process, which is deemed an absolute flop, a dud and a big-time, total and shocking waste of taxpayers’ money. The Auditor-General’s Report No. 20 of 2009-10, Performance audit—The national broadband network request for proposal process: Department of Broadband, Communications and the Digital Economy, was tabled in this chamber some weeks ago. There was a confirmed, on the public record, $30 million wasted—$17 million of that was taxpayers’ money. The department’s cost was shocking and the $13 million from the proponents and others has, unfortunately, been wasted. The Joint Committee of Public Accounts and Audit held a public hearing today with the Secretary of the Department of Broadband, Communications and the Digital Economy regarding this important rollout. The audit report and the hearing have been quite revealing. From the advice that we received today in answer to questions from Mr Georgiou, Ms Ley, me and others, it seems quite clear to me that the department informed the minister responsible and he was made fully aware of all the key risks and their significance for a successful outcome to the RFP process. We were advised by the department this morning that that information—that advice—was given to the minister right throughout the process, including in and around September, when the Frontier Economics report was given to the department. That report indicated the level of compensation, literally in the billions of dollars, that would have to be paid to Telstra if one of the other bidders was successful in the tender process.

They have taken that on notice and have advised that they would get back to the committee with their answer—but they did say that, according to them, the minister was advised. They have taken that on notice to check and confirm that that is the case. I have asked them the time and date when that advice was given to the minister. The minister was in here not so long ago saying, from my understanding and from my recollection, that he could not recall exactly but he did not think that he was formally advised until around January or February this year. Let us watch this space and see exactly what happened when. We want to know. I asked for a breakdown of the $17 million cost to the taxpayer, including the cost of the external consultants and others. There was a risk to the Commonwealth. That was identified to the government and specifically to the minis-
ter, according to the secretary of the department and the other official at the hearing today. The government is and potentially could be in a lot of hot water. It is already in hot water, but the hot water could be getting extreme—even hotter still. (Time expired)

Senator O’BRIEN (Tasmania) (5.34 pm)—I am not sure where the hot water is coming from, but I would have to say that if that contribution is the basis for the hot water I do not think we are lukewarm yet. I would have to say that on this particular matter you have on one side the Labor Party, which has shown foresight, and on the other you have the negative, nitpicking opposition, who are opposing everything. That has been made clear by their new leader—the fourth leader since the election, is he?—Mr Abbott, whose position is to oppose everything. So we are going to get this negativism on every single issue and we are going to see the coalition padding out the speakers list on the bill before the chamber. They are filibustering in that debate so it does not come to a vote, but they have indicated that they are going to vote against it—yet another filibuster. We have had two filibusters on the CPRS: one on each of the occasions the bills have come to this chamber. It was the same thing on the fairer private health insurance legislation. The coalition know they are going to vote against every bill that comes here. They seem to say, ‘Not only are we going to do that but we are going to take the maximum amount of debating time and be as negative and frustrating as possible.’

Returning to the issue of the National Broadband Network, I go back to the days of former Premier, now deceased, Jim Bacon. When the natural gas rollout was taking place in Tasmania he made sure when those pipelines were laid in the ground that laid with them was fibre-optic cable for the future of networks just such as the National Broadband Network. It was a bit of Labor foresight. And what did we have then? The negativism of the Liberals saying that it would never work, would never come to use and was a waste of money and asking why we were spending this money.

Let us see why. Tasmania is getting, and will be the first to get, a national broadband network as part of a national Labor government’s foresight initiative to provide 21st century-and-beyond assistance for the state of Tasmania—a state that has gone, when the Bacon Labor government came in, from the worst unemployment in the nation to better than the national average. That was through the foresight and hard work of Labor. Of course, it will be said by those opposite that we should not take account of that; there are reasons that they should be elected. In the period before the Bacon government, Tasmania with a Liberal-Greens arrangement fell behind even further than it was before. And, if they get their way, what are we going to be looking at after the election? They will not get majority government. It will be a Hodgman-McKim government. That is what they are aiming at.

We think that we will get a majority Labor government, and we are working hard towards that. But they on the other side will be keen to do whatever deal they can to get into government. When it comes to the National Broadband Network, until Mr Abbott made his statement that the federal Liberal Party would oppose the network, Mr Hodgman, the leader of the Tasmanian Liberals, supported it. He thought it was a good idea. He supported it. He thought it was in the interests of Tasmania. Since then he has gone quiet on the issue. He is now in the position where, whenever he says something about it, either he is opposed to the development of a 21st century network for Tasmania—and the Tasmanian people will judge him on it—or he is going to contradict his federal leader. He is not strong
enough to do that, let us be frank. So I suppose he has been rolled.

Senator Bilyk interjecting—

Senator O’BRIEN—Senator Bilyk, I accept your interjection. Of course, Senator Abetz might have applied some pressure to make sure that Mr Hodgman did not step out of line with the federal Liberal Party. Here we have a proposition on which Tasmania is going to lead the nation, and what are we seeing from those opposite, particularly the Tasmanian senators? We are seeing a reason why it should not happen. As for the question of who is going to pay the money, of course the overall price of the network will ultimately be shared with a number of investors, and all this talk about $43 billion is nonsense. (Time expired)

Senator PARRY (Tasmania) (5.39 pm)—I also will speak to the document relating to NBN Co. Ltd. When Senator Bilyk was saying that the NBN will save the state Labor government and then Senator O’Brien made his contribution, I thought I was at the Melbourne Comedy Festival. I did not think I was in the Senate chamber. It was unbelievable. After the assertion that Labor was going to win a majority, I just refer Senator O’Brien to iElect.com.au. Thousands and thousands of people have been prepolled on this and have indicated their voting intentions. It shows as recently as this afternoon Liberal 13, Labor nine. I think that is quite a telling thing. Senator O’Brien, go back and have a look at that.

Senator O’Brien interjecting—

Senator PARRY—I am not going to take a wager in the chamber with you, Senator O’Brien, but after the debate I might talk to you outside about that matter. We will have a result fairly soon. Senator O’Brien dismisses the National Broadband Network by saying, ‘Don’t worry about where the money is coming from.’ Goodness gracious me! That is exactly what we are worried about. We are worried about how these things are going to be funded and when it is going to be rolled out. You will talk it up between now and 20 March, but post 20 March there will be not a word said. The judgment will be how effective this is in the future if it all gets off the ground. I hold very little hope for this. To Senator O’Brien and Senator Bilyk: the sooner the Labor government in Tasmania is removed from office the better.

Senator FISHER (South Australia) (5.41 pm)—I rise on the same matter, which is the NBN Co’s 2008-09 annual report. On the face of it, it looks like a pretty standard annual report. It refers to the Australian taxpayers’ money that NBN Co. had the pleasure of spending in the 2008-09 year. I guess for some that might be pretty standard, but what is not so standard about this annual report of NBN Co. is that at the same time it refers to spending taxpayers’ money it has delivered nil progress—nil progress on the government’s National Broadband Network.

We see here the flavour of the megabucks—the taxpayers’ dollars—being spent by this government on NBN Co. and on the NBN itself, and we have still not got one new service provided as part of Labor’s NBN. Not one new internet connection has been provided as part of Labor’s rollout of the NBN. We are spending plenty of the bucks and not delivering any of the bits. The NBN Co annual report tragically is the foretaste of things to come, because the government has hardly given us confidence that it is to be anything other than the foretaste of things to come. The government has failed and failed again to explain to the Australian people what they are going to get as part of the National Broadband Network—when they are going to get it, how they are going to get it, where they are going to get it, who is going to get wireless, who is going to get satellite, who is going to get fibre to the
home and how much they are going to have to pay for the pleasure. Instead, the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, says that all this will be answered by his now infamous implementation study—the network design, the rollout schedule, and how much it will cost. Where is the implementation study? He said it was due by the end of February. The end of February has come and gone; March—on the march. The minister told the parliament yesterday, ‘I have got it, I have got the implementation study, but nyaa, nyaa, nyaa, you can’t see it.’

Senator O’Brien—He would not have said that.

Senator Fisher—He might as well have. He might as well have said, ‘Nyaa, nyaa, nyaa—nyaa—you can’t see it!’ He might as well have said: ‘Australian taxpayers, you’ve paid $25 million to get this implementation study. I’m not even going to give you 25 minutes a million to look at it.’ He might as well have said to the Australian parliament: ‘We spent nine months getting this jolly thing. We’re not even going to give the Australian parliament nine minutes to look at it.’

The questions are piling up and the answers have never been provided. It is little wonder that the Australian public are left wondering. There is nothing to do other than to think that the National Broadband Network stands for ‘nobody knows’—nobody knows who is going to get what with the NBN. Nobody knows when they are going to get it, where they are going to get it or how much they are going to have to pay for the privilege, least of all Rudd Labor and least of all Minister Conroy. If Minister Conroy does know some of the answers, he ain’t telling us, and you have to ask: why would that be? Why would Minister Conroy not be showing us his now infamous implementation study, which has the answers—he has told us it will have the answers to life, the universe and everything! Bring it on, Minister, and convince the Australian public that National Broadband Network does stand for something other than ‘nobody knows’. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Senator Parry—I seek leave to correct the record from a statement I made a while ago.

Leave not granted.

Department of Climate Change

Senator Ronaldson (Victoria) (5.47 pm)—I move:

That the Senate take note of the document.

I want to take note of this annual report of the former Department of Climate Change and refer to the Labor Party’s Home Insulation Program, which is an example of systemic policy failure with the deepest human consequences. Minister Combet has now upped the government figures to 105 house fires and potentially 1,500 deadly electrified roofs. Labor has no plan to examine all of the one million houses insulated and no plan to fix the 240,000 houses that have been made unsafe or have dodgy insulation.

But the consequences are not just severe for homeowners. I want to turn to a report in the Colac Herald from yesterday, I think it was. It was an article by Mr Brett Worthington. This is the local Colac paper, and the member down there, of course, is Mr Darren Cheeseman, one of the laziest members of parliament that I have ever seen in nearly 17 years.

Senator O’Brien—I believe that there has just been a reflection on a member in another place. I ask you, Mr Acting Deputy President, to require the senator to withdraw it.

The ACTING DEPUTY PRESIDENT (Senator Trood)—Senator Ronaldson, refer-
ring to a member of parliament as ‘lazy’ is a personal reflection and I ask that you withdraw that reference, please.

Senator RONALDSON—Clearly the truth is no defence and I withdraw. The article in the Colac Herald—

The ACTING DEPUTY PRESIDENT—I ask that you withdraw the remark without qualification.

Senator RONALDSON—Sorry, I thought that was implicit in my comment. If it was not, I will certainly give that.

The ACTING DEPUTY PRESIDENT—Thank you, Senator Ronaldson.

Senator RONALDSON—the article in the Colac Herald is headed ‘Insulation woes hurt reputation’ and there is a photograph of Darren Pyne with the Liberal candidate for Corangamite, Sarah Henderson. The photograph is captioned ‘ANGER’ and there was absolute anger, I can assure you, Mr Acting Deputy President, from Mr Pyne. Mr Pyne runs a business called WestVic Kitchens. As the article says, he:

… fears the demise of a national insulation scheme has tarnished his business reputation.

… … …

‘I have been working on my reputation for 20 years, my family and kids are all here, it is all I know,’ he said.

The article went on to say:
The Federal Government made an overnight decision on February 19 to stop and insulation rebate scheme immediately after four deaths of installers and about 90 insulation-related house fires.

Mr Pyne said the government still owed him $80,000 in rebates.

The article went on to say:

Mr Pyne said the program axing forced him to sack 10 contract workers.

He said he felt for the staff who fired, two of which he said were ‘struggling to cope’ with the news.

He went on to say that this program was ‘poorly managed’. Here we have in Colac, in the heart of the seat of Corangamite, a long-term resident of the area, Mr Darren Pyne of WestVic Kitchens, who has said quite clearly that the program, which was axed because of the systemic failure of good policy, has dramatically impacted his business. I ask the question: where has Mr Cheeseman been in relation to this matter? Where has Mr Cheeseman been to address this issue? Why isn’t Mr Cheeseman standing up and saying to the government, ‘This program is costing my constituents’? He is missing in action. This man is always missing in action when it comes to the people of Corangamite.

This is a terrible, terrible program with terrible, terrible consequences. Even with a new minister in there, we are no closer to resolution. You look at the former Minister for the Environment, Heritage and the Arts and you wonder why Mr Rudd did not sack him. Mr Acting Deputy President, I will tell you why: Mr Rudd and his minister were working on this together, and Mr Rudd went out and told his minister, Minister Garrett, that this is what they were going to do. That is why he has not been sacked. The Prime Minister knows that Mr Garrett is going to spill the beans on this. The Prime Minister knows that Mr Garrett was told by him, the micro-manager of this country, to go and do it. Mr Garrett has not been sacked because the Prime Minister knows full well that the beans will be spilled.

The Prime Minister is directly responsible for this program. Mr Darren Cheeseman, as the member for Corangamite, has got to start standing up for his constituents. He has about six months left, and we cannot wait to see Ms Sarah Henderson as the member for Corangamite. (Time expired)

Senator MARSHALL (Victoria) (5.53 pm)—I rise to speak on the same document,
the annual report of the former Department of Climate Change. Senator Ronaldson seems to have a very unhealthy obsession—

Senator Ronaldson—Mr Acting Deputy President, on a point of order: I am attracted to Senator Marshall’s tie but not so his shirt. I wonder, if Senator Marshall is going to participate in these proceedings, whether he might like to put a coat on. As I said, I like the tie but don’t particularly like the shirt. Perhaps Senator Marshall could be appropriately dressed in the chamber.

The ACTING DEPUTY PRESIDENT (Senator Trood)—Senator Ronaldson, I think that is probably not a point of order.

Senator MARSHALL—Indeed, it is not, and there seems to have been a couple of irrational contributions. I was just going to say that Senator Ronaldson really seems to have a very unhealthy obsession with Mr Cheeseman.

Senator Ronaldson interjecting—

Senator MARSHALL—Senator Ronaldson says he has more to come, and I hope he has, because I have a lot to say about Corangamite, too. I know Senator Ronaldson has Corangamite as his duty electorate, and I know he is hurt that Mr Cheeseman won the seat of Corangamite after the Liberal Party had held it, if my memory serves me correctly, for 76 years. Mr Cheeseman is the first Labor member for Corangamite for 76 years, and Senator Ronaldson is bitterly hurt.

Senator Ian Macdonald—Mr Acting Deputy President, on a point of order: I have been listening to Senator Marshall for a minute. We are dealing with government documents and we are dealing with the 2008-09 annual report of the Department of Climate Change. I am not quite sure what that has to do with Mr Cheeseman, whoever he is. So my point of order is on relevance: the senator must talk to this report.

Senator MARSHALL—Mr Acting Deputy President, on the point of order: I know you were in the chair, and Senator Macdonald may not have been listening, but you will have heard Senator Ronaldson, in speaking to this very document, talk about Mr Cheeseman on several occasions. In fact, I recall you actually asking him to withdraw some of his comments. This is a debate, and I am certainly entitled to address some of the issues raised by Senator Ronaldson. Senator Macdonald may not have been listening; that is often the case—we have seen it on many occasions.

Senator Parry—Mr Acting Deputy President, on the point of order: the difference is that Senator Macdonald actually raised a point of order. No point of order against Senator Ronaldson was taken, so whether he was in order or out of order is irrelevant.

The ACTING DEPUTY PRESIDENT—Thank you for that contribution, Senator Parry. Senator Macdonald, latitude is allowed on these matters, and I am almost confident that Senator Marshall was coming to the point of the document.

Senator MARSHALL—Thank you for that ruling, Mr Acting Deputy President. I am nearly flattered. First, Senator Ronaldson raises a point of order that I should have a jacket on, which of course is no point of order, and then Senator Macdonald raises a point of order, and I think Senator McGauran was about to jump to his feet, too. I am flattered that they want to try to shut me up, but we need to come back to Senator Ronaldson’s unhealthy obsession with Mr Cheeseman. He is so annoyed about the Labor Party winning that seat after 76 years, because the Liberal Party took that seat for granted. They did nothing for it in their last 11 years in government, and they lost it. What really gets under Senator Ronaldson’s skin now is
the fact that Mr Cheeseman is everywhere in
the electorate and he is driving Senator
Ronaldson absolutely mad. The trouble is
that Senator Ronaldson has a candidate and
they are trying to make some inroads against
Mr Cheeseman and they are failing dismally.
Of course, this is a reflection on Senator
Ronaldson, because he has been given the
difficult task by the state branch of the Lib-
eral Party to try to win that seat back. It must
be frustrating for Senator Ronaldson to be
trying to make inroads to a seat where there
is now a new, youthful, energetic member
who is working hard and actually delivering
for the constituents of Corangamite—he is
everywhere.

You mentioned you were going to talk
about some other issues, Senator Ronaldson.
I think I can guess what they are, and I will
be ready—you know I am ready. It may be
about the Colac Herald once again—there
have been some more headlines—and I am
sure we will have a good discussion about
that. But the document we are talking about
is the Department of Climate Change annual
report—

Senator Ian Macdonald—Good—after
three minutes.

Senator MARSHALL—You say ‘after
three minutes’. That is true, and I am coming
to that point. Again, Senator Ronaldson’s
unhealthy obsession with Mr Cheeseman
took up, I think, most of his contribution to
this debate.

Senator Ronaldson interjecting—

Senator MARSHALL—I know you are
getting a bit embarrassed about it, Senator
Ronaldson, but, seriously, you have raised
Mr Cheeseman in this place so often. I know
it must be very disappointing for you, but he
is out there. He will hold the seat, because he
is doing a damned fine job and he is working
hard.

We had a discussion earlier today on the
motion to take note of the ministerial state-
ment on the Home Insulation Program, and I
thought at that time that we were actually
starting to get some quite reasonable contrib-
utions from some of those opposite. In fact,
Senator Birmingham started, I think for the
first time, to acknowledge what some of the
real problems were with this particular pro-
gram.

The government, through the ministerial
statement today, has been very upfront and
honest about some of the challenges that we
have faced, some of the problems with the
program and the consequences of those prob-
lems. The ministerial statement goes to a
process of actually addressing those issues. It
is disappointing that too many people on the
opposition’s side seem to take some great joy
in some of the bad consequences of the some
of the problems that this program had. But
we want to get on with the job of fixing it.
We acknowledge the problems that are there.
We want to get on and fix some of those is-

issues—

Senator Ronaldson—Mr Acting Deputy
President, I raise a point of order. Senator
Marshall knows that is a totally inappropriate
allegation to make, that we are supportive of
the bad aspects of this. I ask him to with-
draw. That is not on.

The ACTING DEPUTY PRESIDENT—
There is no point of order there, Senator
Ronaldson. This is a debate that we are hav-
ing. Senator Marshall, you have 12 seconds
left.

Senator MARSHALL—There seems to
be absolute opposition from the opposition to
everything we seek to put in place to address
this issue. Unless anyone else is going to
speak on this I will seek leave to continue
my remarks.

Senator Parry interjecting—
Senator MARSHALL—All right. I was only doing so to be convenient to the chamber! It has been indicated that someone else will speak, so I will simply sit down— (Time expired)

Senator PARRY (Tasmania) (6.01 pm)—I wish to address document No. 7, the Department of Climate Change report. This report obviously has links in every state and territory, including the state of Tasmania. Whilst I am speaking about the state of Tasmania I will draw the attention to the chamber of the election that will be occurring not this weekend but the one after. It is very important.

Senator Marshall—Point of order!

Senator PARRY—This has a stronger link to relevance than what Senator Marshall said! I was denied leave a short while ago. I wanted to correct the record. I was speaking to the chamber about the iElect.com.au website, where thousands of people are registering their prediction of what they think the voting outcome will be in Tasmania. Out of a 25-member parliament I said there would be 13 Liberal, nine Labor and four Greens. I was incorrect, and I apologise to the chamber. It is 13 Liberal, eight Labor and four Greens! So I apologise to the chamber and I commend the report of the Department of Climate Change for 2008-09.

Senator BARNETT (Tasmania) (6.02 pm)—I also wish to speak on the Department of Climate Change report for 2008-09. In relation to that report, and the current arrangements that we are discussing tonight, what is confirmed is that the Labor Party’s environmental credibility is now in tatters. We had a Labor Party that came to power claiming to have all the answers on climate change and the environment. But two years later the Prime Minister, Minister Penny Wong and Minister Garrett—who should not be there but still is—have delivered nothing. We have only had broken promises since they came to power.

Before I comment on the pink bats fiasco, which is not getting better but is actually getting worse, I want to remind the chamber and the public that this government, under Minister Wong and Mr Rudd, has established a special group within the Department of Climate Change, in which they are employing more than 150 public servants to ‘implement and administer’ the government’s ETS, at a cost of $81.9 million—despite the fact that no scheme currently exists because the parliament has twice rejected Mr Rudd’s flawed ETS. How absurd. I commend opposition environment spokesman Greg Hunt. He said taxpayers were paying for the phantom, in a classic case of Rudd extravagance. He is right—it is a phantom, and it is a disgrace. It is a shocking waste of taxpayers’ money to have so many people doing not much within the department.

In terms of the pink bats debacle: yes, it keeps getting worse. We have seen today in the Senate the government refuse to say exactly how much it will cost to fix the pink bats fiasco and how long it will take. Minister Wong had the opportunity to respond; she did not. The waste and mismanagement under this government’s failed Home Insulation Program keeps getting worse. It is not getting better; it is getting worse. There are reports today that taxpayers will be forking out an estimated $100 million to remove foil insulation.

Senator Humphries—That’s outrageous.

Senator BARNETT—It is outrageous, Senator Humphries. That is for the removal of the foil insulation or to install the electrical safety switches in 50,000 homes. Goodness, only 150,000 of the more than 1.1 million homes insulated under the program are set for safety inspections. What about all the other homeowners? How are they going to
feel? Are they going to feel safe and secure in their homes? How are their families feeling right now? I do not know. This is despite the department admitting, before our Senate committee—ably chaired by Senator Mary Jo Fisher, who is here in the chamber with me tonight—that there were 240,000 homes with dangerous or potentially dodgy insulation. It is not good enough.

In the last seven days we have had the National Electrical and Communications Association estimating that the cost of fixing this program could be in excess of $400 million. When will this waste end? This is a further example of waste and mismanagement under this program, with no end in sight. When you look back over the program you see that it has been a total waste and a botched approach from the very beginning. And it is all of the government’s own making. They try and hide and shift and twist, but this bungled scheme is all of their own making. It has gone from bad to worse. Up to $200 million was wasted by setting the original rebate too high—$1,600 instead of $1,200. Now we have the $100 million estimated in the reports today that needs to be spent on the audits and fixing. And of course the Prime Minister has recently announced a $41 million rescue package.

I notice that in Minister Wong’s statements today she confirmed that a further 106,000 rebate claims have come in since the program was cancelled. That is a huge number. That is yet to be verified, so they need to confirm that, but if those claims are valid then the government still owes up to $127 million to Australian businesses. That is a lot of money. That is taxpayers’ money. This is another blow-out. The waste and mismanagement is shocking. The pink batts fiasco is fast becoming the biggest and worst example of waste and mismanagement in Australian history, with hundreds of millions of dollars wasted and the budget blow-out now approaching $1 billion. That is an absolute disgrace. It is not a revolution that we should consider; this is a waste revolution—and it is a disgrace. *(Time expired)*

**Senator McEWEN** (South Australia) *(6.07 pm)*—I, too, wish to speak on this report from the Department of Climate Change. I follow on from Senator Marshall’s comments about the ministerial statement that the Minister Assisting the Minister for Climate Change, Mr Combet, presented in the House of Representatives yesterday, which was tabled in the Senate today. I would also like to take issue with some of the points made by senators opposite about this program. I note that Senator Barnett, who spoke before me, often likes to stand up in this place and pose as the champion of small business. In his small speech tonight, he contributed in a negative way to the rehabilitation of the home insulation industry. In the situation in which we find ourselves, it is incumbent upon all of us to cooperate in order to restore confidence in this very important industry in Australia and not continually throw hand grenades and incite fear and terror in the public. We need to work together to deal with the shonks in the industry who took advantage of the government’s program and caused all these problems. We need to work together to make sure that small business and those honourable businesspeople engaged in this industry and the people who work for them continue to work in this industry, which delivers great environmental benefits to Australia.

It is not helpful at all, Senator Barnett, to stand up there and spout these figures about costs that you take from the front page of newspapers—and no doubt you also supply them to the newspapers—which have no justification. But you are not really interested in the facts of the matter and, contrary to what you keep saying, you are not interested in business plans or planning. What about the
ridiculous proposal for paid parental leave that was announced by the Leader of the Opposition with not only no consultation with his own party but also absolutely no costings involved? It is something that the Leader of the Opposition just shot from the mouth. It is a ridiculous proposal. Those of us who have thought about this may well see it as a deliberate intention to thwart the introduction of any kind of paid parental leave scheme in the Senate. After all, you are indicating that that is what you are going to do, because you know that your own ridiculous scheme, which even Senator Barnaby Joyce is gobsmacked about, will never get up in the Senate, and neither should it.

I return to the Home Insulation Program, the remediation of that and the introduction of the new program that is rightly now with the Department of Climate Change and Energy Efficiency, which is very capably led by Minister Wong, ably assisted by Minister Combet. In his ministerial statement yesterday, Minister Combet pointed out some things that we need to remember about the program. I take us back again to the Home Insulation Program, which was part of the government’s economic stimulus package and intended to prevent the worst effects of the global financial crisis, including massive job losses. You over there cannot stand the fact that our economic stimulus package was incredibly successful and that it saved hundreds of thousands of jobs for Australian workers.

You just cannot bear the fact that every time you go out in your electorates you can see the evidence of the success of our economic stimulus package. We are building the best possible schools in Australia. We are investing in education. We are investing in infrastructure such as the NBN that you have been so critical of. We are investing in hospitals. We are investing in the best healthcare services that we possibly can. We have to do it because you did not do it. You did nothing in your 12 years of government. You just let Australia’s infrastructure fall apart. You did nothing for our schools. You did nothing for our health sector. Lord knows how many internet plans there were! There were 18, I think, and all of them were complete failures. All you want to bring back are carrier pigeons and smoke signals! That is what you are after. With that, I conclude my remarks on this report. Is anybody else speaking on it?

Senator Ian Macdonald interjecting—

Senator McEWEN—Senator Macdonald is, so I will not seek leave to continue my remarks. I know that Senator Macdonald will come out with his usual waffle. (Time expired)

Senator IAN MACDONALD (Queensland) (6.12 pm)—I am participating in the debate on this document, but I, unlike the previous two speakers, want to actually speak on the document. You can understand why the Labor Party cannot manage government, because they do not even understand the rules of the Senate which require senators to speak on the document listed on the Notice Paper. The document we are talking about is a report from the Department of Climate Change. The previous two speakers from the Labor Party spoke about anything but the report. Clearly, they cannot even manage their own thoughts of what they should be talking about in this chamber, and they are very sensitive to the mismanagement of their government.

In talking about this report from the Department of Climate Change, I want to ask the Labor Party where we are in dealing with what was labelled ‘the greatest moral change of our time’. We have not heard about it. It seems to have completely disappeared from the lexicon of Mr Rudd. Yet earlier this year and all of last year Mr Rudd and Senator
Wong spoke of nothing else. They kept talking about Copenhagen. They set up this department with almost $82 million for it to deal with climate change. But what has happened now? We do not even hear a squeak about what Mr Rudd labelled ‘the greatest moral challenge of our time’. Quite clearly, Mr Rudd’s interest in climate change was, as with everything else, entirely political. He is all talk and no action. That is why people around Australia are describing him as ‘Prime Minister Blah Blah’. They say that he is just blah blah blah—never any action and all talk.

Indeed, in relation to climate change, apart from setting up a bureaucracy costing the Australian taxpayer $82 million to do absolutely nothing, they will not even bring the legislation before this chamber so that the parliament can deal with the Carbon Pollution Reduction Scheme. And why not? Because it has finally got through to Mr Rudd—it got through to his backbench long before this, but they were all without the intestinal fortitude to tell him, but we all knew—that this was a lemon of a policy. It would have destroyed the jobs of Australian workers, it would have cost Australia competitiveness overseas, and it would not have made one iota of difference to the changing climate of the world. And yet Mr Rudd has wasted $82 million of taxpayers’ money setting up this department to do absolutely nothing, and he is rushing around now trying to try find something for this department and all of those new bureaucrats to do because they are not doing anything about climate change because Mr Rudd does not want to talk about it any more. (Time expired)

**Senator Ian Macdonald**—Yes, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

### Consideration

The following orders of the day relating to government documents were considered:

- **Australian Broadcasting Corporation (ABC)**—Report for 2008-09. Motion of Senator Parry to take note of document called on. Debate adjourned till Thursday at general business, Senator Parry in continuation.

- **Department of Resources, Energy and Tourism**—Report for 2008-09, including Geoscience Australia report for 2008-09. Motion of Senator Parry to take note of document called on. On the motion of Senator McEwen the debate was adjourned till Thursday at general business.


- **Australian Institute of Marine Science (AIMS)**—Report for 2008-09. Motion of Senator Parry to take note of document called on. Debate adjourned till Thursday at general business, Senator Parry in continuation.

- **Commonwealth Grants Commission**—Report for 2008-09. Motion of Senator Parry to take note of document called on. Debate adjourned till Thursday at general business, Senator Parry in continuation.

### COMMITTEES

**Community Affairs References Committee**

Report

Debate resumed from 25 February, on motion by **Senator Parry**:

That the Senate take note of the document.

**Senator RONALDSON** (Victoria) (6.17 pm)—I rise to speak on the government’s response to the community affairs report,
Highway to health: better access for rural, regional and remote patients. I want to refer to an article in the Colac Herald from yesterday in relation to health care and the government’s so-called health reform proposals and the proposals from the member for Corangamite. I am unable to describe him in the manner I did earlier, but again this is a remarkable man who seems to have a bit of what I would call ‘Rudditis’—that is, all spin and absolutely no substance at all. This MP is under significant pressure for quite good reasons, because he is a very ineffectual member of parliament. He has not done the work required to be re-elected. Senator Marshall said before that I was upset about us losing the seat. I tell him that he is absolutely right. I was very upset about losing the seat, but I can tell Senator Marshall that I am very pleased that we have a candidate by the name of Sarah Henderson, who will provide a real challenge for Mr Cheeseman.

Senator Marshall—Will she win it?

Senator RONALDSON—Indeed, she will. The member for Corangamite has lodged a ‘four-point strategy that he says will improve health services in Colac and district’. You just have to read this to believe it; it is remarkable. He said that the strategy would complement a federal government health and hospital reform. He said:

‘My plan for our local region, and the Rudd government’s health and hospital reform program—

wait for this!—

is about having a vision for the way forward, creating health solutions for our region,’ he said.

Mr Cheeseman’s plan includes ‘strongly supporting’ the reforms, which will establish ‘local hospital networks’—

Well, we will see about that!

The plan also includes launching a Colac Otway health petition …

Can you believe it? His four-point health program is about having a vision for the way forward. Well that is going to provide some solutions, isn’t it? Thank goodness he has come out with that four-point plan! Wow, what a way forward! They must be absolutely applauding him down there in Colac. How long has he been there for? Two years. Two years to come up with something for health solutions in Colac, and the best he can do is have a vision for the way forward. All spin and no substance. And to make it worse, Mr Cheeseman knows that what are required in Colac are better health services. What Mr Cheeseman knows is that in Colac what are required are more doctors. And what is his solution? A petition. Why do you need to collect signatures on a petition when you know what the issue is and when you are a government member who can do something about it?

Clearly the Labor Party is rattled because the Leader of the Opposition, Mr Abbott, has a clear view about what should be done, and Mr Abbott knows full well that the best hospitals are the hospitals that have local input into them—always have been, always will be—but the Labor Party cannot bring itself to acknowledge that fact. But we will wait and see what the four-point strategy delivers.

I suspect it is, as Senator Macdonald said a moment ago about another government program, just a whole lot of blah blah. And everyone out there knows what blah blah is—it is just hot air. It is talk that is not going to deliver. And when the best blah blah that you can offer is to have ‘a vision for the way forward’, to quote the Colac Herald, to resolve the health issues of Colac. That is absolute blah, blah—all spin and no substance.

The Australian Labor Party is incapable of addressing the health concerns of regional and rural Australians. They do not understand regional and rural Australia. It is al-
right for one of Darren Cheeseman’s factional mates to stand up here and protect him—that might make him feel better. When he rings Mr Cheeseman tonight and says, ‘I defended you tonight, mate. They were having a crack at you’ it might make Mr Cheeseman feel better. It might make him feel a bit more loved. It might make Senator Marshall feel as if he is finally serving a useful purpose, but that is about as far as it goes, quite frankly.

They have a so-called vision for the way forward. To have a petition to get signatures on a document where the petitioners themselves know what the issue is but the member does not is a reflection on him, not the petitioners. Senator Marshall is absolutely right. It is a seat that was held by the coalition for a long time and we are going to make sure that when the people of Corangamite go to vote later this year they are going to have a clear choice. It will be a clear choice between someone who is born and raised in the area—someone whose mother was a representative in the state house in Geelong, someone who grew up with politics, someone who understands what it is to provide local support for local people, someone who grew up in a household where community service and community to the public was the most important aspect that she grew up with from a very young age—and someone who was parachuted out of my home town of Ballarat into Geelong, I presume to get some experience. Well, remarkably, and it gives us no joy to say it, he actually got the experience that no one expected him to get. Has he actually learned in those two years and has he actually understood what it is to represent a regional and rural area? No he has not. There is no clearer evidence of that than comments such as the way forward for health in Colac being about ‘having a vision for the way forward.’ What complete and utter tripe. That is a reflection on Mr Cheeseman’s understanding of regional and rural Victoria.

Senator Marshall is just about to stand up. He will defend his factional mate in Victoria. But what Senator Marshall cannot do is cover up the deficiencies of this member of parliament. He cannot cover up his complete and utter lack of understanding of both the area he purports to represent and the hopes, aspirations and ambitions of those people.

If you want to have a fight over Corangamite, Senator Marshall, and about who it is who understands that area, then please bring it on. I will back someone who was born in the area, lived in the area, was raised in the area and had the tutelage of one of the finest women that I had the pleasure to meet, Ann Henderson. She regrettably died some years ago now and was a fantastic representative of the people of Geelong. She was loved and admired across the board. I will put up someone who has grown up in a household where community service and public service was seen as the number one contribution that you could make. I will put that up any day against someone who has parachuted in from Ballarat, who does not understand the electorate, who does not properly represent the electorate and hopefully will no longer be in the electorate after the next election.

The ACTING DEPUTY PRESIDENT (Senator Trood)—Thank you, Senator Ronaldson. Senator Marshall, just before I call you, I draw your attention to the fact that we are discussing a document relating to Highway to health: better access for rural, regional and remote patients.

Senator MARSHALL (Victoria) (6.27 pm)—Thank you for that reminder and I will try to be even more relevant than Senator Ronaldson was when speaking to that document. I will certainly not go down the low road that Senator Ronaldson has gone down. I wish the Liberal candidate all the best for
the election. It is a robust democracy and good luck to her if she can unseat what is a new, dynamic and fantastic member for Corangamite. That is all I will say. I think I suggested earlier in the discussion that Senator Ronaldson has an unhealthy obsession with Mr Cheeseman. I think it might be an unnatural obsession as well, because he really seems to be so obsessed with Mr Cheeseman and I explained earlier why that might be. But it is a little bit rude—

Senator Ronaldson—Mr Acting Deputy President, I rise on a point of order. This has been a good, spirited debate but I think that is childish and it should be withdrawn.

Senator MARSHALL—If Senator Ronaldson is offended then of course I will withdraw that—

The ACTING DEPUTY PRESIDENT (Senator Trood)—Thank you, Senator Marshall.

Senator MARSHALL—because it was only last week that he was referring to me as a very intelligent man. I am sorry I have fallen out of favour so much and had to endure some of his stinging insults today!

Senator Ronaldson—Can I withdraw that!

Senator MARSHALL—You are right. I withdraw that: they were not stinging at all. But it is a little bit rich for Senator Ronaldson to get up and talk about health in this way, when the present Leader of the Opposition, when in government for five years as health minister, took a billion dollars out of the health system. He dragged out of the health system a billion dollars, as health minister. And here we are, with Senator Ronaldson having the gall to get up here and start telling us that what we are doing, our reform program for health and the input from local members—particularly Mr Cheeseman—should somehow be dismissed. Let me tell you that the constituents in Corangamite will not want to go back to a Liberal Party that supports taking even more money out of the health system.

Look at what we have done since we have been in government, a government that Mr Cheeseman is a proud member of. We have actually increased funding in health by 50 per cent. You know what that means in Victoria, Senator Ronaldson? He should know because as a Victorian senator he should understand that that is a $5 billion increase in the health spend in Victoria alone. I notice Senator McGauran from Victoria is already here. He should be incredibly proud of this government for increasing the health spend by $5 billion. You weren’t shaking your head, Senator McGauran? I am sure you do appreciate the extra $5 billion that the government is spending in Victoria. Of course, a lot of that money will go across the board and a lot of that money has ended up in Corangamite. I know Mr Cheeseman works very hard in this government to make sure that the constituents of Corangamite, after 76 years of neglect and being taken for granted by the Liberal Party, are now getting the input and the services that they have been crying out for for a long, long time.

I know Mr Cheeseman is very proud of what this government is doing in health and what we plan to do in health. Of course, the challenge for the opposition will be supporting us in our bold but necessary reform package in health. So let us see when Senator Ronaldson gets here and we have a debate about this in the chamber whether he will be proud enough to step up to the plate and say, ‘Yes, we accept that Mr Abbott, the now opposition leader, took out $1 billion from the health system when he was health minister, but we’ll support this Rudd Labor government in increasing the spend by 50 per cent, which it has already done, and now the reform agenda it has for the health system.’ We are very proud of that and I know Mr
Cheeseman is very proud of that. The constituents of Corangamite are benefitting, like every other Victorian and Australian, from the health spend that this government has put in place.

Senator BERNARDI (South Australia) (6.32 pm)—I feel compelled to respond to what Senator Marshall has just said. I know that Senator Marshall is animated and excited, but when he says that the former minister for health, Tony Abbott, took $1 billion out the health system it is nonsense. It is absolute poppycock.

Senator Marshall—It is not!

Senator BERNARDI—Health expenditure grew under the Commonwealth government in real terms every single year and we also saw an increasing contribution from the states because they could afford to, thanks to the GST—all the things that you opposed. You were ripping the heart out of the health system on that side of the chamber, decrying the innovations and the prosperity that Australia enjoyed under the former government, and now we are hearing a revisiting, a reinvention, a rewriting of history to suit those now on the treasury bench. What we can establish is that Australians have never been in more debt than they are now, thanks to this government and its incompetent management.

What we do know is that this radical reform of the health system is more three-card monte from this government, more ‘which cup is the ball under?’ It is designed to trick and obfuscate and hide the truth from the people of Australia. Not one extra bed will be created. No extra money will be going into it. There will be no change to the health system, except there will be more control exerted by Kevin Rudd. Kevin Rudd has failed to deliver at every possible step, and what he has delivered has been mismanaged and has resulted in an appalling waste of money, improper training in job creation programs and unfortunately, I regret, the ultimate price has been paid by a number of Australians. It is shameful. I know Senator Marshall and his troupe will get up here and it will be flamboyant theatre, ‘show business for ugly people’, as he carries on in order to get his moment in the sun. But I am disappointed when we cannot rely on getting the truth. This chamber should rely on the truth. We should be able to rely on the integrity of other senators not to mislead the Australian people, and I want to stand and correct the record.

Senator IAN MACDONALD (Queensland) (6.34 pm)—I rise to speak in this debate on the very significant report by the Standing Committee on Community Affairs, Highway to health: better access for rural, regional and remote patients. It is the government response to that report that we are looking at today. This report was the very dedicated work of the committee looking into all aspects of access to health services for people in rural, regional and remote areas. I remember the committee came to Townsville and took evidence at James Cook University, hearing about some of the good work being done by the university in particular on providing access to rural and regional patients.

When they gave evidence to the committee I met a number of students whom I had previously come across at a little place called Laura up in Cape York, where there was a Laura festival of Indigenous dance. This group of about 20 or 30 young people doing medical studies at James Cook University, hearing about some of the good work being done by the university in particular on providing access to rural and regional patients.
If I sound proud of the work that James Cook University does, that is because I am, not just because I am a North Queenslander and I think that things that happen in the north are tremendous but because the students at James Cook University and the James Cook University courses are particularly directed towards the provision of health services to rural and regional and remote Australia.

As I have often said in this chamber, the northern and remote parts of Australia provide a significant proportion of the nation’s wealth. Depending on which figure you use, up to 45 per cent of Australia’s export earnings come from Northern Australia, most of which is fairly remote. If it does not come from Northern Australia, in many instances it comes from places we would class as remote Australia. And yet those people—less than five per cent of the population live north of the Tropic of Capricorn—have very poor access to health services. This is particularly so under the combined maladministration of the Queensland state Labor government, the Northern Territory Labor government and the then Western Australian state Labor government. It has changed slightly in Western Australia in the last year or so as the new government started to pay more attention to the needs and to equity for those people who live in remote Australia.

The rural doctors who were recently here in Canberra attending a function in the Mural Hall indicated that, according to their studies, people in regional, rural and remote Australia were being underfunded to the extent of $1 billion annually for health services. That figure has been assessed by the rural doctors in a very clinical way and in a very economically sound way as well. But it is fact that people who live in rural, regional and remote Australia are underfunded to the extent of $1 billion when it comes to the provision of health services.

Regrettably, for all Mr Rudd’s blah, blah on health services, nowhere has he even recognised this underspend of money on our fellow Australians who happen to live in these more remote and regional parts of Australia. Indeed, Mr Rudd’s health plan will have an even worse impact on people in rural and regional Australia. There is precious little detail in Mr Rudd’s proposal, so it is a bit dangerous for us to talk about it. It is like everything Mr Rudd does: all spin and no detail; all blah, blah, blah and no action. What we can glean from the media appearance and the photo opportunities that Mr Rudd and his health minister took in announcing this magnificent new program is that it seems to be case funded or procedure funded. People who understand the health system have worked out that smaller hospitals—those in country and remote Australia which do not do a lot of procedures—will be worse off financially. They are worse off now.

I do not want to be boring about this but I want to emphasise to senators who might be listening that there is a $1 billion underspend for people in rural and regional Australia currently. Mr Rudd’s plan will make that even worse. Why? Because no-one from the Labor Party has any interest in rural and regional Australia. No-one has any interest in remote Australia and precious little interest in Northern Australia. Have a look around this chamber. The Labor Party senators are nice guys and lovely people but they all come from city areas. They all have backgrounds in the unions or in Labor Party membership. They have got no idea what happens in the real world, particularly the real world out in remote Australia. They do not understand the things that people go through to get access to health services.

My Labor colleagues in the chamber could slip down the corner from where they live in one of the capital cities and see the
best specialist going or demand to see a GP, a dentist or a physiotherapist at any time of the day or night. In many instances people in rural and regional Australia have to drive for five to eight hours just to see a GP. They can wait one or two weeks until the flying doctor comes in but sometimes illnesses do not allow people to wait for a week or two until the flying doctor—who does a marvelous job, I might say—can get in.

This whole issue of access to health services in rural and regional Australia is a very significant one. The committee made some relevant recommendations. The response from the government that we are debating today is, as you would expect, fairly disappointing. There are a lot of words—a lot of blah, blah, blah—but very little action. A new government in this parliament will pay genuine respect to those who live in rural and remote areas and take up a lot of the issues that this committee reported on and which this government has basically dismissed—as is usual—with all of the platitudes, the motherhood statements, the blah, blah, and little action. Certainly the health plan that Mr Rudd announced with such fanfare a couple of days ago does nothing for access to health services in rural, regional and remote areas.

This is becoming a crisis of major proportions for Australia. Some people in Australia live in worse than Third World conditions because they cannot get access to health services. That is a disgraceful thing for a country as wealthy as Australia. I urge the government, in the remaining time they have in office, to seriously look at the issues and to seriously look at programs that might help provide fair and equitable access to health services rather than the sort of blah, blah we got from Mr Rudd earlier this week.

Senator MOORE (Queensland) (6.44 pm)—I did not intend to be part of this debate, but as I was walking past the chamber I happened to hear the dulcet tones of Senator Macdonald once again claiming that only he has any interest, knowledge or awareness of the issues that impact on people who live outside the urban parts of this country. It is simply not true. That cannot remain on the record without some response. I do not think many people actually claim personal ownership of all knowledge. If they do, they are not effectively representing the needs and aspirations of so many in our community.

The document that is the stimulus for this particular range of comments from Senator Macdonald is the government response to a report by the Senate Standing Committee on Community Affairs. We who are privileged to be on the community affairs committee are very, very fortunate because, no matter where we come from, no matter where we happen to be born, work or live, we have the opportunity to hear from people from across this country who give us the great honour of taking seriously the issues about which we are speaking and come forward to share with us their genuine concerns, issues and aspirations. The true role of a committee is in fact, Mr Acting Deputy President Barnett, as you know, to listen to that knowledge—not to presume that we know or pretend that we have all the knowledge but to listen to the people who come forward.

I happen to come from a rural part of Australia. Many of my relatives still live in the Darling Downs region and in other parts of Queensland. That does not mean that only they know and understand issues that relate to rural Queensland. They know about issues like the need for services. Like all Australians, they expect their government to consider their needs in the development of all plans and in particular the health needs of people like them who live outside urban areas—the subject of this report. They expect their government, in taking forward its plans,
to include those needs in its proposals. I am really pleased that our community affairs committee, whose members have a wide range of knowledge and backgrounds, has the ability to do the job that it was told it has responsibility for in the Senate process, which is, as I said, to listen to people, gather the evidence, bring it back and put it forward into policy.

Senator Macdonald was speaking about the young people who live and work in Far North Queensland, which is a remarkably beautiful part of the world, and saying that, since the development of the medical school at James Cook University, many are able to train closer to their homes. But it is not next door. You are once again presuming that you know what people’s geographical needs are.Laura is a long way from James Cook University’s medical school, with its Townsville, Cairns and other campuses. You cannot just drive round there, the way people can do in the city. Just because you come from a particular area does not mean you can presume to know exactly how close they are to facilities.

I applaud the knowledge and work that Senator Macdonald does in Far North Queensland. He, along with a great number of politicians who represent that area, can bring valuable knowledge to the debate; they do meet people and bring forward that information. But to use a parliamentary debate to claim that only you understand the place that you come from is just wrong. If we all did that we would not be able to move forward at all. A wide range of people came and gave evidence to the community affairs committee inquiry about which we are speaking including professionals, people who had chosen to work in regional areas, people who live there now, people who used to live there a long time ago and also people who just wanted to ask for a genuinely fair go in getting access to medical services.

After we put forward our report, the government came back with a response. Once again, one of the key elements of the government response was cooperation between the state and federal governments, because the whole health situation in this country depends on the effectiveness of that relationship. The provision of medical services in Australia will always depend on effective cooperation between federal and state governments. Our government has now put forward a proposal which is changing that balance—it is out there for public consideration and debate—but it will rely on the sharing of knowledge and experience, and a commitment to change. That sharing will depend on governments at all levels having a role to play and bringing that forward.

We have a proposal which was not a direct result of the community affairs committee report; I could not claim that. However, one of the many pieces of evidence that came to this government about the needs of people across this country is this report—and again I want to thank the people who came forward and gave evidence before the committee. We must share the knowledge. We as a government and as a parliament, all parties, must listen to the demands of the people who are out there and who turn to us for support. The presumption that we personally have all the knowledge will guarantee that it will fail. It will divide people and, once again, we will get into a competitive model that means that no-one wins, that there will not be effective sharing of resources.

Senator Macdonald used the opportunity of talking to this document to have a go at the most recent government proposal to come out. I encourage members of this parliament to look at the proposal that the government has brought forward after a great deal of consultation and involvement with a range of organisations, with state governments and also with the National Health and
Hospitals Reform Commission, which came forward with its report. All of that indicated that all Australians, no matter where they live, have a right to effective medical services, and that is something to which this government is committed.

I am also aware that people expect their politicians to commit themselves to making sure that this can be achieved, to bring their knowledge to the debate again—not to use the opportunity to again divide us, to once again label people on the basis of where they come from or what work they do or have done. Senator Macdonald and others opposite, I have said many times in this chamber that I did work for a trade union, but I also worked for the Australian Public Service and, at one stage, in the Catholic education area. I found all that extraordinarily valuable in providing me with knowledge and giving me experience that I can bring to this chamber. It does not mean that I am not open to listening to and understanding the views of other people. It does not mean that I will automatically label anyone else in this chamber according to where they came from, what school they went to or what job they did. That is not a successful way to share knowledge and move forward.

The role of our community affairs committee has always been to share and to engage. That will continue to be the way we operate. We want to hear what Australians are prepared to say to us. The report before us gave us immense knowledge about what it was like to live in rural and regional Australia and what the needs were in those communities. We as a committee presented a report, which came before this chamber and then went to the government for consideration. It was a really valuable and in many ways confronting experience for all of us. I think we have all gained from this. I hope that we will continue to do so, and I think that the government’s response gives us a way forward into the future, which is what we can expect from the work we do. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Environment, Communications and the Arts References Committee—Report—Forestry and mining operations on the Tiwi Islands. Motion of the chair of the committee to take note of report called on. Debate adjourned till the next day of sitting, Senator Parry in continuation.

Treaties—Joint Standing Committee—Report 106—Nuclear non-proliferation and disarmament. Motion of Senator McGauran to take note of report called on. Debate adjourned till the next day of sitting, Senator Parry in continuation.

AUDITOR-GENERAL’S REPORTS

Report No. 21 of 2009-10

Debate resumed from 25 February, on motion by Senator Parry:

That the Senate take note of the document.

Senator FARRELL (South Australia) (6.54 pm)—The Auditor-General’s report No. 21 deals with what I think is perhaps the most important issue for my state of South Australia, and that is water. It is dealing with not only water but also the environment. Those are two very important issues for my state.

As you would well know, Mr Acting Deputy President, in a week and a bit there is going to be an election in South Australia and I think a matter of great concern to all South Australians is probably the behaviour of the alternative candidate for the premiership, Ms Isobel Redmond. In the middle of a very important election campaign, Ms Redmond decided to flee South Australia and come up to Canberra unannounced on what
was an extremely busy day. We had the President of Indonesia coming to address the joint houses of parliament, a very rare honour awarded to the President of Indonesia. It was busy not only for the Prime Minister but also for the Leader of the Opposition and all of the government ministers. So we had Ms Redmond flying up at the crack of dawn unannounced, wanting to talk to the government, and presumably the opposition, about water. Is this really the way we want the leader of our state to behave when it comes to dealing with what is the most important issue for South Australians; namely, water?

Senator Bilyk—She already thinks that she has won.

Senator FARRELL—Yes, there are certain people who believe that she has won, and it never pays to count your chickens before they are hatched in politics. But I think it would be an issue of great concern to South Australians that their alternative premier decides to come up to Canberra unannounced. At the end of the day, I understand that the government did try and accommodate her, because it is such an important issue, but she was unable to return to South Australia and so missed a full day of campaigning in South Australia.

You might have thought that we would like to take advantage of that, because we have got a very good Premier in South Australia. The fact that you have got the Leader of the Opposition missing in action for a day might lead you to think that Labor wanted to take advantage of that, but that is not the case. We are concerned that this is no way for a Leader of the Opposition to behave. The minimum that you would want to do is let the people in Canberra know that you were coming, tee up an appointment and let them know what you want to discuss. And, if it was at all possible, as the government we would have tried to accommodate Ms Redmond. But you do not hop on a plane and make a surprise arrival and expect the government to be available and ready and able to talk to you. That is not the way you behave as a prospective alternative Premier.

It raises the question of how seriously the opposition is dealing with the issue of water if they behave in that way. Here is the most important issue for South Australians for the election in 10 days time and what has Ms Redmond done: she has turned up unannounced, with no appointment and no indication of what she wanted. We did not even know she was coming up here to talk about water. In fact, I suspect the Leader of the Opposition did not know that she was coming up here to talk about water. He would have been as surprised as we were about what she was doing. I suppose it would have been a surprise for him, because he had a very busy day. We had the President of Indonesia here and he had a number of very important commitments. This was perhaps his first opportunity to step out onto the world stage, if you like, and what did he find? He found that unannounced, Ms Redmond had arrived, wanting to talk to him about water.

I suppose what would have surprised him was what she wanted to say about water. We know what the position of the federal opposition is on water. The shadow minister for infrastructure and water is Mr Ian Macfarlane. He agreed with the National Farmers Federation, which claimed that the basin reform was happening too fast and that too much priority was being given to improving the health of the river instead of agriculture. I have to say that Mr Macfarlane is completely out of touch with what people in South Australia want. Mrs Redmond turns up here unannounced and Mr Macfarlane is completely out of touch with what people in South Australia want. What people in South Australia want is more water—
Senator Humphries—Is a new government.

Senator Farrell—Yes, they want good government, and that is exactly what we have been delivering for them in South Australia for the last eight years. I am very confident that in 10 days time we are going to continue to do that. But what they want is water, Senator Humphries. They want water because they have not been getting a fair share of it and because there was an overall allocation under your government. There was 12 years of inaction on the issue of water generally. They want us to fix the problem. They want more water. They particularly want water for the Lower Lakes. These are World Heritage sites, some of the most beautiful and pristine parts of the country. I know Acting Deputy President Bishop is very familiar with the area because he spent a lot of his childhood in that region. He will know how pristine that area is. He will know how important the issue of water is. He would be very concerned—if he knew about it—about what Mrs Redmond was doing and what Mr Macfarlane was saying about the issue of water.

South Australians want the water issue fixed, but they want somebody who is going to deal with it seriously. They do not want stunts. They do not want somebody to turn up to Canberra unannounced, without any discussion with either their colleagues or the government. What they want is somebody to seriously take this issue up on their behalf. Of course, there is only one government that is seriously going to do that in South Australia, and that is the Labor government. Very importantly, that government works very closely with what we in Canberra would consider to be the opposition. In South Australia the Minister for Water Security is Karlene Maywald. She is a member of the National Party. She is the only member of the National Party in the state parliament. She is serious about water. If she wants to come up to Canberra she does not just hop on the first plane and arrive here unannounced, having had no discussions with the government or the opposition, and just expect everybody to drop everything and come and talk to her. That is not the way it works. South Australians would be very concerned to know that somebody who wants to take on the top job in South Australia behaves that way. I have no objection to Mrs Redmond coming to Canberra; that is fair enough. But you do not turn up unannounced. If you are serious about a topic, if you want the government—or, for that matter, the opposition—to take you seriously on an issue, then you have to—

(Time expired)

Question agreed to.

Consideration

The following orders of the day relating to reports of the Auditor-General were considered:

Auditor-General—Audit report no. 23 of 2009-10—Performance audit—Illegal foreign fishing in Australia’s northern waters—Australian Customs and Border Protection Service. Motion of Senator Parry to take note of document agreed to.

Order of the day no. 3 relating to reports of the Auditor-General was called on but no motion was moved.

ADJOURNMENT

The Acting Deputy President (Senator Mark Bishop)—Order! There being no further consideration of committee reports, government responses and Auditor-General’s reports, I propose the question:

That the Senate do now adjourn.

Lord’s Taverners

Senator Bilyk (Tasmania) (7.05 pm)—Tonight I rise to speak on the Lord’s Taverners. I decided to speak about the Lord’s Taverners because it is an organisation that does so much good work in the community. It
really encourages a socially inclusive society, which is something the Rudd government is working hard on achieving as well. The idea of a club for actors and members of allied professions was the brainchild of a group of cricket-loving actors who habitually watched cricket from the tavern at Lord’s Cricket Ground in London. In 1950 this club was named the Lord’s Taverners and registered as a charity dedicated to the promotion of cricket among young people.

The Lord’s Taverners Australia was founded in 1982 by John Darling, a direct descendant of Australia’s 10th test captain, Joe Darling. After some discussion, it was agreed that the new organisation would be independent of the parent body, with the only official link between the two bodies being a common twelfth man—His Royal Highness Prince Philip. Today the Lord’s Taverners Australia is a federated, autonomous organisation with branches in all states and territories and approximately 2,000 members. These members come from all walks of life, with media, the professions, the arts, entertainment and business communities, as well as politicians from all sides of politics, being quite well represented. What we have in common is a love of sport generally, a love of cricket in particular but, most importantly, a desire to raise money to support disadvantaged and/or disabled young people.

As a charitable association, the primary aim of the Lord’s Taverners Australia is to raise money through membership subscription, sponsorship, fundraising activities and donations. The financial disbursement program is balanced across a number of worthy causes, including the provision of sporting facilities, equipment and opportunities for underprivileged and/or disadvantaged young people. These young people need assistance because of financial constraints, geographical isolation or a physical or intellectual disability. With a commitment of $30,000, the Lord’s Taverners Australia was the major sponsor of the tri-nations tournament for mentally and physically impaired cricketers held in Melbourne from 1 to 11 December last year. The event was held to coincide with the International Day of Persons with Disabilities. The Lord’s Taverners was also instrumental in the creation, back in 2000, of the Imparja Cup competition for Indigenous cricketers and continues to be a major sponsor. I will speak more about that a bit later.

Let me tell you a bit more about this great organisation and what it does. In mid-2009, an Indigenous cricket team travelled to England, under the auspices of Cricket Australia, with significant financial support from the Lord’s Taverners. The team was following in the footsteps of the first wholly Indigenous Australian cricket team, which took this journey in 1868. The tour was a tremendous success, both on and off the field, with the excellent record of eight wins and three losses. Many of the team members are seen to have the potential for higher honours. These young men had never been out of Australia before, and they have each stated how much they are looking forward to being role models back in their own communities. The Lord’s Taverners also supports blind and deaf cricket and outfitted the blind team that

I would like to share some more details about the Imparja Cup, a national Indigenous carnival sponsored by the Lord’s Taverners Australia and supported by Cricket Australia, which every year attracts teams of talented Aboriginal cricketers from all states and territories. The first Imparja match was played in 1994 as a result of an initiative by Shane and Mervyn Franey, from Alice Springs, and Ross Williams, from Tennant Creek. Imparja Television backed the event, which became so popular that, in 1998, Northern Territory Cricket, after an approach from Shane and Ross, agreed to help with the organisation of the event. Shortly afterwards, Cricket Australia also backed the concept and officially recognised the Imparja Cup as a national competition, and Lord’s Taverners Australia came on board as a national sponsor. The cup has grown from a two-team competition to a five-team competition to a 28-team five-division competition for men and women to a 42-team competition in 2009.

But it is at the branch level where the Lord’s Taverners has its greatest impact on grassroots sport for disabled and disadvantaged young people. In this regard, I would like to speak about the Lord’s Taverners in my home state of Tasmania. My husband and I have been proud members of the Tasmanian branch of the Lord’s Taverners for quite some time. Every year, we try to attend their two major fundraising events—the now iconic Ron Barassi Snr Memorial Debate and the international cricket breakfasts. I take this opportunity to thank Mark Thomas, from CPR Communications. I have known Mark for a long time. He MCs these events every time, and he does it with flair and a terrific sense of humour. He takes the time to talk to the guests beforehand to get a better understanding of the people involved. Mark gets close to people. He does not charge anything for this. He does it all for nothing. Everyone I know who is involved appreciates his efforts and enjoys his humour.

The events that the Lord’s Taverners runs, together with membership subscriptions, have enabled the Tasmanian branch to provide the following support to the Tasmanian community over the last two years: grants to Special Olympics to help with the cost of swimming, soccer and athletics carnivals; a grant to Guide Dogs Tasmania for a fitness program for visually impaired athletes; respite care grants for recreational support to Cosmos, Camp Quality and Cerebral Palsy Tasmania; scholarships for young footballers and cricketers from disadvantaged backgrounds to attend sports camps; scholarships for young athletes with disabilities to pursue their sporting dreams; support for Tasmanian teams to attend the National Junior Disabled Games and Special Olympics competitions; individual grants for disabled athletes to attend national competitions; grants to help wheelchair athletes attend national competitions; and a grant to the Tasmanian Riding for the Disabled Association for a coaching accreditation course. Of course, other state and territory branches provide similar assistance under their charter of ‘Giving the young and disadvantaged a sporting chance’.

I recently attended with the Lord’s Taverners day-night match between Australia and the West Indies at Hobart’s Bellerive Oval. This event was more than just a cricket match. It was the start of a new era for cricket in Tasmania with the switching on of new lights, which were funded by the Rudd government. I was pleased to be able to join with the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon. Anthony Albanese, Premier David Bartlett and the federal member for Franklin, Julie Collins, for this important occasion. It was also a privilege for me to represent the Parliamentary Secretary for
Disabilities and Children’s Services, Bill Shorten, at the Special Olympics in Launceston a couple of weekends ago. The Lord’s Taverners gave generously to this event. I believe this event is worthy of a speech of its own, so I will speak further on it at a future time.

Epilepsy

Senator HUMPHRIES (Australian Capital Territory) (7.14 pm)—I rise tonight to present to the Senate a report of an informal inquiry that was conducted in November of last year by the Parliamentary Friends of Epilepsy. This is an organisation of members and senators who are concerned about the effects of epilepsy in our society and who wanted to discover more about this debilitating illness through the conduct of an informal inquiry. So on 30 November here in Canberra that inquiry was held. This was an informal approach towards examining this issue, unlike the many formal parliamentary committees which look at such issues every day of the week. Our inquiry nonetheless was, I think, extremely successful. For example, the inquiry received over 360 submissions from organisations and members of the public. In fact, most of those submissions, 330 of them, were from individuals who had some experience of epilepsy either as sufferers or as families or carers of sufferers. It was quite extraordinary to see the level of interest in this inquiry.

The inquiry has produced a report with some recommendations. The inquiry was jointly chaired by myself, the member for Shortland, Jill Hall, and the member for Solomon, Damian Hale, on that day. It consisted in the morning of a series of hearings of particular witnesses, such as the Joint Epilepsy Council of Australia and some specialists who work in this area and so forth. In the afternoon there was a roundtable where all people who were present on the day were able to make a contribution as to the effect of epilepsy on them or their families. It was a very successful enterprise and it illustrated some issues with respect to this debilitating disease.

Epilepsy affects a very substantial number of Australians. It is estimated that worldwide there are 50 million people who suffer from epilepsy, according to the World Health Organisation. In New South Wales, for example, there are thought to be some 51,000 people suffering from epilepsy. The problem is that epilepsy is often either misdiagnosed or undiagnosed because it is the kind of illness that can be mistaken for other illnesses from time to time. There are high-profile sufferers. At a recent Friends of Epilepsy function at Parliament House last year, the footballer who captained Queensland, Wally Lewis, came and spoke about his experience of epilepsy and very movingly told about how he had to cope with that illness, which went undiagnosed for a long time.

The illness has been known since the earliest times. It was said that Julius Caesar suffered from it. It is a very difficult disease to deal with because it affects people’s cognitive abilities. At one point in time they might appear perfectly normal and the next minute they will be lying on the floor in a seizure. It obviously disturbs many people when they see this if they do not understand what is happening and it can be very difficult for people to cope with. It results in it being difficult for people with epilepsy to travel on public transport or even in taxis. It is very often difficult for people with epilepsy to obtain a drivers licence even if they have medication or other treatment which stabilises their condition. There is a scarcity of GPs and specialists with current knowledge of what exactly is the treatment for epilepsy and the way in which it might be remediated to help people with epilepsy cope with their condition. There is not enough training in
There are around 630,000 minors in Australia who potentially have epilepsy and it is estimated that only three to four per cent of them have been correctly diagnosed. Of those, approximately 10 per cent have had or were likely to have seizures. With an ageing population, many more Australians over 60 are likely to be diagnosed as well. However, it is not a death sentence. Epilepsy occasionally results in death but need not lead to that. Drug regimes are often able to control the illness and appropriate training and care for people in the community can ensure that epilepsy need not lead to serious disabilities for people living in the community.

I seek leave to table the report of the Parliamentary Friends of Epilepsy into epilepsy in Australia.

Leave granted.

Senator HUMPHRIES—Thank you. One of the specific things which the inquiry looked at was a particular treatment called vagal nerve stimulation, or VNS for short. It was commented upon by a large number of witnesses as a very efficacious non-drug based way of dealing with this illness. A number of leading experts commented on its effectiveness in being able to control the incidence of epilepsy for people for whom anti-epileptic drugs had largely been unsuitable or unsuccessful. It is essentially a subcutaneous device which is installed surgically under the skin, a little like a small pacemaker, and can provide electrical signals or shocks that apparently affect the effects of epilepsy in a positive way. It is registered by the TGA and is also an approved prosthesis. But it has had problems in recent years because, whereas previously its implantation was capable of being funded under Medicare, since 2005 this has not been possible. It requires a specific item number under the Medical Services Advisory Committee process and to date it has not been able to obtain that item number. The Epilepsy Society of Australia, backed by a number of senior neurologists and neurosurgeons, have made two attempts now to have the process obtain a Medicare item number. Both attempts have been unsuccessful. As recently as late last year it was rejected.

There are a small number of publicly funded VNS implantations in Australia. For example, at the Mater Children’s Hospital in Brisbane in the Prime Minister’s electorate there is public funding for five VNS implants per year. Of course, with only five implants per year, not only does that have to deal with people in Queensland who might be able to successfully benefit from such an implantation, but there is also the question of people who have had previous implants whose batteries have run down and who now need to have the implants replaced. Five is clearly grossly inadequate. There was a very powerful case presented to the parliamentary friends inquiry that there needed to be public funding of some sort to overcome this problem. I do not purport, and the inquiry certainly did not purport, to suggest that the Medical Services Advisory Committee should have its medical judgment overborne by others, but there are other ways of dealing with this issue.

We are not talking about an expensive procedure, we are talking about one that costs about $1,000 per patient if the cost of the device itself, which is not very expensive, is covered by private health insurance. With the 40 or so new implants that might be required each year in Australia we are looking at a total cost to the taxpayer of something like $40,000 a year. That is not a great deal of money but it would make an enormous difference to the lives of people for whom no other treatment is available. These are people for whom anti-epileptic drugs
have failed and for whom no other procedure is available. I would strongly urge the government to consider making that money available on the basis that there was near unanimous—in fact, as far as the inquiry was concerned, there was unanimous—recommendation for this procedure to be available to those for whom it was deemed to be clinically appropriate.

The committee itself recommends a number of things: more research; better education of practitioners, doctors and nurses; better pathways to assistance by Centrelink; and of course measures to reduce the stigmatisation that people with epilepsy tend to suffer by virtue of the nature of seizures that they might experience. All in all it was a very valuable inquiry. I thank those who took part in it. It was extremely heartrending to hear some of those stories, and I hope the recommendations put forward unanimously by members of the parliamentary friends will be considered seriously by the federal government.

Lebanese Community in Australia

Senator FURNER (Queensland) (7.24 pm)—I rise today to commemorate 140 years of Lebanese presence in Australia. On Sunday, 21 February I was privileged and honoured to be invited to the unveiling of the statue, El Emigrante, in Cathedral Square in the Brisbane CBD of my home state of Queensland. It was fantastic to be a part of the unveiling of this statue on the 50th anniversary of the World Lebanese Cultural Union, which represents the Lebanese community. It was also a ‘thank you’ to the Australian community for allowing Lebanese settlers the opportunity to start their new lives in our prosperous nation. The unveiling of the statue attracted a great turnout, and I congratulate the Lebanese community on successfully obtaining this special commemorative statue. Culture and Heritage Affairs Committee Chairman and President of the World Lebanese Cultural Union Queensland, Mr Antoine Ghanem, said he approached the Lord Mayor of Brisbane with the idea of a project to:

… represent 140 years of Lebanese presence in Australia and to honour the early Lebanese settlers who like their ancestors the Phoenicians, landed in an entirely strange land not knowing the language or the culture of its locals, but through their dedication, faithfulness and hard work managed to become successful and contributed largely to their new country. The statue when erected will be given to Brisbane City Council as a gesture to say ‘thank you Australia’ for giving the early Lebanese settlers the chance of a new way of life.

Three years later the project became a reality and everyone who walks past this amazing tribute in Cathedral Square will now be able to understand the ties and roots of the Australian-Lebanese community and feel a sense of pride knowing that their ancestors were so inviting and welcoming. Today, there are 300,000 Lebanese Australians who call Australia home and I believe that we as a nation are privileged to have them in our enriched and multicultural society. Throughout the years the Lebanese community has made invaluable contributions to our country including fighting in the two world wars as Australian soldiers.

In the 1860s Lebanese immigrants, with the prospect of seeking a new life of opportunity, moved to many different countries around the world including Australia. A second wave of immigrants came after the Second World War and a third wave came to escape their civil war in the mid-seventies. Lebanon’s Minister for Culture Mr Selim Warde said:

These Lebanese brought with them their beliefs, traditions, long rooted history and a social commitment to this new society. They brought with them their culture, rich with such values as hard work, tolerance towards others and peaceful
co-existence. They became the symbol of harmony, upholding ideals of humanity, benevolence and ethical behaviour, as they strived to create a righteous society.

The number of Lebanese immigrants and descendants around the world now exceeds the population of Lebanon. Once the Lebanese arrived in Australia it did not take them long to find their feet and a number of the Lebanese immigrants established their own businesses, some of which are still in existence in Queensland today.

Dr Anne Monsour describes Lebanese settlement in Australia as difficult because of former restrictions placed on immigrants in the 19th century, but many took on the motto of Australia which said: ‘Better than anywhere else,’ which I am sure all of us in this chamber would agree with. According to Dr Monsour, the dream of success and the search for prosperity was the key reason why many Lebanese immigrants saw Australia as the place to start their new lives. This was because of stories of success about immigrants who had made Australia their home. Other reasons stated by Dr Monsour were the Turkish oppression and sectarian conflict, the opening of the Suez Canal and the encouragement to study overseas, just to name a few.

But it was not easy for the immigrants when they first arrived. Australia’s economic decline in the late 1800s and the influx of immigrants led to legislation being implemented which placed hard restrictions on non-European settlers. Dr Monsour said that these harsh restrictions, implemented by both the Australian government and the states, prevented non-European immigrants from working in particular industries, put restrictions on gaining land ownership, excluded them from having voting rights, excluded them from receiving government financial assistance and prevented them from running for public office. These tough restrictions implemented by the Immigration Restriction Act 1901 led some Lebanese immigrants to start their own businesses as the only way to gain employment, put food on the table and support their families. But, thank goodness, a lot has changed since the 19th and 20th centuries and the Lebanese-Australian community is very welcome in our multicultural society.

The date of 23 September 2007 marked a very important event within the Lebanese community, as it was the first time the Lebanese Festival was held in Brisbane. The festival was a great opportunity for the community to learn all about Lebanese heritage, with an exhibition about the country and its scenery as well as an opportunity to taste the delicious food and to experience music and folk dances from Lebanon.

In today’s society, Lebanese Australians are very much a part of Australian society and are successful in their endeavours. Today, more than 100 years after the Immigration Restriction Act 1901 was implemented, Lebanese Australians have entered the medical profession and the legal profession. They have become successful scientists, prosperous businesspeople, creative artists and poets and even politicians. The Queensland Premier mentioned that former Attorney-General and Minister for Justice Sam Downany and the federal member for Kennedy, Bob Katter, both boast being of Lebanese descent. The former Premier of Victoria Steve Bracks also boasts Lebanese heritage. Another name to mention here is Steve Ackerie, who is best known to the hairdressing world as Stefan. He and prominent author David Malouf are also of Lebanese descent.

On a personal level I have very close ties with the Lebanese community in Brisbane, and I am privileged and honoured to have been welcomed into that community with open arms. I have been introduced to their
culinary delights and welcomed into their homes and have found them to be very hospitable. I pay special acknowledgement to Nabil and Awatif Karam, Antoine and Elie Ghanem, Anthony Torbey, Father George and Father Dany, and Abdul and Mona Obeid, who are just lovely people.

The feeling amongst the Lebanese community in Brisbane is that this statue is a step forward in furthering and strengthening our relationships with Lebanese Australians. They have expressed their joy and commended our governments for our involvement and recognition of their unique culture. Part of the Australian dream is that every Australian has the right to opportunity and to make their own choices. While the Lebanese community have their own set of beliefs and customs, at the end of the day they are still Australians and are very much part of our society. While practising their own religions, they still have a sense of belonging to Australia and I am proud to live in a day and age where a multicultural society is very much accepted as the norm.

There are a number of Lebanese organisations in Australia, including the World Lebanese Cultural Union and the Australian Lebanese Association. The Australian Lebanese Association was formed in 1964 after the influx of immigrants to Australia from Lebanon. Those immigrants were in need of an organisation that could represent the Lebanese community, no matter what religion they practised. After an unsuccessful bid in 1964, the Australian Lebanese Association of Queensland were finally up and running in 1967. They held their first meeting in the Brisbane City Council library in West End. The World Lebanese Cultural Union’s Culture and Heritage Affairs Committee states that the group’s main objectives are to: promote loyalty to Australia and to help to make new Australians good citizens; stage social gatherings and sporting events; have facilities in which to hold functions and events; celebrate Lebanese Independence Day; and enhance and honour the name of Lebanon. After the group was formed, Lebanese Independence Day was celebrated on 16 November 1968. Now the Australian Lebanese Association of Queensland can boast its own hall and library, and it is the only Australian Lebanese Association in Australia that can do that.

Once again, I would like to congratulate the Lebanese community on unveiling this beautiful statue in the heart of Brisbane. It is a great reminder of what Lebanese settlers endured, of their hardships and their successes, of the contribution they made to our society and of how they have changed us for the better. Every time I walk through Cathedral Square and see El Emigrante I will be proud to be part of a community that has come so far and become the multicultural society it is today.

Great Barrier Reef

Senator MOORE (Queensland) (7.33 pm)—One of the first speeches I made when I came to this place was about the beauty of the Great Barrier Reef in my home state of Queensland. I thought it was about time I made some more comments about this wonderful and vulnerable part of our environment and how we should protect and value the Great Barrier Reef. The Great Barrier Reef is a very special part of Australia and the world and has been acknowledged in that way by being considered an international icon. One really important challenge for all of us is maintaining its health and beauty. Maintaining good water quality in the Great Barrier Reef park is essential to ensuring that it remains one of the most beautiful, diverse and complex ecosystems in the world. We love and we look at the beauty of its wonder. I do not think there is an Australian who does
not have either a wish to be there or a wish to return.

Since about 2001 there has been consistent study of the reef and its quality. A lot of that has been done through the wonderful work of the Great Barrier Reef Marine Park Authority in Townsville, which was formed in the 1970s to look at research and science around maintaining and valuing the reef, and also AIMS, the Australian Institute of Marine Science, which is located very close to Townsville. They are important to the research and scientific knowledge of the region. From about 2002 there has been consistent review of the quality of the water and the life that is within the reef, and it is incredibly important that we do not let the water quality degenerate. It has been generally accepted—although there is a range of scientific argument and there can never be absolute agreement; no-one pretends that there is—that there has been damage caused to the quality of the water. We struggle to know what causes the decline in water quality.

Activities in the Great Barrier Reef catchment are the primary source of pollution to the marine park. The land, rivers and coastal regions adjacent to the marine park are known collectively as the Great Barrier Reef catchment. The catchment supports a variety of urban and rural land and increasingly, as always, more people want to live in this magnificent part of the world. With growth in population comes extra challenge to protection. We need to work effectively with the people who are living there, who choose to be there, not in a punitive way but in a cooperative way so that we share the goal to protect the reef.

Most importantly, we need to protect the habitats of the range of marine life. Declining water quality affects the habitats of the marine park in a number of different ways. Nutrients encourage growth of small algae known as phytoplankton and this leads always to decreased water clarity and light. Phytoplankton growth encourages filter feeding organisms such as sponges, tube worms and barnacles to grow and then to compete for space in the existing coral community.

The nutrients encourage algal growth that can cover the coral communities. What we see as the beautiful coral, something that is wonderful to observe, is actually a vibrant living organism.

Excessive phosphorus weakens the coral skeleton, making it more vulnerable to storm damage, and then the sediment reduces the amount of light available for photosynthesis, smothers the coral and seagrass and disrupts the recruitment of coral larvae. Those are some of the problems, but it is not a cause which has gone unnoticed. A range of activities are being done to improve water quality and they demand the cooperation of both the Queensland and Australian governments.

Certainly as a result of an election promise this government is committed to the Great Barrier Reef and has argued in that way over very many years, but a particular commitment was made by the Rudd government to look at the protection of the Great Barrier Reef and the development of a $200 million Reef Rescue project. This project was the largest single commitment ever made to address the threats of climate change and declining water quality in our reef. The key of the whole plan is an effective partnership of seven Queensland natural resource management bodies, six peak agricultural industry groups and the World Wide Fund for Nature. This is a partnership of willing participants, all of whom share the passion to protect the reef.

The Reef Rescue project already has the backing of more than 900 farmers as well as the tourism, fishing and aquaculture industries, the very important Indigenous commu-
nities who have a special relationship with the reef and has been acknowledged by a particular partnership with local Aboriginal communities, conservation groups and researchers, all of whom have developed a cooperative working relationship, despite significant differences in backgrounds and the issues they bring to the table. One thing that remains paramount is the open commitment to protect the reef. With the $50 million which were committed in July 2009, it is expected that more than 2,000 additional farmers and graziers will join the project to further improve farm management. The core issue is that things done in the catchment impact on the reef itself. Increasingly the runoff from the major agricultural industries which are flourishing in catchment areas on the mainland has an impact on the reef itself—it is without question. The degree and the process can be argued but there is no argument about the fact that work on the land has an impact on the reef itself.

In 2008, there was a scientific consensus statement on water quality in the Great Barrier Reef agreed. This followed on from previous statements made in 2003 and earlier. That consensus statement had a number of key points. Water discharged from rivers to the Great Barrier Reef continues to be of poor quality in many locations. We know that pesticide residues, particularly herbicides, are present in surface and groundwater in many locations in the catchments—these substances do not occur natural in the environment and lead to a concentration of nitrate elevated in groundwater in areas under intensive agriculture. A portion of this groundwater is believed to enter coastal waters. They are not natural to the area but have immediate impact.

There is a range of issues which scientists are considering and continue to study. We know that land derived contaminants, including suspended sediments, nutrients and pesticides are present in the Great Barrier Reef at concentrations likely to cause environmental harm. The way this is occurring is being monitored, looking at what we can do to minimise the effect. There is strengthened evidence of the causal relationship between water quality and coastal and marine ecosystem health. We know there is a relationship; we need to study it to ensure there is not further damage and impact on the reef itself. The health of fresh water ecosystems is impaired by agricultural land use, hydrological change, riparian degradation and weed infestation—all of the things we know about in our agricultural industries which are not limited just to agricultural health but also go to the reef.

Current management interventions are not effectively solving the problem and climate change and major land use change will have confounding influences on the Great Barrier Reef health. Effective science coordination to collate, synthesize and integrate disparate knowledge across all disciplines is urgently needed. We need to turn what is in the agreed statement into action.

The Reef Rescue project is part of bringing that into action and we need to face up to it and take responsibility ourselves. Certainly the WWF has an ongoing campaign about what we can do to minimise the impact of pesticides on the reef. There is currently a review into the role of the Australian pesticides watchdog, the Australian Pesticides and Veterinary Medicines Authority, the APVMA, which is looking into the way that the organisation operates and how it can continue to operate within our community and, particularly for my purposes this evening, in relation to the Great Barrier Reef.

A proposal is due to be delivered to the Primary Industries Ministerial Council at its meeting on 22 and 23 April this year and then it will go through to COAG, because as
I said, this is a national priority. It is not just limited to the people who are fortunate enough to live in that beautiful part of North Queensland; it belongs to all of us. This is our natural wonder. The COAG process, which involves cooperation between state and federal governments, is an important element of the Australian commitment to protect the reef.

We all have a responsibility to protect this wonderful reef. We need to do find out what we can do to help preserve it and to work effectively with people across industry bases so that there is no punishment, no blame but rather cooperative ways to protect this wonderful part of Australia.

Senate adjourned at 7.44 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

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

Acts Interpretation Act—Acts Interpretation (Substituted Reference – Section 19B) Amendment Order 2010 (No. 1) [F2010L00644]*.

Australian Capital Territory (Planning and Land Management) Act—National Capital Plan—Amendment 70—Section 87 and Part Sections 83 and 85 Fyshwick and Appendix E [F2010L00623]*.

Civil Aviation Act—

Civil Aviation Regulations—Civil Aviation Order 82.6 Amendment Order (No. 1) 2010 [F2010L00628]*.

Civil Aviation Safety Regulations—Instrument No. CASA ADCX 002/10—Revocation of Airworthiness Directives [F2010L00636]*.

Customs Act—Tariff Concession Orders—
0924093 [F2010L00393]*.
0924094 [F2010L00394]*.
0925206 [F2010L00404]*.
0925796 [F2010L00408]*.
0925987 [F2010L00409]*.
0926151 [F2010L00407]*.
0927024 [F2010L00410]*.
0927403 [F2010L00411]*.
0929386 [F2010L00522]*.

Higher Education Support Act—

HECS-HELP Benefit Guidelines No. 1 [F2010L00630]*.

Higher Education Provider Approval (No. 2 of 2010)—TCOL Ltd [F2010L00640]*.

Radiocommunications Act—

Radiocommunications (Transmitter Licences – Auction) Amendment Determination 2010 (No. 1) [F2010L00571]*.

Social Security Act—Social Security (Australian Government Disaster Recovery Payment) Amendment Determination 2010 (No. 1) [F2010L00645]*.

Veterans’ Entitlements Act—Statements of Principles concerning—

Accidental Hypothermia No. 17 of 2010 [F2010L00562]*.

Accidental Hypothermia No. 18 of 2010 [F2010L00563]*.

Malignant Neoplasm of the Eye No. 15 of 2010 [F2010L00559]*.

Malignant Neoplasm of the Eye No. 16 of 2010 [F2010L00560]*.

Malignant Neoplasm of the Small Intestine No. 19 of 2010 [F2010L00565]*.

Osteoarthritis No. 13 of 2010 [F2010L00557]*.

Osteoarthritis No. 14 of 2010 [F2010L00558]*.

Sinusitis No. 9 of 2010 [F2010L00553]*.

Sinusitis No. 10 of 2010 [F2010L00554]*.

Suicide and Attempted Suicide No. 11 of 2010 [F2010L00555]*.
Suicide and Attempted Suicide No. 12 of 2010 [F2010L00556]*.

* Explanatory statement tabled with legislative instrument.

**Indexed Lists of Files**

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 2009—Statements of compliance—

- Attorney-General’s portfolio agencies.
- Broadband, Communications and the Digital Economy portfolio agencies.
- Department of Foreign Affairs and Trade.
- Environment, Water, Heritage and the Arts portfolio agencies.
- Finance and Deregulation portfolio agencies.
- Human Services portfolio agencies.
- Office of the Official Secretary to the Governor-General.
- Resources, Energy and Tourism portfolio agencies.
- Treasury portfolio agencies.

**Departmental and Agency Contracts**

The following documents were tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Departmental and agency contracts for 2009—Letters of advice—

- Families, Housing, Community Services and Indigenous Affairs portfolio agencies.
- Resources, Energy and Tourism portfolio agencies.
QUESTIONS ON NOTICE
The following answers to questions were circulated:

**Official Gifts**
(Question No. 2504)

**Senator Ronaldson** asked the Minister representing the Prime Minister, upon notice, on 21 December 2009:

With reference to the 15th United Nations Climate Change Conference in Copenhagen (COP15):

1. (a) What was the total cost of official gifts given to members of foreign delegations by members of the Australian delegation; and (b) who received these gifts.

2. (a) Can a list be provided of the gifts that were given to the Prime Minister by members of foreign delegations and/or the Danish Government; and (b) which of these gifts has the Prime Minister chosen to keep.

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

1. (a) (b) No gifts were presented by the Prime Minister to members of foreign delegations.

2. (a) (b) No gifts were received by the Prime Minister from members of foreign delegations and the Danish Government.

**Defence**
(Question No. 2570)

**Senator Johnston** asked the Minister for Defence upon notice, on 11 January 2010:

For the period 1 July to 30 September 2009:

1. (a) How many training days have been allocated to Reserves in each state and territory; and (b) what is the budget allocation to provide these training days.

2. (a) How many training days were allocated to Reserves in each state and territory; and (b) what was spent to provide these training days.

**Senator Faulkner**—The answer to the honourable senator’s question is as follows:

(1) (a) **Navy** - A breakdown for days Navy planned to use for training during the specified period cannot be provided. Navy training days are allocated on an annual basis and are only used when governed by the requirements of the position owner. The annual training day allocation for 2009-10 for Reserve positions for each state is listed below.

<table>
<thead>
<tr>
<th>STATE/TERRITORY</th>
<th>TRAINING DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>64,112</td>
</tr>
<tr>
<td>NSW</td>
<td>38,179</td>
</tr>
<tr>
<td>NT</td>
<td>2,494</td>
</tr>
<tr>
<td>QLD</td>
<td>11,215</td>
</tr>
<tr>
<td>SA</td>
<td>4,335</td>
</tr>
<tr>
<td>TAS</td>
<td>4,869</td>
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<tr>
<td>VIC</td>
<td>6,087</td>
</tr>
<tr>
<td>WA</td>
<td>11,939</td>
</tr>
<tr>
<td>OSEAS</td>
<td>40</td>
</tr>
<tr>
<td>TOTAL</td>
<td>143,270</td>
</tr>
</tbody>
</table>
**Army** - The Army is unable to produce an accurate figure of training days it planned to use as it does not allocate training days, it only allocates an annual budget. It is the responsibility of Commands within the Army to assign this money to groups and units for Reservist training. Furthermore, some units are spread across state and territory boarders, making a breakdown of training days for each state or territory complex and resource intensive. As such, I am not prepared to authorise the time and resources required to answer this part of the question.

**Air Force** - For the specified period, please see the table below for days Air Force planned to use for training.

<table>
<thead>
<tr>
<th>STATE/TERRITORY</th>
<th>TRAINING DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>4,562</td>
</tr>
<tr>
<td>NSW</td>
<td>12,703</td>
</tr>
<tr>
<td>NT</td>
<td>1,226</td>
</tr>
<tr>
<td>QLD</td>
<td>12,322</td>
</tr>
<tr>
<td>SA</td>
<td>5,815</td>
</tr>
<tr>
<td>TAS</td>
<td>667</td>
</tr>
<tr>
<td>VIC</td>
<td>6,384</td>
</tr>
<tr>
<td>WA</td>
<td>3,748</td>
</tr>
<tr>
<td>OSEAS</td>
<td>N/A</td>
</tr>
<tr>
<td>TOTAL</td>
<td>47,427</td>
</tr>
</tbody>
</table>

(b)

**Navy** - Information on the budget allocation Navy planned to use during the specified period cannot be provided, as training days can be utilised any time during the financial year.

**Army** - For the specified period, the budget allocation that Army planned to use is estimated to be approximately $40,000,000.

**Air Force** - Please see the table below for the budget Air Force planned to use for training.

<table>
<thead>
<tr>
<th>STATE/TERRITORY</th>
<th>Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>1.290m</td>
</tr>
<tr>
<td>NSW</td>
<td>2.825m</td>
</tr>
<tr>
<td>NT</td>
<td>0.213m</td>
</tr>
<tr>
<td>QLD</td>
<td>2.659m</td>
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<tr>
<td>SA</td>
<td>1.138m</td>
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<tr>
<td>TAS</td>
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<tr>
<td>VIC</td>
<td>1.414m</td>
</tr>
<tr>
<td>WA</td>
<td>0.761m</td>
</tr>
<tr>
<td>OSEAS</td>
<td>N/A</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10.430m</td>
</tr>
</tbody>
</table>

(2) (a)

**Navy** - During the specified period, Navy actually used 35,232 days for training Australia wide. A breakdown of training day usage by state and territory is not available due to the manner in which the Navy gathers Reserve training data.

**Army** - Approximately 250,400 training days were used during the specified period. However, due to the manner in which training days are allocated, this figure will grow as claims for pay (for each training day) continue to be submitted from the various groups and units within the Army.

**Air Force** - For the specified period, please see the table below for the number of days Air Force actually used for training.
<table>
<thead>
<tr>
<th>STATE/TERRITORY</th>
<th>TRAINING DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>4,562</td>
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<tr>
<td>WA</td>
<td>3,748</td>
</tr>
<tr>
<td>O'SEAS</td>
<td>N/A</td>
</tr>
<tr>
<td>TOTAL</td>
<td>47,427</td>
</tr>
</tbody>
</table>

(2) (b)

**Navy** - For the specified period, Navy’s actual expenditure for training days was $8,603,772. A breakdown of dollar expenditure by state and territory is not available due to the manner in which Navy gathers Reserve training data.

**Army** - Please see the table below for approximate budget information for the training days Army have used during the specified period. However, due to the manner in which training days are allocated, this figure will grow as claims for pay (for each training day) continue to be submitted from the various groups and units within the Army. The figures below indicate salaries and allowances.

<table>
<thead>
<tr>
<th>STATE/TERRITORY</th>
<th>Budget ($)</th>
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<td>NT</td>
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<td>10.000m</td>
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<tr>
<td>SA</td>
<td>2.800m</td>
</tr>
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<td>TAS</td>
<td>1.200m</td>
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<tr>
<td>VIC</td>
<td>6.400m</td>
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<tr>
<td>WA</td>
<td>2.800m</td>
</tr>
<tr>
<td>O’S EAS</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>40m</td>
</tr>
</tbody>
</table>

**Air Force** - For the specified period, please see the table below for Air Force’s actual expenditure for the specified period.

<table>
<thead>
<tr>
<th>STATE/TERRITORY</th>
<th>Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
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<td>NT</td>
<td>0.213m</td>
</tr>
<tr>
<td>QLD</td>
<td>2.649m</td>
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<tr>
<td>SA</td>
<td>1.135m</td>
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<tr>
<td>TAS</td>
<td>0.130m</td>
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<td>VIC</td>
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</tr>
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<td>WA</td>
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</tr>
<tr>
<td>O’S EAS</td>
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</tr>
<tr>
<td>TOTAL</td>
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</tr>
</tbody>
</table>