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FORTY-THIRD PARLIAMENT
FIRST SESSION—FIRST PERIOD

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

Senate Officeholders

President—Senator Hon. John Joseph Hogg

Deputy President and Chair of Committees—Senator Hon. Alan Baird Ferguson


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

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

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

Deputy Leader of the Opposition in the Senate—Senator Hon. George Henry Brandis SC

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

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

Senate Party Leaders and Whips

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

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

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

Deputy Leader of the Liberal Party of Australia—Senator Hon. George Henry Brandis SC

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 Anne McEwen

Deputy Government Whips—Senators Carol Louise Brown and Helen Beatrice Polley

Chief Opposition Whip—Senator Stephen Shane Parry

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

The Nationals Whip—Senator John Reginald Williams

Australian Greens Whip—Senator Rachel Mary Siewert

Family First Party Whip—Senator Steve Fielding

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

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

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

Heads of Parliamentary Departments

Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
GILLARD MINISTRY

Prime Minister Hon. Julia Gillard MP
Deputy Prime Minister and Treasurer Hon. Wayne Swan MP
Minister for Regional Australia, Regional Development and Local Government Hon. Simon Crean MP
Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate Senator Hon. Chris Evans
Minister for School Education, Early Childhood and Youth Hon. Peter Garrett AM MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate Senator Hon. Stephen Conroy
Minister for Foreign Affairs Hon. Kevin Rudd MP
Minister for Trade Hon. Dr Craig Emerson MP
Minister for Defence and Deputy Leader of the House Hon. Stephen Smith MP
Minister for Immigration and Citizenship Hon. Chris Bowen MP
Minister for Infrastructure and Transport and Leader of the House Hon. Anthony Albanese MP
Minister for Health and Ageing Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs Hon. Jenny Macklin MP
Minister for Sustainability, Environment, Water, Population and Communities Hon. Tony Burke MP
Minister for Finance and Deregulation Senator Hon. Penny Wong
Minister for Innovation, Industry, Science and Research Senator Hon. Kim Carr
Attorney-General and Vice President of the Executive Council Hon. Robert McClelland MP
Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate Senator Hon. Joe Ludwig
Minister for Resources and Energy and Minister for Tourism Hon. Martin Ferguson AM, MP
Minister for Climate Change and Energy Efficiency Hon. Greg Combet AM, MP

[The above ministers constitute the cabinet]
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<td>Minister for Privacy and Freedom of Information</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Sport</td>
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<tr>
<td>Special Minister of State for the Public Service and Integrity</td>
<td>Hon. Gary Gray AO, MP</td>
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<tr>
<td>Assistant Treasurer and Minister for Financial Services and Superannuation</td>
<td>Hon. Bill Shorten MP</td>
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<td>Minister for Employment Participation and Childcare</td>
<td>Hon. Kate Ellis MP</td>
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<td>Minister for Indigenous Employment and Economic Development</td>
<td>Senator Hon. Mark Arbib</td>
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<td>Minister for Veterans’ Affairs and Minister for Defence Science and Personnel</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Minister for Defence Materiel</td>
<td>Hon. Jason Clare MP</td>
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<td>Minister for Indigenous Health</td>
<td>Hon. Warren Snowdon MP</td>
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<tr>
<td>Minister for Mental Health and Ageing</td>
<td>Hon. Mark Butler MP</td>
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<td>Minister for the Status of Women</td>
<td>Hon. Kate Ellis MP</td>
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<td>Minister for Social Housing and Homelessness</td>
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<td>Special Minister of State</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Minister for Small Business</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Home Affairs and Minister for Justice</td>
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<td>Cabinet Secretary</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
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<td>Parliamentary Secretary for Community Services</td>
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<td>Parliamentary Secretary for Sustainability and Urban Water</td>
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<td>Minister Assisting on Deregulation</td>
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<td>Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
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<td>Minister Assisting the Minister for Tourism</td>
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<tr>
<td>Parliamentary Secretary for Climate Change and Energy Efficiency</td>
<td>Hon. Mark Dreyfus QC, MP</td>
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SHADOW MINISTRY

Leader of the Opposition

Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade

Leader of the Nationals and Shadow Minister for Infrastructure and Transport

Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations

Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts

Shadow Treasurer

Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House

Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals

Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate

Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee

Shadow Minister for Energy and Resources

Shadow Minister for Defence

Shadow Minister for Communications and Broadband

Shadow Minister for Health and Ageing

Shadow Minister for Families, Housing and Human Services

Shadow Minister for Climate Action, Environment and Heritage

Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship

Shadow Minister for Innovation, Industry and Science

Shadow Minister for Agriculture and Food Security

Shadow Minister for Small Business, Competition Policy and Consumer Affairs

Hon. Tony Abbott MP

Hon. Julie Bishop MP

Hon. Warren Truss MP

Senator Hon. Eric Abetz

Senator Hon. George Brandis SC

Senator Hon. Joe Hockey MP

Hon. Christopher Pyne MP

Senator Hon. Nigel Scullion

Senator Barnaby Joyce

Hon. Andrew Robb AO, MP

Hon. Ian Macfarlane MP

Senator Hon. David Johnston

Hon. Malcolm Turnbull MP

Hon. Peter Dutton MP

Hon. Kevin Andrews MP

Hon. Greg Hunt MP

Mr Scott Morrison MP

Mrs Sophie Mirabella MP

Hon. John Cobb MP

Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
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<th>Shadow Minister for Employment Participation</th>
<th>Hon. Sussan Ley MP</th>
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<td>Mr Michael Keenan MP</td>
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<td>Shadow Minister for Childcare and Early Childhood Learning</td>
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<td>Shadow Minister for Universities and Research</td>
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<td>Senator Concetta Fierravanti-Wells</td>
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<td>Shadow Parliamentary Secretary for Northern and Remote Australia</td>
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<td>Senator Simon Birmingham</td>
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<td>Senator Gary Humphries</td>
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<td>Shadow Parliamentary Secretary for Primary Healthcare</td>
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Shadow Parliamentary Secretary for Supporting Families
Senator Cory Bernardi

Shadow Parliamentary Secretary for the Status of Women
Senator Michaelia Cash

Shadow Parliamentary Secretary for Environment
Senator Simon Birmingham

Shadow Parliamentary Secretary for Citizenship and Settlement
Hon. Teresa Gambaro MP

Shadow Parliamentary Secretary for Immigration
Senator Michaelia Cash

Shadow Parliamentary Secretary for Innovation, Industry, and Science
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Fisheries and Forestry
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Small Business and Fair Competition
Senator Scott Ryan
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Wednesday, 17 November 2010

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9.30 am and read prayers and made an acknowledgement of country.

STANDING ORDERS

The PRESIDENT (9.31 am)—Yesterday in question time, Senator Abetz raised a point of order about the application of the relevance rule under the standing orders, as modified by the Senate’s temporary order on question time, which requires answers to be directly relevant to a question. Senator Bob Brown also asked that I look at questions asked in the early part of question time yesterday to assess whether they conformed with standing order 73, which, as all senators know, provides rules for questions.

Regardless of whether the requirement is for relevance or direct relevance, I cannot direct a minister how to answer a question. Provided that an answer is directly addressing the subject matter of a question, it is not within the power of the chair to require a minister to provide a particular answer.

The problem with question time at the moment seems to be that senators have an expectation of receiving the specific answer that they have in mind and, when they do not receive that answer, they raise points of order. I have ruled consistently, as presidents before me have done, that it is not within my power to require a minister to provide a particular answer.

I also wish to address a misconception about the powers of the chair in enforcing the standing orders in the context of requests made to me during points of order to sit ministers down. As all senators should know, the only basis on which a senator with the call may be interrupted is for a point of order or a point of privilege. When a point of order is raised, the chair assesses the validity of a point of order and makes a ruling which is designed to draw an offending senator back within the scope of what the standing orders permit. Provided that a senator is complying with the standing orders, the chair has no basis to withdraw the call except to restore order.

Finally, I remind senators that standing order 73 provides that questions shall not contain arguments, inferences, imputations, ironical expressions or hypothetical matter, among other things, and shall not ask for expressions of opinion or statements of the government’s policy. If senators observed these rules more closely in seeking information from ministers, there might be less cause for dissatisfaction with the answers.

AUSTRALIAN NATIONAL PREVENTIVE HEALTH AGENCY BILL 2010

Debate resumed from 16 November.

The TEMPORARY CHAIRMAN (Senator Trood)—The committee is considering the Australian National Preventive Health Agency Bill 2010 and opposition amendments (1) and (2) on sheet 6195 moved by Senator Fierravanti-Wells.

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (9.34 am)—When we finished last night, I was responding to the argument from the opposition as to why these amendments should be adopted. As I indicated last night, the government is not of a mind to agree with the amendments as they are written. I indicated that I thought that, by giving certain classes of people membership of the advisory council, that would indicate that certain classes had a greater right to be part of the advisory council. If we are going to indicate that industry representatives have designated places I think it is therefore rea-
sonable to then indicate that every member of the advisory council should have their class of membership indicated by the legislation.

It is our view that the advisory council should not have prescribed classes as their members. In saying that, can I say that the minister is on the record as saying that consumers will be included. I think that is absolutely essential. The government has agreed to work with industry in having a role to play in the prevention agenda. Work has been proceeding on that. I am aware of a dialogue occurring between the Australian Food and Grocery Council and major supermarkets in order to work towards some voluntary activity to deliver better health outcomes for our community. In conclusion, designating positions for industry representatives on the advisory council is not something that the government wants to contemplate.

Senator Fierravanti-Wells (New South Wales) (9.37 am)—Following on from the comment that the minister made, I take the minister to page 15 of the explanatory memorandum. It looks at clause 31 and the appointment of members to the advisory council. It says, ‘While the clause does not specify knowledge or experience requirements for advisory council members’ and talks about ‘expertise’. Do I deduce from your answer that you will be including consumer matters, not necessarily consumer health groups, and that you will only be dialoguing with industry groups? There is a distinction. Perhaps you could clarify that for me. I deduced from your comments that a distinction was made about consumers being included within the parameters of the advisory group and that you would just be talking to industry. That is how I understood the distinction. Could you clarify that for me.

Senator McLucas (Queensland—Parliamentary Secretary for Disabilities and Carers) (9.38 am)—I am certainly aware of a piece of work that occurred some time ago. My understanding is that it is continuing. That is the dialogue that was promoted by the Australian Food and Grocery Council, major supermarket chains and others. I recommend that you do not confuse nor conflate that discussion with the membership of the advisory council. If you go to the explanatory memorandum, it is very clear about the expertise that will be required in order to provide well-rounded advice and well-informed advice to the minister. My recommendation is to not confuse the dialogue which was occurring. I am not close to how that is progressing, but it certainly was occurring. That indicates that the government is prepared to talk to industry on a sensible and realistic basis in order to improve health outcomes for consumers. Reading the EM explicitly will answer that question.

Senator Fierravanti-Wells (New South Wales) (9.40 am)—That is my point, Minister. When you read the explanatory memorandum, it says:

While the clause does not specify knowledge or experience requirements for Advisory Council members, it is anticipated that the following expertise would be represented amongst members ...

Then it lists:

... public administration, business/employer groups, education, intersectoral collaboration, sports and recreation, preventive health including health promotion, community and non-government organisations, consumer issues, social inclusion and disadvantage (including Indigenous Australians), local government, legal/regulatory, and finance

Given that the coalition’s amendment goes specifically to consumer health groups and industry organisations specifically in the manufacture of food and alcohol, I am concerned about understanding why those two important categories have been specifically excluded from what is a highly descriptive
and highly inclusive category of people. That is the reason that I am seeking clarification. Minister, with respect, I do not think that your answer addresses the specific question that I asked, and that was about the highly prescriptive—if I can put it that way—description of the membership of the advisory council. They are the two areas that the coalition is very concerned about and they are going to be very much the drivers in relation to consumer health groups. Obviously the manufacture, distribution and marketing of food and beverages, including alcoholic beverages, are very important components, and the two areas have been deliberately excluded.

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (9.42 am)—If you read it literally, it says:

… it is anticipated that the following expertise would be represented amongst members …

It is not prescriptive at all. The amendment from the opposition requires that there be representatives of certain sectors. This is a question of whether we want expertise in a general sense. The EM indicates a range of people who, it is anticipated, would be represented, but your amendment goes to identifying at least one and perhaps two positions that would be represented in a formal sense. I go back to my earlier comment. If we were going to prescribe classes for the advisory council, then we would prescribe every seat on that advisory council in a formal way. The alternative way of establishing any committee is to say that we expect that certain groups would have to be included rather than identifying the distinct membership of every seat on that committee. We have not gone down that track. I suggest that your amendment goes only part way down that track. If you were going to do it fully, you would indicate every seat on the advisory council rather than indicate one, or perhaps two, for an identified sector that would have an important conversation, but that is only one part of the conversation. I refer to the comments of Senator Xenophon and Senator Siewert around the desirability of having certain groups there who may have a slightly different view to the preventative health agenda.

Senator FIERRAVANTI-WELLS (New South Wales) (9.44 am)—Could I seek clarification. Could you put on the record, Minister: does that mean that, amongst the members of the council, there will not be represented people from industry, in the broad sense, and consumer health organisations?

That is my question.

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (9.45 am)—Let us be very clear about your question, because you have given it in the negative. You have asked me whether I can confirm that there will not be industry representatives, and I think my answer is no.

Senator FIERRAVANTI-WELLS (New South Wales) (9.45 am)—So there will be people from consumer health organisations and from industry broadly defined as having commercial expertise in the manufacture, distribution or marketing of food or beverages, including alcoholic beverages?

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (9.45 am)—That is not what I said.

Senator FIERRAVANTI-WELLS (New South Wales) (9.45 am)—I am just trying to seek clarification as to whether—because of comments that were made by Senator Siewert and Senator Xenophon—they are not in the health preventive agenda or, if I can infer from your comments in a general sense, they are not quite on the same page and therefore they are going to be excluded from the dialogue. That is my concern, Senator McLucas, because you really are excluding a
very, very large chunk of organisations that are going to have a very important component. If you cannot bring them on board, there is going to be a real problem in terms of focusing change in preventive health. That is really where I am coming from.

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (9.46 am)—We are certainly not excluding industry. We talked about the range of expertise that is going to be required. This is neither inclusive nor exclusive of any particular sector.

Senator FERRAVANTI-WELLS (New South Wales) (9.47 am)—Minister, I will leave it there. I have pursued this matter in an attempt to get some clarification because of the very definitive words used in the explanatory memorandum. It says ‘would’ and you have underlined the word ‘would’. It does not say ‘may include’; it is actually specific and says, ‘would be represented’. I took that to mean that those categories that are specified would be participants on the advisory council; and, because of the clearly defined nature of it, it would be to the exclusion of others. That is the reason I pursued this.

Question put:

That the amendments (Senator Ferravanti-Wells’s) be agreed to.

The committee divided. [9.52 am]

(The Temporary Chairman—Senator RB Trood)

Ayes………… 32
Noes………… 34
Majority……... 2

AYES

Abetz, E. Adams, J.
Back, C.J. Barnett, G.
Bernardi, C. Birmingham, S.
Boyce, S. Brandis, G.H.
Bushby, D.C. Cash, M.C.

NOES

Abib, M.V. Bilyk, C.L.
Bishop, T.M. Brown, B.J.
Brown, C.L. Cameron, D.N.
Collins, J. Crossin, P.M.
Farrell, D.E. Faulkner, J.P.
Fielding, S. Forshaw, M.G.
Furner, M.L. Hanson-Young, S.C.
Hogg, J.J. Hurley, A.
Hutchins, S.P. Ludlam, S.
Ludwig, J.W. Lundy, K.A.
Marshall, G. McEwen, A.
McLucas, J.E. Milne, C.
Moore, C. Polley, H.
Pratt, L.C. Sherry, N.J.
Siewert, R. Stephens, U.
Sterle, G. Wong, P.
Wortley, D. Xenophon, N.

PAIRS

Boswell, R.L.D. Conroy, S.M.
Eggleston, A. Feeney, D.
Ferguson, A.B. Carr, K.J.
Johnston, D. O’Brien, K.W.K.
Joyce, B. Evans, C.V.

* denotes teller

Question negatived.

The TEMPORARY CHAIRMAN (Senator Trood)—Senator Xenophon, I am prepared to call you if you wish to stand in order to be recognised.

Senator XENOPHON (South Australia) (9.56 am)—I do wish to be recognised, thank you.

Senator Bernardi—I recognise you.
Senator XENOPHON—Senator Bernardi recognises me as well, Mr Temporary Chairman, so that is all that matters.

The TEMPORARY CHAIRMAN—I am sure that is absolutely true, Senator Xenophon.

Senator XENOPHON—The proposed amendment standing in my name that has been circulated in the chamber relates to making the advice of ANPHA public:

The CEO must cause a copy of any advice given or recommendations made in undertaking the CEO’s functions under subsection 11(1) to be published on the ANPHA’s web site within 6 months of providing the advice or making the recommendations.

This is very much about transparency. Initially there was a proposal that this be published within 14 days. I acknowledge that 14 days is too short a period of time and that there needs to be an adequate period of time for the government to consider recommendations made by the agency. But I also think it is important that those recommendations be made public. It is very much in the public interest that those recommendations are out there after a reasonable period of time.

I note that my colleague Senator Siewert from the Australian Greens will be proposing that the period of time be increased from six months to 12 months, and I am quite comfortable about that. I have had discussions with the government about that longer time frame. I think it is fair in the context of this legislation that there is a longer time frame. I have had discussions with Dr Southcott, the member for Boothby, in relation to this. I think it is important that we get the full recommendations. I do not believe that having a summary of recommendations or a precis of recommendations would be adequate. It is important that we see the full recommendations that this body would give to government. Twelve months will be very much in the public interest and will give the government an adequate time frame in which to consider and, if necessary, to act on those recommendations.

So I commend this amendment but I indicate that Senator Siewert may be moving an amendment to increase the period from six months to 12 months.

The TEMPORARY CHAIRMAN—Are you seeking to move the amendment, Senator Xenophon?

Senator XENOPHON—There are two ways of doing it, I guess. I will take advice from you, Mr Temporary Chairman, as to whether I move this amendment and Senator Siewert amends it to 12 months. I am in your hands in relation to that.

The TEMPORARY CHAIRMAN—I think it would be simplest if you amended and moved your own amendment.

Senator XENOPHON—I move amendment (1) as amended:

(1) Page 8 (after line 30), after clause 11, insert:

11A Publication

The CEO must cause a copy of any advice given or recommendations made in undertaking the CEO’s functions under subsection 11(1) to be published on the ANPHA’s web site within 12 months of providing the advice or making the recommendations.

Senator FIERRAVANTI-WELLS (New South Wales) (9.59 am)—We support Senator Xenophon’s amendment and we would like to make a couple of comments. Of course, this will ensure that the CEO has an obligation to provide details of any recommendations made to the government. It addresses concerns that the coalition has raised that the agency lacked independence and transparency. I must say that there was some great concern about this in the original bill. We believe that the recommendation and advice has to be as transparent as possible,
and that it should be open to public scrutiny. By increasing public engagement on the issue of preventative health we are encouraging a dialogue between the public, health and industry sectors.

Before the minister makes further comments I will take this opportunity to ask about the breakdown in the original explanatory memorandum to the bill. In the financial impact statement of the original explanatory memorandum there was a breakdown of funds allocated over the forward estimates. However, this breakdown is not provided in the breakdown to the current bill and thereby restricts the extent to which it can be held accountable. I ask the minister if it was deliberate or if it was simply an oversight that the revised explanatory memorandum does not include the forward estimates?

Senator SIEWERT (Western Australia) (10.02 am)—I would like to make some comments on the amendment. We strongly support the issue of the public release of advice from the agency. We think it is very important. We also recognise that there is a process here while the agency develops its advice and recommendations and we do understand that it takes some time for government to then consider it and perhaps develop its strategy about how to implement it. I understand that process.

The Greens are trying to ensure that there is disclosure of the advice because this is an extremely important issue. I touched on this in my second reading speech yesterday; we believe that if the agency is carrying out its job properly it should report without fear or favour of that information becoming public. It is important information and if it is very good advice it will stand up to public scrutiny. We believe that is important.

We also believe it is important that the government should be held accountable and have to explain why it does not accept particular pieces of advice or recommendations from the agency, if that should occur. The government should also be held accountable for why it did not accept a particular piece of advice or if it went in a different direction but supported some of it. That is why I planned to move a similar amendment, although mine was for 12 months. If Senator Xenophon’s amendment is passed I will, of course, withdraw my amendment. That is why we thought a 12-month period was an acceptable length of time between the advice being given and it being made publicly available. We support Senator Xenophon’s amendment.

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (10.04 am)—To the question from Senator Fierravanti-Wells: the change to the explanatory memorandum goes to the question of the delay in the passage of this bill. There has been no change in the actual overall funding in those figures, to be frank. There has been no change to the funding for the agency and related proposed expenditure. I can refer you to where you can find those figures in the PBS. It is to do with the delay in passage of the legislation. In that respect, in order to be accurate that is how it had to be changed.

I will now go to the substantive question, and that is the amended amendment from Senator Xenophon. I confirm to the Senate that the agency has to be independent and it has to be able to provide independent advice to the minister, and in doing so the agency has to be able to provide frank and fearless advice to the minister. It would concern me that an officer of the agency could, if they were compelled to publish all advice to the minister, potentially temper that advice. That advice, therefore, may not be as frank and fearless as a good democratic institution would desire.
There is a potential that there would be a tempering—and I use that word rather than watering down—of advice by a public servant who is trying to predict what a government may want. I do not think that is good or sound for the operations of our democracy. We are worried that this amendment would compromise the agency’s capacity to provide that advice to health ministers and therefore to the Commonwealth government.

That is quite a precedent that we would be setting here. I appeal to the Liberal Party in its support of this type of amendment to think about what sort of precedent for other pieces of legislation this is going to create. This requirement to publish all advice is something that does not occur in our democracy. I ask the Liberal and National parties to contemplate what sort of precedent is being set here.

Senator Fierravanti-Wells, you used the word ‘details’—that is not what the amendment says. The amendment says: ‘The CEO must cause a copy of any advice’. It is very clear. I suggest this is quite a significant change from the approach that your party had in government, and have now, to dealing with legislation.

Coming back to Senator Xenophon’s point, whilst we are saying that the advice needs to be frank and fearless, the authority needs to be independent and its advice needs to be provided to a minister in a transparent way. There will be enormous transparency in this organisation. It is important to note that the agency will be subject to the usual Public Service statutory agency checks and balances. It will be required to publish an annual report, to provide strategic plans on its proposed work and to publish a report on the state of preventative health in Australia every two years, and its CEO will appear at estimates. Senators will be able to question the CEO at Senate estimates, to peruse an annual report and to go through all the processes that we expect in our government structures.

For those reasons, we cannot agree to support this amendment. However—and this is a discussion you may have, Senator Xenophon, with Senator Siewert—if you were to require the CEO to publish a summary, rather than a copy, of its advice and recommendations, that would address my concern about the ability of the agency to provide the open, frank and fearless advice that we are expecting of it. That would make the government more amenable to accepting the amendments, if they were to carry. But I absolutely, firmly, say that we are not going to support the amendment in its current form—we will not support an amendment along those lines. Given the position of the opposition, something that I do not think would compromise the function of this agency—and this is quite a serious point—would be the requirement for some sort of summary document within the 12 months of provision of advice. That may be considered. But, once again, I underline that we would not support it on a vote. I thank the Senate and indicate that the government will not be agreeing to Senator Xenophon’s amendment.

Senator XENOPHON (South Australia) (10.10 am)—Before I respond comprehensively to the government’s position in relation to this, Senator McLucas, do you envisage that the CEO of that agency will be appearing at estimates?

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (10.11 am)—Yes.

Senator XENOPHON (South Australia) (10.11 am)—Will the CEO acknowledge that the advice and recommendations will be subject to freedom of information requests?

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (10.11 am)—Senator Xenophon, I
think your question is: will the CEO turn up at Senate estimates? My advice is that the CEO will, definitely, and of course will also be subject to FOI requests.

Senator XENOPHON (South Australia) (10.11 am)—With respect to the government, I do not see the point of opposing this amendment. It allows for a structure of transparency and openness so that the recommendations made by this body in relation to preventative health will be published on the net for all Australians to see. If the government acknowledges that these recommendations would be subject to freedom of information requests anyway, what is wrong with having a formal structure in place that deals with these so that we know that, within 12 months of such advice being given, it will be made public?

Senator McLucas says that the organisation needs to give frank and fearless advice to the minister—and, in some way, requiring these documents will not allow for that. With respect, I see that as quite a specious argument. The fact is that these documents will, in any event, be subject to FOI and to scrutiny through the estimates process. I think it is important that we have a process to require these documents to be made public within 12 months of the advice being given. The minister says the agency will be a democratic institution and that that is why it is important that we have transparency in relation to this. If the Australian National Preventive Health Agency is to be an independent and effective body which will investigate and make recommendations about what preventative health strategies should be introduced or revised, why shouldn’t its recommendations be made publicly available?

The 12-month time frame suggested by Senator Siewert is a sensible time frame; I acknowledge that. It will give ample time for the government to consider, to review and to implement to varying degrees recommendations by the agency. If the agency makes recommendations that the government fundamentally disagrees with then it can say so. I am sure the government can prosecute its case if it believes that the agency is making an unreasonable or impractical recommendation. But ministers and governments must not have the capacity to ignore or reject out of hand important research based preventative health recommendations, certainly not without providing its reasons for doing so. I would have thought that formalising a structure to allow for the recommendations and advice given by this body to be made public would strengthen it rather than weaken it. In any event, the fact is that this information will be subject to FOI and the estimates process—why not have a system in place whereby we will get to see the advice given to the government on the expiration of 12 months? I commend this amendment to my colleagues. I think there would be inherent dangers in having a summary. It could be subject to a debate as to what has been left in or out. I think having the whole advice is a much preferable course of action.

Senator FIERRAVANTI-WELLS (New South Wales) (10.14 am)—This is a new dialogue. We are setting up this agency and it is basically going to tell Australians what they can eat, what they can drink and how they should conduct their lives. For some people this is a nanny state gone absolutely crazy. That may be the view of some people out in the community, but the reality is it is a new dialogue that must be had with the community and we are going to have to change community attitudes. So in that respect I support what Senator Xenophon is saying. I really do think that for full openness and transparency we really do want public engagement and public involvement and, if we are going to have a process, that the agency be open to scrutiny. This is
probably the most open to scrutiny that we can have.

I have been the opposition spokesperson on health and ageing in the Senate and over time, in preparation for various estimates, I have delved through the many lists of reports that have been commissioned by the government in the preventative health space. One of the things that really concerns me is that when you go through the list of reports that have been tendered—some subject to tender, some not subject to tender—there are a long list of reports that have been commissioned from consultants that have not been released and that are not available in the public arena in relation to preventative health. I have touched on this in estimates, and it really does concern me. It concerns me even more in the context of my previous comments about the government’s reasons for refusing to support the coalition’s strong push to have industry representation and consumer health organisations on there. This is going to affect many facets of the daily lives of Australians, and I really do think that we should be fully open, fully transparent about this organisation. We need to know what sort of advice is being given and why that advice may or may not be followed in the context of what this agency is going to recommend to government. On that basis we will be supporting Senator Xenophon’s amendment.

I do want to ask the minister some questions. This first question touches on this issue of transparency. In the financial impact statement there is a reference to $102 million for national level social marketing campaigns targeting obesity and smoking. I ask the minister: why do these social marketing campaigns not relate to other matters? Ought they not also relate to the promotion of a healthy lifestyle and good nutrition, minimising the harmful drinking of alcohol and discouraging substance abuse, for example?

The other question I ask is: why has social marketing not been defined? The government needs to provide clarification as to what the scope of social marketing is. Research has shown that social marketing campaigns carried out in isolation are inadequate in influencing behavioural change and it is important that the agency, in terms of its capacity to operate and integrate with other measures, is working collaboratively with industry. Particularly in light of the comments I made earlier about consumer health organisations and the industry involvement, if they are not going to be represented on the advisory council, in fairness Australians should know what advice is being provided to government and the response, particularly in relation to those two very important measures.

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (10.19 am)—I will respond to Senator Fierravanti-Wells’ questions first, if you do not mind, Senator Xenophon. Essentially that $102 million indicates what we are doing in the first tranche. So that piece of work will be focused on the questions around obesity and smoking. As she would be aware, we have quite a considerable amount of money in social marketing around the abuse of alcohol. That is already underway. That does not indicate that that is the only piece of social marketing that will be undertaken by the authority ever; this is just the first tranche.

You asked: why don’t we define social marketing? I think the answer is inherent in the comments you made. Social marketing has to be responsive and diverse. You cannot say it is advertising—you cannot say it is pictures on buses. By the nature of technology in Australia, it is changing almost minute by minute. If you defined social marketing five years ago, you would not include SMS in it. Now we do. So let us leave social...
marketing as something that we all naturally understand, and then it can respond to the changing ways that our communities, and particularly some of our target communities in this space, will be communicating with each other. We all know what social marketing means. It used to be defined as advertising when I was a little girl. Now we call it social marketing intentionally so that we capture all of the potential ways of influencing behaviour.

Senator Xenophon, this is quite a considerable precedent that you are asking the authority to set in the way that advice is provided by public servants to governments. This is a significant shift from the system that we have at the moment where the Public Service is there to provide excellent, well-briefed, well-researched advice to government. That is its job, and it is tasked to provide it in the baldest way: ‘Tell us the facts and then when we have all of those facts decisions can be made.’ My concern with your amendment is that that encourages the Public Service to behave in a different way than we would ordinarily expect of it. It would then be tailoring advice to try to understand or pre-empt what the government of the day is thinking. We have seen examples of that in our history in Australia, where public servants have attempted to think ahead of where a minister or a government may be thinking.

That is dangerous. I go back to your words: ‘A copy of any advice’. If that is required to be placed on the internet within 12 months of giving out advice, public servants, because they are human beings, will change their behaviour. We would be making a significant precedent if we passed your amendment today. I do encourage you to contemplate looking at the potential of a summary to be provided. I do take your point that once a summary is provided the next question is, ‘What did you leave out?’ Then I go to the point that we have Senate estimates, we have the fact that the CEO will appear in front of Senate estimates and we have the opportunity for FOI under the normal constructs of FOI. On your earlier point, where you said that FOI would reveal all anyway, there are rules around FOI, as you would know probably more than most, that go to third-party considerations and the public interest test. You made the point: ‘Why don’t you do it anyway, because we will get it through FOI?’ There are rules around FOI, as you know. I think the institutional structures we have around transparency will give the sort of scrutiny you are looking for. To take it to the next step—and that is a requirement that all advice is published—I think that may diminish the power of the authority in a long run, and that would be a shame.

You recognise that our government is one of the first governments—the first government, I think—in the history of Australia that has decided that preventative health investment is the way to improve the quality of life in our country. I would hate to think that that goal could be diminished by this amendment, where the upshot could very well be that we have public servants in the authority a bit scared of telling it like it is. That would be a failing. That would be, I think, unfortunate. It would be terrible if it resulted in decisions being made not on the basis of good information. So I encourage you to look at the alternative, as I have indicated, as a way to potentially solve your concerns but also ensure that those who work in the authority will be providing the best information to the minister and the government so they can make the best decisions in terms of the health of this nation.

Senator XENOPHON (South Australia) (10.26 am)—I thank Senator McLucas for her response. This is a new agency. It is supposed to give robust and independent advice to government. I cannot see the downside for government if that advice is released after a
period of 12 months on the basis that the government does not have to adopt that advice. I think it is important, given the resources being put into this agency and given the importance of preventative health, to actually allow a process whereby the public—the people of Australia; the taxpayers who are paying for this agency—can see what advice is being given. If we want to talk about the whole issue of robust and fearless advice, let’s look at an example of an entity that has been in the news lately—the Productivity Commission. Governments cannot tell the Productivity Commission what advice it should give. The commission regularly gives advice that is made public in its memoranda, its reports and its inquiries that is out there for all to see. I think that enhances the public policy debate. This agency also has a very important role in enhancing the public policy debate in relation to health, particularly preventative health. That is why I think it is important that this agency publishes its recommendations, its advice, after 12 months has elapsed. I do not think anyone would accuse the Productivity Commission of being timid or fettered or frustrated by virtue of its reports be made public, and I think the same argument ought to apply here.

Senator Fierravanti-Wells (New South Wales) (10.30 am)—In supporting Senator Xenophon, first of all I do not think the Parliamentary Secretary for Disabilities and Carers answered my question about the consultancies. I did raise that issue and perhaps I should have framed it in that context. At this point I am not sure if the parliamentary secretary has information available on those. I would really be interested to know the number of consultancies, reports, reviews or research on preventative health which has been commissioned and paid for but which has not been released out in the public arena. I am concerned about the balance and the potential balanced approach of the advisory council and the advice that it would give. From the sound of things and from what the parliamentary secretary has said, I do not think there is going to be too much industry representation on this council, nor do I think that there are going to be consumer health organisations there, given the priority that the government has put on social marketing in this agency. That is the bulk of the cost of the setting up of this agency and it will be social marketing versus other priorities such as research, program delivery and transparency.
I think it is really important that the Australian public is made aware of that advice, how that social marketing is undertaken, how that social marketing could in turn be used to try and change attitudes of the Australian public, given that the parliamentary secretary says that effectively the cost structure of this organisation has been shifted over the forward estimates. If you look at the first explanatory memorandum that breaks down the cost, you can see that the bulk of the spending is going to be on social marketing, it is going to be on obesity and smoking, and they are going to be the priority over the next three years—or certainly that is what it indicated in the explanatory memorandum. I think the public are entitled to know what this agency is doing in its attempts to change in particular obesity, smoking and other things that may also come out in its work in those areas, how those social marketing campaigns are carried out and how those social marketing campaigns will interact with other areas to influence behavioural change.

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (10.33 am)—I did not respond to one of Senator Xenophon’s points in his earlier contribution. Senator Xenophon said something along the lines that you cannot see the downside if this information is released and the public can see everything as it is coming through the estimates process et cetera. My point is that the net result of Senator Xenophon’s amendment would happen prior to that point and that potentially there could be a change in the type of advice that is being provided. So no, I do not disagree that would be the downside if everything is released. I cannot disagree with that. Yes, the public will be able to see. My concern is that the behaviour may change prior to the document being written. That is the point I am trying to make.

With respect to Senator Fierravanti-Wells, I am advised that every document that the task force commissioned was published. There were three background papers that were written in the early days of the operation of the task force. They were on alcohol, tobacco and obesity. The purpose of those background papers was to inform the members of the task force, to give them a basis and an understanding across the breadth of the issues that they were going to deal with; so that information was available to inform them. But every document that was commissioned by the task force was proudly published by our government so that the information could be provided to the community.

We are a government that is interested in changing the health of this nation. To do that, information should definitely be made available because, as you said, information will potentially change behaviour. It is quibbling, to be frank, to be focused on three background papers that were part of the process of getting to a monumental document, which was the report of the preventive health task force. Hopefully in history, there will be a point in time that health writers look back to and say, ‘That is the time when Australia changed the way we deal particularly with alcohol, tobacco and obesity.’

Senator FIERRAVANTI-WELLS (New South Wales) (10.36 am)—I am relying on answers that were provided through the estimates process, Minister. I am happy and I will separately identify those reports that have not been released. My question did not go to the agency; it just went broadly to preventative health.

This government has been talking about preventative health for a long time and we are finally here. That is fine; so did the previous government, and I think that in my speech I did put that on the record. But I just make the point that the reason I asked the
question, Minister, was not to quibble. The reason I asked the question was that in answers that were provided to me through the estimates process it was clear that certain reports had not been released, and that was the basis upon which I made my comments. If you have more up-to-date information now in relation to that, or perhaps if at some stage separate to this the department wishes to provide me with that information, I am happy to receive that. But I did want to state for the record that I asked that question on the basis of material that had been provided to me at estimates. If that is out of date then that is the reason.

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (10.38 am)—Senator Fierravanti-Wells, I am advised that the answer I have given you traverses the same questions you asked at Senate estimates. I understand that you put a question on notice. That is still being dealt with. The answer to your question is that everything that the task force commissioned was published—absolutely everything. There were three background papers that were devised to inform members of the task force across the breadth of the three areas that were going to be contemplated and they were provided for information and education, really, of those people who sat on the task force.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with an amendment; report adopted.

Third Reading

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (10.40 am)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
discussions we have had, there is great commitment to ensuring that we maintain the PBS. The minister in her speech went on to say:

In the coming years, medicines will continue to be a significant and growing component of health expenditure. Since the previous major pricing reforms in 2007, the growth rate for PBS expenditure has increased from 4.3 per cent in 2006-07 to an estimated 10.5 per cent for the 2009-10 financial year.

In conclusion—
said the minister—
the reforms in this bill provide a firm basis for achieving a more efficient and sustainable PBS while, at the same time, providing a period of certainty to industry in relation to medicines pricing policy.

That sums up the background to this particular bill.

The committee considered the wide range of submissions—and we always draw a wide range of submissions when we have inquiries into this issue. They are mainly from people in the industry, because this system relies completely on strong, vibrant involvement from all parts of the industry. There were some attempts during the committee process to set up an even more combative arrangement than is necessary in this process between the innovator groups, which are mainly represented by Medicines Australia, and the industry group for generic medicines. These groups provide a great service and are integral to ensuring that we move forward with a strong PBS.

We tried to establish through the committee process the need for further reform. There was some debate about this, but the government continues to say strongly that there needs to be close scrutiny of expenditure in the PBS. There was some attempt in evidence—and it is all in the Hansard—to say that somehow things were going well enough since the 2007 reforms that there did not need to be immediate consideration of further ways to effect savings in this area. The government strongly refutes this argument. There needs to be ongoing and careful scrutiny of all elements of expenditure in this process to ensure that the system remains strong and to ensure that we can continue to provide the service to the Australian community so they can have access to a wide range of new, innovative medications and, after a period of time after the patent expires, generic medicines.

The choice is important, but most importantly for so many consumers—and we have this on the record from consumer groups—is the assurance that, firstly, all the medications available are safe and, secondly, consumers are getting good value for money. Currently we have a co-payment for medications, and that is maintained at a low level. This is reviewed regularly in this place to ensure that it can be maintained. The basis of effective government expenditure continues to be the way that we can minimise the increased costs in the area. That is why these reforms are essential.

We know that the PBS costs continue to grow quickly. We know that in 2008-09 the cost of the PBS was 9.2 per cent higher than it was in 2007-08 and that in 2009-10 expenditure grew a further 9.3 per cent to an annual cost of $8.4 billion. That is significant money, but it is for a really important purpose for Australia. No-one quibbles about the need to have this expenditure, but what we need is to have scrutiny to ensure that that expenditure is the most effective.

The Intergenerational report 2010, entitled Australia to 2050: future challenges, forecasts increased spending on the PBS. That report of course contains estimates for the future, but I think it is important to un-
understand that we need to look to the future in our systems. That report says that the PBS will increase in real terms from $443 per capita in 2012-13 to $534 per capita in 2022-23. Those are sobering but important figures for us to know.

In terms of our role as a government, it is essential that there is strong management of the high-cost growth of the PBS. The importance of that is to ensure that we allow continuing investment in new and innovative drugs, so people in the community have access to them, and ensure that we balance the expenditure that is going on. This is not a contest of any kind between whether you have innovative medications being produced and, after the patent has concluded, the generic industry being able to maintain their fair share of the market. It is not imposing any form of contest; it is actual market engagement.

The 2007 reforms were extremely important in the way that the whole PBS operated. I note from the comments that the opposition put to the legislation committee that they seem to have a particularly glowing memory of how easy the 2007 reforms were to pass. There was great debate both in the committee and in this place when those reforms were being brought into our parliament in 2007. Having sat on the legislation committee that reviewed the 2007 reforms before they came into this place and the reforms we are bringing forward in 2010, the similarity of the arguments is overwhelming in terms of the statements made by the innovative groups and by the generic medicines group about the impact the proposed changes will have on their industry, on their market share and on the future of the modern world as we know it.

If you do take the time to read some of the submissions in both cases, you will see that there was great debate about the need for the changes and about the impact on either group and who was going to hurt more from the changes in 2007—and that continues to this day. However, in 2007 we were able to progress the reforms, but with pain. What is happening in 2010 is that the same proposition is being brought to the parliament. There is an assessment of what has happened up until now, an assessment of what is happening now in the industry and, most clearly, an assessment of what will happen in the future.

This legislation we have brought to the parliament looks at two key points. One of the most debated but essential components of the reforms that happened in 2007, which we are seeking to extend, was the use of price disclosure as an effective mechanism to allow the government, which is paying for these medicines, to get better value for money by taking real advantage of discounting that is occurring in the market. Despite the claims of the industry, particularly the generic industry, in 2007 that price disclosure would not work and would cause them to have no profit in the future and be deeply affected, we have seen significant savings in PBS expenditure on generic medicines.

The first four completed rounds of price disclosure since 2007 have seen a number of drugs take a price reduction ranging from 13 per cent to 72 per cent. Those were extremes; there were not too many drugs where the saving was 72 per cent. The clear aspect of price disclosure is that the government is made aware and is only paying, in terms of the expenditure on generic medicines, the price that is paid to the supplier. That is where the discounting occurs: when generic businesses are, quite rightly, competing for their share of the market, they offer a range of discounts and then the suppliers are only paying a certain amount before they dispense the medication to the patient. What we are saying is that the government wants to get a general view that the amount the government
is paying is what the supplier is paying to the generic industry. It is not a scary concept. It is based on averages. But it does mean that there has to be disclosure about price, and that is the core point of the reforms.

What the original reforms in 2007 introduced was that, once a drug was off patent and more people were able to produce that drug, then you could look at price disclosure. At this stage only 45 medications are subject to that process. The core aspect of the price disclosure changes which we are bringing in in this legislation is to extend that to all medications which have generic opportunities. There is a need to disclose the pricing process in all of that, which will mean a considerably larger number of medications will be subject to the process. That is the core reform. We have been open in saying that is what we want to do. It is based on an existing process, which has been operating since 2007, and we want to extend it.

The generic industry does not want that to happen. It is their right to put up that argument, but that is the core disagreement—they do not want that to happen. In the debate in the Community Affairs Legislation Committee we were confounded by various arguments from the different groups about how much share of the market they had; we were confounded by graphs and statistics all around. Basically the end result is that, within the industry, both the Medicines Australia group—the group that is known as the innovative group—and the generic medicines group have significant market share. They are both important. We also saw that price disclosure will impact on both groups. There is an argument as to which group will be impacted most, but it will impact on both groups. So no-one is protected from having price disclosure as a mechanism.

In the legislative committee process a great deal was made about an MOU that was agreed between Medicines Australia and the government about future interaction between those groups and looking for a degree of certainty in the relationship into the future. There was some attempt in the committee to paint this as some kind of conspiracy or unnatural behaviour. The government’s position is that the government is open to discussion with all people in the industry. What it was able to do after a great deal of discussion—we have dates and times of letters between various groups all on record now in Hansard—was to come to an arrangement with the Medicines Australia group which is public. People can see what is in that MOU, and some of things in the legislation reflect that. There was not an ability at the time to come to a similar arrangement with the generic medicines group. That is not to say that it cannot happen at any time in the future. It is to say that before 2010 there was no ability to achieve that agreement. That is our position. We are moving into the future, and the legislation reflects the reality of the moment. Ongoing negotiation and discussion are important and essential to ensuring that the PBS continues to work. There are a number of claims about added benefit to the Medicines Australia group as a result of the MOU. We refute that.

I want to speak about one particular issue in that discussion which came up at length in the legislation committee, and that is to do with the therapeutic groups. In 1997, amidst a great deal of discussion and debate and pain, the government introduced the therapeutic group listing, which allowed for a number of medications which were determined by the PBAC—the group that looks at the technical aspects—to have a highly contested term ‘interchangeability’. The principles of interchangeability are determined and can be discussed with the department and also with the TGA and the PBAC. Through that process, groupings of medicines that
were available to the community for their conditions were seen to be interchangeable and pricing through the PBS would be the same—it put groups of drugs together. To this date, seven groups have been determined.

One of the things that have come out of the MOU is an agreement between Medicines Australia and the government that there would be no new therapeutic groups introduced through the period of the agreement, which is until 2014. I have had a look at how many therapeutic groups have been introduced and when. The first four, I believe, were introduced in 1997. The next lot were not introduced until 2007, so there is quite a significant gap between 1998 and 2007, when a further two were introduced. The year after that, another one was introduced, so that is a shorter time frame. In 2009-10, there was an attempt by our government to introduce three new groups. When you look at the records they show that therapeutic groups have been proven to save significant amounts in expenditure on the PBS. That is itemised very clearly in the evidence we received. So the years were 1997-98, then 2007 and then 2010. I will just put on the record that the last three therapeutic groups that our government attempted to introduce for cost-saving purposes to strengthen the PBS have been disallowed by the Senate on the basis that they were not appropriate. So, in terms of the cost-saving element, we have the list of therapeutic groups—I have given the dates—and we now have an agreement with Medicines Australia through the MOU that there will not be an attempt by the government to introduce another set of these therapeutic groups until 2014.

I draw to the attention of the Senate the fact that, if you are saying that this is some deep advantage to Medicines Australia in some way, the history of therapeutic groups indicates that a four-year time frame before something else is introduced is not a major innovation in the process. We are saying that therapeutic groups, the same as price disclosure, is an agreed and effective mechanism to look at in maintaining the financial security of the PBS. I do not think any attempt to paint this particular process as giving an unfair advantage stacks up, particularly in view of the fact that the last attempt for a therapeutic group that the government put up to save money was knocked back by the people who at the moment seemingly, from the additional comments I have read, are claiming that somehow there is a deep advantage being offered to one group and not another.

There was great debate about the process of consultation. Effectively communicating with people continues to be an issue when you are looking at savings and changing practices. That needs to continue to be scrutinised, and no-one has any doubt about that. But there is significant evidence on record about attempts at discussions between the government and the various groups involved. That needs to be looked at into the future, because our system will only survive if that ongoing consultation happens.

I just want to make one other point about what was claimed in the committee and what we need to address—and this will be picked up by other senators. There was, again, an attempt to scare the community by saying that, if we introduce the program as we have discussed in this legislation, there will be threats to the supply of medication and people will not be able to receive the medication that they need on time. The department responded in depth to this and talked about the community service obligation which is in existence. The fact is that there is already an agreement that medication must be available for people who require it. We have the process using wholesaler groups and also the pharmacies to ensure that that happens. There has been a claim by some of the
wholesaler groups that they need to have further supplementation of funding to ensure that this program can operate. The department has responded to that by talking about the time frames in which we are placing the situation.

These new arrangements will not automatically happen in December, should this legislation be passed. What will happen in December is that data collection systems will need to be put in place. The real changes to the cost of medication to suppliers—not the public but suppliers—do not come in until 2011. So we need to look at that in the future of this discussion. 

(Time expired)

**Senator Fierravanti-Wells** (New South Wales) (11.01 am)—I rise to speak on the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010. I will start by saying that the coalition support the intent of the MOU and do so in the context of the PBS system. We want, at the outset, to acknowledge the many strengths of the existing PBS system. It has in its time offered a wide range of older and newer prescription medicines in a way that has led to the Australian public having a high degree of confidence in it. Maintaining the integrity of the system is very important, and for this reason we support the $1.9 billion savings measure sought to be achieved by this bill.

This bill builds on the extensive reforms of the PBS which were introduced by the coalition government in 2007. However, the issue that the coalition has at this juncture is the extent of consultation. As Senator Moore correctly pointed out, when those reforms were introduced they were not without pain. But they were as a consequence of an extensive and very wide ranging consultation process that, in the view of the coalition, has not been followed in this instance. The 2007 reforms were indeed radical, but they were undertaken after extensive consultation with all stakeholders. That wide-ranging consultation probably ensured that there was widespread acceptance of the reforms. As coalition senators specified in the additional comments that we put forward, that was no doubt a strong reason for the fact that the reforms will yield well in excess of the anticipated savings in the PBS.

The 2007 reforms were intended to be implemented in stages. We are now seeing the fruits of those reforms. From the various assessments it seems that the reforms are likely to yield double the amount that was anticipated. We are probably looking at $6 billion worth of reform. That, of course, is very much supported. Those reforms came with the commitment of the whole industry. In our view, had there been a much more broad-ranging and much more in-depth consultation with all relevant stakeholders in this instance concerning the bill we are discussing today, it is possible—and, again, we pointed this out in our comments—that the identified savings of $1.9 billion and further savings could have been made by the PBS. Broader consultation, in our view, would more likely have resulted in much broader consensus and commitment and could potentially have resulted in much more equitable—and I stress the word ‘equitable’—savings being identified.

In looking at the background to the MOU, how it came into existence, one cannot avoid comments about the chequered history of this Minister for Health and Ageing when it comes to savings measures. Senator Moore tried to attribute to the coalition some sort of conspiratorial attitude. The reality is that you have had in the past an example—and we saw this in 2007—of extensive consultation leading to wide-ranging reforms. In this instance, and it is very clear from the evidence that was given at the inquiry, we saw the Department of Health and Ageing go out to consult with industry about the 2007 reforms
and then all of a sudden we saw an MOU come into existence with one body—namely, Medicines Australia. One wonders how this came about. Mr Learmonth, on behalf of the department, was at pains to tell us that the proposal came very much at the suggestion of Medicines Australia and appeared to have been a last-minute thing.

Let us look at another scenario, a scenario that may not be too far off the mark, where, all of a sudden, the minister demands a certain amount of savings over the forward estimates and then the negotiations are worked backwards to arrive at the 23 per cent price reduction that is going to be applicable to F2 medicines in the cycle. I have my suspicions that this would have enabled the minister to lock in savings over the forward estimates and to try and rebuild her image and her chequered history of implementing savings measures. Whilst it may not be conducive to public policy, it is very clear that, although it may be appropriate to pursue measures to better match the price that the government pays to the market price, it is important that this government consult in a much broader sense, and that is the issue.

In light of some of the comments that Senator Moore made, it is interesting that the MOU provides for no new therapeutic groups to be formed for the duration of the agreement. Obviously, it is a trade-off—and an important trade-off as far as Medicines Australia were concerned. I also want to make reference to another term of the MOU—that is, the attempt to make changes in administrative processes to streamline the listing of new medicines. Interestingly, the MOU has a commitment and the Commonwealth will use its best endeavours to implement a maximum time frame of six months for consideration and decision in relation to the listing of new drugs. At estimates we were told that the period of just over six months that it is taking for cabinet to approve the listing of new medicines has blown out to 10 months. The government is prepared to put this in the MOU, and clearly its best endeavours thus far are not achieving much because the six-month period is blowing out to 10 months. So I wish the stakeholders well in this but I think it is going to be very much a hollow commitment, like many of the government’s other commitments.

I will just summarise the coalition’s position. We will not stand in the way of the savings in this proposal but we believe that the savings could be achieved via a more equitable negotiation of the MOU. In our report the coalition senators clearly set out that it is our view that these so-called reforms to the PBS have been handled very ineptly by the government. Key sections of the pharmaceutical industry with manifestly material interests in the nature of the reforms have been excluded from the negotiations that led to the MOU, which is now the basis of the bill before the Senate. Secondly, and more importantly, the reforms in our view are ill considered, targeting only medicines from the F2 formulary and overlooking the opportunity for considerable cost savings to the PBS and patients through the reforms of F1 listings. Also some of the administrative elements of the changes introduced by these reforms have not been thought through properly and could have highly disruptive impacts on pharmacies, bearing in mind the impact that this will have on wholesalers to ensure the timely supply of pharmaceuticals to community pharmacies and in turn to patients. As for the views of the generic medicines industry, the consumer health groups and the wholesalers, in our view, under these new changes, it appears that there has been a failure to consult them, or at least there is a blatant disregard for the concerns that have been raised.

We are very conscious of the need to contain the rising costs of medicines under the
Pharmaceutical Benefits Scheme. As I indicated, we support the general thrust of the reforms in the bill but, as a matter of good public policy, the burden of reform should fall more equitably across all affected parties in the pharmaceutical sector and more evenly between the members of not just Medicines Australia but other groups such as GMIA and other stakeholders involved. As I indicated, our compelling concern is about the government’s failure to adequately consult with all parties with a material interest, and they are, I would like to specifically reiterate: the Generic Medicines Industry Association, the National Pharmaceutical Services Association and the Consumer Health Forum.

Of course, generic medicines drive competition and cost savings for consumers and the government. Our concern is that the government’s proposal may compromise access to affordable, high-quality medicines in the long term. Significant price cuts without volume drivers under this measure may detrimentally affect the viability of the sector which drives PBS savings for the government. These issues could have been avoided through better consultation and actual negotiation with all stakeholders—and our focus is on ‘all’ stakeholders. Evidence suggests that additional savings could be achieved in consultation with all key stakeholders and should be fully explored by the government.

Of course, the coalition successfully implemented a 10-year reform plan for the PBS in 2007, which as I have indicated will deliver far more savings than anticipated. Indeed, the government’s own Impact of PBS reform report shows that the coalition’s reforms will deliver savings of up to $5.8 billion over the 10-year implementation period, compared to the estimated $3 billion under the government’s proposal.

On this basis, the coalition is not in a position to support the bill given the outstanding issues. We do support the intent of the MOU and believe the stated savings and more can be achieved through better consultation, and we stand ready to expeditiously support measures which will achieve this end. To that end, in light of the various concerns that we raised, the deficiencies of process and our misgivings over the content of some of the reforms, the coalition senators outlined in their report that the bill should not be supported in its present form but should be represented at a later date following a proper and comprehensive negotiation process or, alternatively, that this bill be withdrawn and a new bill be introduced.

On that basis, we set out four recommendations. I foreshadow that I will be moving a second reading amendment which gives effect to these recommendations, which are: firstly, that ‘the MOU negotiated between the Commonwealth and Medicines Australia be set aside’; secondly, that ‘the Commonwealth undertake a fresh set of negotiations to develop a new MOU which will secure the identified $1.9 billion cost savings in a more equitable manner’; thirdly, that ‘all parties possessing a material interest in the outcome of the proposed reforms or whose material interests are affected by the reforms be involved in the negotiations, including the members of the GMiA, the Pharmacy Guild of Australia and the National Pharmaceutical Services Association’; and, fourthly, that ‘the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 be amended in light of the contents of the new MOU and be re-presented to the parliament in amended form for reconsideration and approval or, alternatively, that the government withdraw the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 and a new bill be introduced’. I move the second reading amendment standing in my name:
At the end of the motion, add: but that further consideration of the bill be an order of the day for the first sitting day after:

(a) the Government sets aside the memorandum of understanding signed between the Government and Medicines Australia on 6 May 2010;

(b) the Government has entered into a fresh set of negotiations to develop a new MOU which will secure the identified $1.9 billion cost savings or other potential savings to the PBS;

(c) all parties possessing a material interest in the outcome of the proposed reforms or whose material interests are affected by the reforms, including the members of the GMIA, the Pharmacy Guild of Australia and the National Pharmaceutical Services Association, have been consulted in the negotiations for a new MOU; and

(d) the Government has circulated in the Senate amendments to the bill to reflect the contents of the new MOU.

Senator SIEWERT (Western Australia) (11.19 am)—As we are aware, the government has signed a memorandum of understanding with Medicines Australia this year, designed to:

… ensure “a stable environment for business and continued access to new medicines for all Australians”.

These measures were announced in the 2010 budget and were predicted to give savings of $1.9 billion to the government over five years, largely achieved through the imposition of price cuts across F2, or off-patent, medicines and through the extension of price disclosure arrangements to all products listed on F2.

… the MOU with Medicines Australia also includes a guarantee that the Government will not seek to impose any further price savings on the pharmaceutical industry before 30 June 2014 or introduce any measure which favours the dispensing of generic medicines, thereby— this is a concern— possibly precluding further measures which could deliver additional savings to the Government.

Australians pay some of the lowest prices for new medicines in the OECD, and that is a good thing, yet generic prices are high by international standards, and that is not such a good thing. The big challenge for any government is to ensure that new medicines come on stream while at the same time ensuring that, as drugs move from patent to off-patent, the off-patent generic drugs fall in price to a sufficient degree that taxpayers’ dollars are being used most effectively.

A recent paper by Philip Clarke in the Medical Journal of Australia reported that Australia’s pharmaceutical expenditure could be significantly reduced by up to, the paper stated, $9.31 billion over 10 years if the proportion of generic prescriptions were increased to 100 per cent and the government cost for purchasing medicines from providers were reduced to a similar rate to that of the UK. Having said that, we know that the situation in Australia is different to that in the UK, but it gives an indication of the size of savings that are potentially there.

From January 2005 to October 2009, Australians have paid $900 million more for statins than they would have if the prices were equivalent to those paid in England. The wholesale price of simvastatin, a drug commonly used to treat high cholesterol, is about $30 a month in Australia for a 40-milligram dose, whereas in Britain the same drug costs around $3 a month. That is the size of the cost differences that we are talking about. So we are talking here about significant costs to both the government and the community.

The Greens are concerned that the savings, estimated to be $580 million over four years, resulting from the original PBS reform measures have been revised down to around $103 million, that the estimated savings are
yet to be delivered and that now we have a new lot of reforms coming through without our having yet realised the savings from the first round of reforms. The government is putting considerable faith in the prospect of savings of $1.9 billion over five years, and the Greens' concern is that the budget assumptions that underpin these savings have not been made available to the public. There is also some concern in the community that while it is claimed that these savings will amount to $1.9 million—and the Greens think that those savings are important—the assumptions are not available for us to decide whether we can have faith in those calculations. That concern is intensified by the fact that we are yet to see the full savings from the PBS reforms, and we have been told that that is because some of the costs in the original reform are more upfront and that we will see more savings down the line. I am trying to show that this is a complex area and that the economics and the savings are fairly opaque and your understanding of them fairly hazy when you do not get access to the full budget assumptions underpinning some of the policy positions.

The most contentious aspects of the MOU are not contained in the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010. The proposed amendments are technical and, some would say, overly complicated. They seek to further expand the previous reforms that were brought in under the previous government in 2007. We know that health reform is never easy and that the PBS is no exception. Getting the policy settings right for the PBS is critical in ensuring that Australians can continue to gain timely and affordable access to medicines in the future, and the Greens support the PBS in principle. We recognise that health policy and reform are complicated matters, and we acknowledge the need to ensure the ongoing sustainability of the PBS so that Australians can continue to have access to affordable medicines when they need them. We know that as new or expensive medicines come on line the cost of the PBS increases. We are fortunate that we have a scheme such as the PBS, but we do need to ensure that it is sustainable.

This legislation is complex, and the Greens have some concerns about the effects of the legislation on the availability of medicines, the cost of the PBS to the government and—ultimately—the costs to consumers. The Greens believe we should have a comprehensive debate about the pricing and purchasing of all medicines in Australia, because these issues are part of the debate. I will come to some of the issues a bit later, but the Greens will later be moving a second reading amendment to require a review of the pricing and purchasing of all medicines in Australia. The Greens call on the government to conduct a study of the affordability of prescription medicine and of access to medicines, including generic medicines. The Greens think it would be sensible to focus in particular on the group this measure is likely to affect: those on low incomes who do not qualify for a healthcare card.

In the course of the public debate and the debate in committee on this legislation we spent a lot of time looking at the issues around market share. The Greens are concerned about who really owns the market and about the promises that are made to government on price control. The issue here is which association best represents the off-patent medicine market and which association should therefore be engaged in consultation about the changes proposed in the bill. Representatives from the Generic Medicines Industry Association and Medicines Australia made submissions on this issue during the course of the Senate Community Affairs References Committee Inquiry into Consumer Access to Pharmaceutical Benefits,
and I must admit that to me it is still as clear as mud which organisation has which market share. Medicines Australia claim that they represent a 60 per cent of the cost to government of the F2 sector while the Generic Medicines Industry Association say that they represent 75 per cent of the volume of this sector, so you can see the confusion.

The Generic Medicines Industry Association acknowledges the difficulties caused by the paucity of data in determining market share, and they stated during the Senate inquiry that this is an imperfect world for market share. Similarly, Medicines Australia acknowledged that the GMIA ‘may have other data that we are not privy to’, suggesting that this may account for the differing figures on share of the off-patent market. So it is still unclear, despite questions at estimates and during the Senate inquiry, which stakeholder can lay the greater claim to market share. This is important because, if you listen to either Medicines Australia or GMIA—your choice depending on which of them you believe to have the greater market share—the argument goes that the changes may adversely affect them, that they will come out of the market and that the cost of medicines may go up as a result. In other words, the benefits of this MOU may not be delivered. That it is the sort of complexity that we are dealing with in this debate. As this example demonstrates, without access to all the information, it is very hard to make a call. If one company does have a 75 per cent share of the off-patent medicines that Australians have access to, a lot of people could be affected. That is still unresolved, and that is why the Greens think further study is needed on the availability of prescription medicines in Australia.

The bill addresses three matters contained in the MOU: statutory price reductions—by international standards, price reductions are low in this country; price disclosure; and under co-payment data. While savings are welcomed, the Greens have concerns about the sustainability of these reforms. The UK introduced a series of price cuts in 2005, and an evaluation in 2007 suggested that the effects of the price cut could be reduced over time. It is still not clear whether the savings here are temporary or long term. The Greens will be moving a second reading amendment that calls for an annual report to be tabled in parliament on all of the available data on cost and volume of under co-payment products, including average price and details of minimum and maximum price range.

Of particular concern, because it is an area dealt with in the bill, are the concerns, of which we have a couple, about medicines priced below the co-payment. First, pricing is at the discretion of the pharmacist and, apart from altruism or competition between pharmacists, there is no incentive for the pharmacist to offer the savings to the consumer. The second is that costs for under co-payment scripts are borne entirely by the consumer. In other words, they do not kick into the $33 mark, as it currently sits. Only the dollar amount is reflected against the safety net, so they do not count towards the safety net. You may have chronic illness and need to be on medicines that do not reach the point where the government payment kicks in, so you pay the full cost of that medicine but it does not go towards your safety net as it otherwise would. We are concerned that this may disadvantage people who do not qualify for a healthcare card.

We welcome the fact that this legislation will enable the collection of under co-payment data from 1 April 2012. However, the legislation is specific about how the under co-payment data will be used. There should be an annual report to parliament on both the volume and price of under co-payment products, including average price and maximum and minimum price. How-
ever, we are aware that some of this data is not being collected and that under the MOU it will not be collected. The PBS reforms are supposed to deliver savings to consumers, but this is currently unable to be measured. More importantly, as under co-payment drugs do not qualify for the safety net, it could, as I said, adversely affect consumers in some instances. The Greens are also concerned that there is no dispute resolution or audit process as part of the price disclosure arrangements.

We are concerned about the significant delay between notification of price reduction and the date that it will take effect. For example, the price reductions that will be calculated from the price disclosure cycle—which would have commenced on 1 October 2010; it has now been put back—will not take effect until 1 April 2012. The Greens believe that this should be shorter and we will seek to move an amendment to address that issue. Given the inherent dynamic nature of markets, it is unlikely that price disclosure this year will be an accurate reflection of the market price in 2012, which is a significant period of time away. We are also concerned that under this process arbitrary price cuts may unfairly penalise drugs which are already cost-effective or have already been subject to discounting.

The impact of further cuts to already low-priced drugs was noted in submissions to the Senate Community Affairs Legislation Committee inquiry into pharmaceutical access to pharmaceutical benefits. From the introduction of PBS reform until December 2009, there was a total of 38 drugs that were subject to price disclosure. Of these, only six have been subject to price reduction. For the products that were subject to the reduction, the range of price reduction was considerable, from 14.57 per cent to 71.8 per cent. The GMiA estimates that this has generated savings of $30 million per annum. In the context of an almost $8.5 billion program per annum, we are concerned about what will be the true delivery of savings from this measure—for the government, taxpayers and industry. This goes back to the issue of us not being able to determine accurately whether the $1.9 billion savings, which of course we believe should be achieved, are actually achievable.

International experience suggests that price disclosure arrangements are notoriously challenging to implement and often circumvented. Questions remain about the effectiveness of price disclosure in a market that is not fully competitive. We also have some concerns about the complexity of the policy and the lack of transparency due to the commercial-in-confidence nature of the data that is provided. Furthermore, price disclosure is considered to fail the test of efficient regulation, with high compliance costs. The Greens have put on notice a number of questions around the breakdown of the cost to implement the price disclosure approach.

Two key elements of the bill are to contribute to the sustainability of the PBS and maintain access to quality medicines at a lower cost to the taxpayer. The Greens acknowledge that the ways in which the bill seeks to achieve these goals are not new but rather build on the reforms made to the PBS in 2007 by extending the pricing policies introduced at that time, whilst maintaining the separation of medicines in the F1 and F2 categories and retaining the concepts of statutory price reductions and price disclosure. The Greens further note that the changes proposed in the bill are expected to deliver savings of $1.9 billion over five years. We support those principles.

Price reductions of this magnitude may have an adverse effect on Australia’s pharmaceutical industry and the industry will have to adjust to a more competitive market,
a situation that is occurring in many parts of the world, so part of this argument is that these changes will hurt Australia’s industry. We note that we need to improve the situation for costs of generic medicines in this country. Otherwise, we will have an escalating situation under our PBS and will no longer be able to afford it. So it is very important that we do consider reforms, but that we are also mindful of the fact that we need to make sure that the industry itself is sustainable. The MOU in Australia provides a stable framework that allows the majority of the pharmaceutical industry—and, again, I say ‘majority’ very carefully, as we are still not sure because we do not know about market share—the opportunity to adjust to the new, leaner environment and still bring new medicines to the PBS in the future.

Importantly, consumers need to see the benefits of PBS reform: lower prices, quicker listing times and the PBS being able to afford to subsidise new therapies. Consumers, as taxpayers and patients, need cheaper medicines while having subsidised access to the range of new therapies. We believe it is important that we pursue a reform agenda in Australia for the PBS so that we continue to support the benefits. We have been concerned about the issues raised by the GMiA and the level of consultation—or lack thereof—that was had with the government, and part of that turns around what is defined as consultation. We have explored that through the committee inquiry, and I will seek to explore that further when we go into committee. However, it is for the reasons I have just listed and the fact that we believe there will be significant savings that we will be supporting the bill if our amendments are supported. We believe that goes to the issues of collection of data, transparency and accountability. We also believe that we need to be looking at the overall impact, availability and accessibility of prescription medicines in this country. If the amendments are supported, we will be supporting this bill.

Senator CAROL BROWN (Tasmania) (11.38 am)—The aim of the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 is to deliver a more efficient and sustainable PBS, better value for money for Australian taxpayers and policy stability for the pharmaceutical sector. The bill seeks to implement initiatives agreed between the Minister for Health and Ageing, Ms Roxon, and Medicines Australia by amending the National Health Act 1953 in relation to price reductions for certain drugs listed on the PBS, price disclosure arrangements, the collection of under-co-payment data and section 100 medicines, and other consequential amendments. The Pharmaceutical Benefits Scheme was created in 1948, and we have a world-class PBS that provides timely access to medicines for all Australians. In the coming years medicines will continue to be a significant and growing component of health expenditure. The reforms in this bill will guarantee that the PBS continues to provide this essential service to Australians while at the same time ensuring that every precious health dollar is spent effectively.

It is currently estimated that the PBS will cost $13 billion in 2018, compared to where we are now: around $9 billion in 2010-11. The PBS expenditure will need to be managed if it is to be sustainable in providing affordable access to essential medicines for all Australians. This bill gives effect to further PBS pricing reforms that were announced in the 2010-11 budget and that are a subject of a memorandum of understanding with Medicines Australia, the peak body for the pharmaceutical sector. The reforms will result in savings for the PBS of around $1.9 billion over five years. The amendments in the bill focus on medicines where there is competition in the market. Over time the
changes will mean that PBS prices more closely match the price at which the medicines are actually sold. Australians will benefit in terms of lower prices and timely access to innovative treatments. Price disclosure will be accelerated and expanded. Price disclosure requires pharmaceutical companies to advise government of the price at which PBS medicines are sold to pharmacies. This information is used to adjust the PBS price across all brands of a medicine to the weighted average price which is actually being charged in the market, which means the industry, not government, is setting the level of price reduction based on prices already operating in the market. As outlined in the Community Affairs Legislation Committee report into the legislation, the main provisions of the bill are price reductions, merging the F2A and F2T subformularies, price disclosure and collection of under-co-payment data. The government report sets out these provisions and their purposes.

I will now address some of the issues raised during the inquiry. With regard to price disclosure, we heard in the inquiry that there is significant discounting of off-patent medicines in Australia. Pharmaceutical companies give big discounts to pharmacists to get them to stock their products over their competitors’ items. Price disclosure was originally introduced as part of the 2007 PBS reforms. We know that 45 medicines currently participate in price disclosure. If this bill is passed the program will be expanded to encompass all medicines that are subject to brand competition. Those are what are known as F2 medicines. This means that we will go from 45 to around 220 medicines participating in the program. The proposed changes to pricing policies recognise that competitive pricing already exists in the market for many PBS subsidised medicines but that Australian taxpayers should be benefiting further from market competition and the lower prices that result from it.

Let’s be clear on price disclosure: these reforms will result in no extra costs for patients. In fact, patients will benefit from price reductions where the price of a medicine falls below the general co-payment amount. The direct saving to consumers from these new measures is independently estimated to save general patients on average close to $3 per prescription. Without price disclosure consumers and taxpayers will continue to pay for medicines well above what they are being sold for. The aim of these measures contained in the bill is to achieve PBS prices that more closely match the prices at which companies sell their medicines to pharmacies.

Another issue raised was industry representation and consultation. Both Medicines Australia, or MA, which represents about 50 companies, and the Generic Medicines Industry Association, or GMiA, which represents five companies, were involved in discussions with the government and were asked, as I understand it, to provide proposals to enhance the sustainability of the PBS. Evidence given from the Department of Health and Ageing submits that MA, representing their members—around 50 organisations—represents 86 percent of the total cost of PBS expenditure and nearly 60 percent of the sales of off-patent medicines annually, though this figure is disputed by GMiA. Discussions with Medicines Australia proved positive and resulted in a memorandum of understanding between Medicines Australia and the government.

Consultations with GMiA on options to ensure the sustainability of the PBS were also held. Unfortunately it seems that these discussions with GMiA were not equally positive. GMiA argued that they did not have a good hearing, but in my view this does not
Coalition senators have expressed the view that GMiA were excluded from the negotiations so let us look at the facts. In their submission, the department listed a number of opportunities GMiA had to discuss options for reform to the PBS, including with the senior officials from the Department of Health and Ageing, since November 2009 and prior to the budget. The department's submission listed these as:

- 18 November 2009 - Meeting between First Assistant Secretary of the Pharmaceutical Benefits Division and GMiA;
- 21 January 2010 - Meeting between First Assistant Secretary of the Pharmaceutical Benefits Division and GMiA;
- 4 February 2010 - Senior Departmental meeting (including the Deputy Secretary) with GMiA;
- 16 March 2010 - Meeting between the Minister for Health and Ageing and GMiA;
- 30 March 2010 - Senior Departmental meeting (including the Deputy Secretary) with GMiA; and
- 22 April 2010 - Meeting between the Minister's Office and Alphapharm.

To further illustrate the opportunities GMiA were given to engage in discussions on the PBS, I will outline the Minister for Health and Ageing's view on this matter:

On multiple occasions, GMiA was able to discuss options for reforms to the PBS with the government, including with me, as the minister, in my office and with senior officials of the Department of Health and Ageing. GMiA had a good hearing and the government valued the exchange of views. However, I do need to note here that GMiA’s key proposal to the government in these discussions was that patients should be made to pay some $5 more for off-patent medicines made by originator companies compared to the same drugs made by generic companies. This proposal would have resulted in concessional patients paying nearly twice as much as they currently do for some off-patent medicines. The government could not support this proposal. Notwithstanding these differences of view, the government continues to work closely with the industry on how these reforms will be implemented, through a working group which includes GMiA, pharmaceutical wholesalers and Medicines Australia.

The fact is, GMiA just do not agree with price disclosure so I am not sure what more we could have done. They do not agree on price disclosure and they were not, as I see it, ready to enter into discussions about it.

Another issue raised was the administrative burden on industry. We have an existing price disclosure program and the processes underpinning this program were developed with representatives of both the innovator and generics industry. So industry is already familiar with the operation and requirements of the program. This bill expands the program and the government has retained the key aspects of the program, with feedback from industry to further simplify and streamline the processes for compliance. The government has, through the price disclosure working group—a working group which, as I said, includes the department, GMiA, wholesalers and MA—already met and had ongoing discussions on implementation.

I believe that the impact on suppliers will be low because the major contributor to the savings, price disclosure, does not impose price reductions arbitrarily, nor demand the lowest price for a medicine—the prices will follow the market. As has been stated the disclosure arrangements aim to lower the government price only to the average price actually charged by pharma companies in the market. Also we have a situation where the generics market in Australia is significant and growing. In the last four years we have seen it grow from 27 per cent to 34 per cent. Also eligible wholesalers are sharing in some $950 million to distribute medicines under the Community Service Obligations arrangements, 58 per cent more than the previous agreement. The payments from the CSO...
supplement the wholesale margin for most drugs.

The issue of the supply of drugs was also raised. This bill is supported by the Consumers Health Forum on the basis that consumers will benefit from continued access to medicines and the savings generated by the measures will result in savings to taxpayers. The Consumer Health Forum’s view is this bill does not represent a threat to the viability of the generic industry, and nor do the measures remove the obligation on pharmacists and wholesalers to maintain supply of PBS drugs. Ms Bennett is executive director of the Consumers Health Forum of Australia, the CHF, which is the peak body providing leadership in representing the interests of Australian healthcare consumers. Ms Bennett gave evidence supporting the bill. In part, she said:

Consumers have told us that they want timely access to affordable medicines and that it is essential to them that the PBS remains viable into the future to achieve that. We therefore support the reforms that contribute to the sustainability of the PBS while ensuring that consumers can get the medicines they need at a price that they and the government can afford. The bill gives legislative effect to the MOU between the government and Medicines Australia. We consider—

that is, the CHF—

that the MOU will contribute to that long-term sustainability and the viability of the PBS through statutory price cuts and strengthened price disclosure mechanisms for the formulary 2 medicines.

Further Ms Bennett submitted:

Consumers as both buyers of these medicines and taxpayers will pay less for medicines than under the current arrangements, due to the price cuts and the resulting potentially greater competition and further reduction in prices for generic medicines, particularly in the under co-payment market.

We also welcome the provisions in this bill that will enable faster access to safe, high-quality medications through the mechanisms in the bill that allow for parallel registration and reimbursement processes by the TGA and the Pharmaceutical Benefits Advisory Committee, the managed entry of new products onto the market and the ‘best endeavours’ commitment to a maximum time frame of six months for cabinet approvals of medicines.

I would like to quote from the government report from the Senate Standing Committee on Community Affairs inquiry into this bill. It said:

Two key goals of the bill are to contribute to the sustainability of the PBS and maintain access to quality medicines at a lower cost to the taxpayer. The committee acknowledges that the ways in which the bill seeks to achieve these goals are not new but rather build on the reforms made to the PBS in 2007 by extending the pricing policies introduced at that time, whilst maintaining the separation of medicines in the F1 and F2 formularies, and retaining the concepts of statutory price reductions and price disclosure. The committee further notes that the changes proposed in the bill are expected to deliver substantial savings to government.

I believe that the MOU and the bill now before the Senate will benefit consumers and taxpayers and should be supported.

Senator BOYCE (Queensland) (11.52 am)—The coalition opposes many aspects of this MOU. Once again, there was yet another Senate inquiry which was told over and over that consultation between the government and the relevant stakeholders in this area was insufficient from the perspective of the stakeholders. In report after report we make the point to the Department of Health and Ageing that we continue to be told by stakeholders that they were told what the department was going to do, not asked to assist the department to do it. It is interesting to look at some of the history of this MOU as described by the government and take up the point of whether GMiA was actually deliberately excluded or not from negotiations.
Mr Learmonth from the department has set out a time frame. He has talked about who did what and who said what and he has made the comments in regard to how the discussions came about that, certainly, GMiA were consulted. He said:

In the case of GMiA, again we had a range of discussions. Some of them came off the back of submissions that GMiA had put in before about various ideas, and we talked about sustainability. There were a number of meetings that we detailed in our submission. I would add that no meeting was ever refused—it all was opened to GMiA—but I could not really characterise the way discussions evolved with GMiA as a negotiation in the same way as I could with others. We put our view that we were looking for sustainability, and GMiA made their views extremely clear on what they thought about the notion of price disclosure and any further saving. In other words, they did not really want to be a party to that. They did have some other ideas that were fundamentally about increasing competition.

From that you would get the impression that the department of health had bent over backwards to be helpful except, of course, then we get to Mr Learmonth’s evidence about the memorandum of understanding that the department of health ultimately signed with just one sector of the industry—the innovative pharmaceuticals area. Mr Learmonth, the deputy secretary of the department, said that the government had not actually set out to have a memorandum of understanding that the department of health ultimately signed with just one sector of the industry—the innovative pharmaceuticals area. Mr Learmonth, the deputy secretary of the department, said that the government had not actually set out to have a memorandum of understanding that the department of health ultimately signed with just one sector of the industry—

As I said, it was not the intention upfront. Indeed, it was a suggestion from Medicines Australia and not us. My guess would be that it was April this year but I do not think we could even nail down a day. It was not an a priori objective.

Medicines Australia went on to suggest that they did not know who had thought up the idea of a memorandum of understanding. I guess when you look at the favours that this memorandum of understanding, the MOU, does for Medicines Australia you would rather hope that the Department of Health and Ageing would say that it was their suggestion not the company’s. So we have a confusion first over what constitutes negotiation and what constitutes consultation.

Late in the piece, Medicines Australia, who hold about 60 per cent of the market that we are talking about says to the department: ‘Let’s have a memorandum of understanding which gives us a four-year moratorium on the price of many of our products. But we’ll save you money elsewhere.’ The department says: ‘Oh, what a good idea. Let’s do that.’ The department does not say: ‘Gee, we should go back and talk to some of the other stakeholders about what they think about that. Irrespective of the fact that we know that they are not keen on the idea now that a memorandum of understanding, which will give a commercial advantage to about two thirds of the market, is about to be signed, perhaps we should go and talk to the other third of the market. Perhaps also as the Consumer Health Forum pointed out we should talk to the Consumer Health Forum and consumers as well about what they think about the changes that are proposed.’

There was a debate that consumed an awful lot of the inquiry’s time about what percentage of the market these relevant industry bodies represented or what percentage of the market was held by the innovative industry, which includes patented products and products that have come off patent and are now in the generic area. It also includes a number of generic medicines made by the innovative industry. The Generic Medicines industry Australia by contrast makes only generic medicines; they make only off-patent medicines. We had the GMiA saying that they had 75 per cent of the off-patent PBS market in Australia by volume or 68 per cent by value. We had Medicines Australia disputing that
claim and saying that members of Medicines Australia accounted for about 60 per cent of the off-patent market by value. Dr Brendan Shaw, Chief Executive of Medicines Australia, said:

Whichever way you cut it, our members account for the majority of the off-patent market.

Well, yes, I agree that 60 per cent would look like the majority if Medicines Australia are right on this point. However, that leaves 40 per cent of the off-patent PBS market supplied by others, and most of that is supplied by the members of GMiA and one or two other generic medicine manufacturers. Forty per cent of the market, which is the lowest figure anyone has ever suggested that generic medicines hold, is, I would argue, a not insignificant percentage of the market.

This is a point I put to Dr Shaw from Medicines Australia, who over and over during the inquiry into this piece of legislation refused to accept that 40 per cent of a market was a significant share of the market. He would not use that dreaded word, ‘significant’! So, finally, we asked the department to provide their figures on who held what in the PBS medicines market. They came back with the figures for the formulary 2 market, which is the off-patents market. Medicines Australia held 57.4 per cent of PBS medicines by expenditure and GMiA held 34.2 per cent, with other generics holding seven per cent. That is 41 per cent by expenditure to the generic medicines area. The Department of Health and Ageing also told us that, by PBS volume, Medicines Australia members held 47.3 per cent of the market and GMiA held 43.8 per cent, with other generics representing 6.1 per cent. That gives generics a total of 50 per cent of the market.

What are we arguing about here? It is completely ridiculous and pointless for the department to claim—irrespective of whether or not we have the correct data for generic medicines—that the most minimal figure for their share of the market has been given as 40 per cent; yet, instead of going back to them when a memorandum of understanding was signed, the department simply went ahead with basically a commercial-in-confidence deal with half to 60 per cent of the market through Medicines Australia and ignored the other half of the market.

The other fact that then came up, which certainly had been mentioned in submissions but not perhaps brought out as strongly as it was during this debate, was that no data is currently collected on medications under co-payment where they cost less than $33 or less than $5. According to the GMiA, a large percentage of products in that area are made by the generic medicines industry, yet the data is currently not collected in this area. GMiA say: ‘We keep our figures on that. We sell the stuff. We know how much of it we make. We know how much of it we sell. We’re not like the department, who has to rely on the PBS figures, where these are not recorded. On that argument, we make a significantly larger amount of the medication and the ones that do not cost the government anything because they are under the co-payment.’

To continue to put the view that this group could be easily excluded from negotiations and simply forced to come along on the coattails of the government’s deal with the half of the industry that will benefit substantially from the four-year moratorium on the pricing of some of the formularies is a complete nonsense. We will be opposing and seeking to amend this legislation on that basis.

I go on to point out that the coalition are absolutely in favour of making savings on the PBS. We invented the idea—when our current leader, Mr Abbott, was the health minister—of pushing for savings on the PBS and pushing for price disclosure so that it
was transparent to the government what they were paying for and how they were paying for it.

Yes, it is true; PBS costs are growing quickly. In 2008-09 the cost of the PBS was 9.2 per cent higher than it was in 2007-08. In 2009-10 the PBS grew a further 9.3 per cent to an annual cost of $8.4 billion. The continued growth has been recognised by all manner of organisations and especially in the 2010 Intergenerational report—a series of reports which former Treasurer Peter Costello began so that we had a sense of how to have a sustainable Australia and an ageing Australia at the same time. The Intergenerational report for 2010 forecasts that spending on the PBS will increase in real terms from $443 per capita in 2012-13 to $534 per capita in 2022-23.

Not mentioned, of course, in this section of the government’s report are the savings that have already been realised. Since the policies of 2004 to push for cost savings in the PBS and to control prices by price disclosure, the savings that have been made in that area have been significant. The rate of growth of PBS expenditure has slowed significantly. Between 2004 and 2010, twice as much has been saved than was anticipated or forecast when the savings were put in place.

We are talking here about a deal that was done in 2007 for 10 years. The point was to do it for 10 years. It is delivering double the savings that were already anticipated. Yet we have the government incapable of not fiddling with this memorandum of understanding, and not just not fiddling but completely and ineptly overturning some of the benefits that have come out of this arrangement. In my view, the truth about the harm that can be done to the Australian pharmaceuticals market by this legislation lies somewhere between the two views that were given to our committee. It will not be as bad as the Generic Medicines Industry Association of Australia said, nor could it possibly be as good as the government and their current partners, Medicines Australia, claim.

The generic medicines industry makes the point that most of the drugs their members sell are made in Australia. They make the point that, if they cannot manufacture them here and make a profit, they will simply send that manufacturing offshore. We are talking about, at a minimum, 40 per cent of the generic PBS medicines market. I know from importing products in an earlier life that, if there is a storm somewhere in the China Sea or something like that, it can be quite possible for drugs not to arrive up to four months after the time they were supposed to arrive. Let us just hope that the forecasts made by the generic medicines industry in this area do not come to pass. If they do come to pass, we could have very serious shortages in areas of medicines that people simply must take.

This government does not seem to know when it should be subsidising industry to keep jobs onshore and when it should not. The generic medicines industry does not want any subsidies. The generic medicines industry wants a level playing field. They want the opportunity to compete, and one would have thought that even this government could realise that competition is what will continue to drive price reductions in this area, not favouring one section of the industry over another section of the industry.

There was also evidence given by the wholesale distributors, both by their association and by a number of their members, regarding what exactly is going to happen in the weeks leading up to the drop in the value of pharmaceuticals in this area. Whilst the view might be put that this could be very easily handled, we took evidence along the lines of: what pharmacy in its right mind is going to be well stocked with medicines.
when the price is going to drop something like 12½ or 27 per cent tomorrow morning? Why would you do it? What is the sense of it? You would try to be out of stock at that stage or to have as little stock as possible and then, come D-day in January, you would stock up as fast as you could. The department thinks that all sounds fine; but, if somebody could explain how distributors are going to handle what is basically four or five times the level of business they would normally expect at that time, I would be interested to hear it. Pharmacies certainly have some very serious concerns about it. It is not as if we are running out of one particular brand of cornflakes or something. It is about the fact that these pharmacies will have no stock of particular medicines. I hope that over Christmas the government and the department think about how that will affect Australian consumers and, one hopes, reflect on the anger that they may experience if consumers cannot buy their drugs on prescription when they need them in the new year.

The pharmacists also point out that this change is being imposed on them during one of their busiest periods, the Christmas period. It is not just for medications but for all the other products that pharmacies sell to make a profit—the gift sections and the like. December is their busiest time. Every product in the place has to be re-ordered and re-priced in that time. (Time expired)

Senator TROOD (Queensland) (12.13 pm)—The Pharmaceutical Benefits Scheme is an elemental part of the way in which we deliver good health outcomes in Australia. It has been an institution at the core of the way in which Australians have received their medicines for many decades. We have been fortunate because the scheme works, for the most part, very effectively. It delivers high-quality medicines, it delivers safe medicines and in many ways it delivers medicines which, compared to some countries, are reasonably priced.

But the challenge is to maintain the integrity of the scheme to ensure that the scheme tries to be relatively efficient and continues to achieve those kinds of objectives. The particular challenge with which we are all concerned here in this debate, and a matter with which we are all very familiar, is the rising cost of medicines. To create new medicines is a very expensive business. Not surprisingly, those companies that are creative and inventive enough to produce new medicines for the benefit of the community are able to secure patents and some cost-benefit as a consequence of all of the research that they actually undertake.

We on this side of the chamber are very conscious of the challenge to contain the costs involved in the Pharmaceutical Benefits Scheme. So, in the spirit of that concern, we do support the desire to secure these $1.9 billion of savings from the PBS. We support the general direction of these reforms, as my colleagues have said, but we do think—and I am certainly of this view—that these reforms raise some very serious questions which have not been answered by the submissions to the committee. The department was inadequate, to say the least, in providing reassurance during the committee stage of the progress of the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 through the Senate.

These are the matters that we think need to be ventilated in this debate. We urge the government to take them seriously. We think the bill needs attention. We think the matters which we raise are serious. I note that the Greens share some of these concerns. In that context I think there is widespread concern about the nature of these reforms amongst members of not only the coalition but other parties in the Senate.
The reforms build on the reforms which were introduced in 2007. They were, I suppose one could say, amongst the most radical that have been introduced to the PBS over its many decades of existence. There were quite wholesale changes to the way in which medicines were delivered. They introduced categories of formularies for medicine. They introduced new pharmacy and wholesale support arrangements. The promotion of generic medicines was an important part of those reforms. There was the streamlining of the approval process for some medicines. Whilst it has not been alluded to in the debate I have heard this morning, there are in fact further changes in relation to the approval process which we on this side of the chamber actually support. The final thing that occurred in 2007 was the introduction of price disclosure as a way of securing significant savings for the future.

These were all very significant reforms. Because they were significant and because people realised what a widespread impact they were going to have on the PBS, they were to be introduced over a 10-year period. In fact, it was significant that only a small number of medicines were actually included in the early proposals for price disclosure—162. My own view is that with these reforms we have created an extraordinarily complex system within the PBS. There are simpler ways of providing medicines to the Australian public which would secure the kinds of cost savings that we all think are important. It would be instructive if we were to take some time to look at other examples around the world and consider whether we should undertake those kinds of reforms in Australia. But that is not the debate we are having today. Mandatory substitution and tendering in relation to medicines, for example, are some approaches that other countries have adopted, but those are issues that are perhaps for another day.

The 2007 reforms, as my colleagues have noted, were anticipated to yield significant benefits to the government—in the vicinity of $3 billion over a 10-year period. The submission to the committee by the Pharmacy Guild of Australia points out that there have been three independent studies of the progress of these reforms so far and each of those studies has demonstrated that the reforms have produced savings to the PBS far in excess of those projected—not just trivial amounts of money or small additional benefits but benefits that range between $5 billion and $7 billion. There is even a suggestion that the returns to the PBS might be considerably greater. It could be in the vicinity of $9 billion over this 10-year period. The calculations which were made in relation to the 2007 reforms are already way out of date, and those changes are already bringing considerable savings to the PBS.

I think it is reasonable to ask: why, in the context of a 10-year reform program that is bringing considerably larger savings to the PBS, are we now, just two or three years into that program, introducing another set of reforms on top of those which the industry has barely accommodated? They were radical reforms, as I said, and they are only now being bedded down. Of course, the answer to that question is that the government is desperate for money. It is desperate because its budget bottom line is in a mess and it needs every means possible to secure more revenue for the Treasury coffers.

These seem to be useful reforms, but the impact of imposing them on a process of reform which is already taking place seems not to have been well thought through or very well considered. There is every potential, as my colleague Senator Boyce said so eloquently, that these reforms will produce a considerable disruption to the supply of medicines to the Australian market. That would have serious consequences. I know
the Department of Health and Ageing are disbelieving; they treat such concerns with great contempt. They are not persuaded this is a problem. They are not persuaded by any of the evidence presented to the committee that this is a challenge which has to be met into the future. If you look at the reality of the existing reforms, you can see that there have already been difficulties in relation to 162 listings, including a legal challenge or two. So when we are talking about producing whatever the number of medicines might be—and there seems to be some dispute about whether it is potentially 1,600, but it is a large number of additional medicines, certainly well beyond 162—it is almost inconceivable that there would not be some quite significant issues and problems in relation to administration, data collecting and things of that nature. So the department ought to think seriously about the consequences of these reforms and the impact they are going to have just on the market, let alone on the suppliers et cetera.

There has been considerable debate about the rising cost of the PBS, as I have said. It will grow significantly in the years ahead; there is no doubt about that. As new medicines come on, the costs increase, particularly when they are subject to patents. And the proposition which does not seem to be challenged by anybody is that the costs of medicines in the F1 category will grow more quickly than the costs of medicines in the F2 category. In fact, the Generic Medicines Industry Association said in a submission to the committee that, between 2005-06 and 2009-10, the cost to the government of F2 medicines had declined by 21.4 per cent while the cost of those in the F1 formulary had risen by 35.4 per cent over the same period. So we face a situation where the costs of F1 are rising, the costs of F2 are declining, and the point about these reforms is that they target very specifically the F2 medicines and impose essentially the whole burden of the cost savings on the F2 formulary—save for the fact, which I acknowledge, that some companies that are part of the Medicines Australia group and have generic medicine activities will bear some of the cost pain. But the essential point is that the costs of this reform are being borne by the F2 section of the industry. In fact, not only are they bearing the costs but it would seem that the companies in the F1 market are insulated from further reforms which might actually save further money to the PBS. The MOU which has been signed, and which has been referred to already in this debate, seems to insulate the F1 companies and that section of the market from undertaking any serious reforms.

We take the view, and I certainly take the view, that the Commonwealth should be doing everything it reasonably can to share the burden of the cost savings across the whole of the PBS. All sectors should be contributing to the savings, including the companies in the F1 formulary. They ought to be making a proportionate share of the savings. They certainly should not be in a position where they are being insulated for a long period of time—four or five years—from being required to take steps to save money, save in those circumstances where their drugs might come off patent. That is what the MOU between Medicines Australia and the Commonwealth actually does, because it specifically rules out various measures which might actually save money to the PBS over a period of time. I note that Senator Moore sought to address this issue, but the therapeutic groups seem to be a proven way of saving money to the PBS. This is not just my assessment; it is the assessment and part of the evidence given to the committee by DHA last week. It is recognised that therapeutic groups offer significant cost savings to the PBS, and the creation of new therapeutic
CHAMBER groups is actually precluded under the MOU which has been signed between Medicines Australia and the Commonwealth. I am not persuaded that this is in the interests of the Australian consumer. I am certainly not persuaded that it is in the interests of the reforms that are in this legislation. Why the burden of costs should not be shared amongst all parties is a mystery to me. This legislation and the MOU in particular deny that possibility.

We have heard quite a lot about the MOU and the way it was negotiated. I want to add my voice to the concerns that have been expressed by Senator Fierravanti-Wells and Senator Boyce about how it was negotiated. It was very specifically a case where there were only two parties to the negotiation: the group of companies which constitute Medicines Australia and the Commonwealth. We can go through all the rigmarole if we like about the way in which it came about and the various consultations that occurred between various groups, but the reality is that the Generic Medicines Industry Association, one of the groups which had a very significant interest in the nature of this MOU, one of the groups which would be most adversely affected by the consequences of the MOU, was excluded from the negotiations. An argument presented to the committee was that the reason for this was that the GMiA had a relatively small proportion—it was even suggested, an almost insignificant proportion—of the drug market in Australia and therefore it had no standing to be included. The evidence on the proportions of the market which Medicines Australia and GMiA have is highly contentious. The data seems to me to be highly unreliable. One of the consequences of these reforms is that we will be in a position to have more reliable data into the future, and that is highly desirable. But it is a profound shortcoming of this particular process that GMiA members were excluded, particularly when their interests were so badly affected. It reflects no glory on the department that the negotiation proceeded in this way. The evidence before the committee in submissions was that the GMiA had only learnt of the MOU a couple of days before the federal budget was brought down earlier this year.

There are serious shortcomings in this legislation. My colleague Senator Boyce has alluded to many of them. The difficulty is that price disclosure dates and the dates at which the price of medicines will be reduced seem to me to be manifestly too limited. The timetable is not a timetable which is actually going to facilitate the supply lines. It is not going to facilitate the assurance that we all want—that we will have safe drugs coming onto the market and that they will be available in a timely way. It has the potential, not only for drug manufacturers but also for wholesalers, retailers and everybody involved in the industry, to be highly disruptive to their activities.

There is one particular anomaly that I want to allude to in relation to these matters, and that is with regard to the medicines which are in schedule 5 of the act. There are, I think, three medicines—the names of which I do not have with me—that are on patent. So the cost of these medicines cannot be reduced in any way but they are included in the process of price disclosure. That is a manifestly inappropriate way to try to determine the costs of medicines—to include them in the price disclosure activity. If the government does nothing else in amending the bill that is before the parliament, it certainly should remove those three medicines from that schedule because they cannot be subject to price cut because of the fact that they are on patent and they are highly distorting to the actual price disclosure costs. I think it is probably an error that they were there in the first place, but they are and that
ought to be rectified because it is not helping the progress of the reforms.

These overall reforms are important. They will yield savings. We want those savings to be yielded to the Commonwealth. Given the estimate we had on the last occasion, I suspect the proposed $1.9 billion of savings will be very much higher—and that of course is to the advantage of the PBS. But there need to be some changes here. We need to see that the failure of these negotiations and the consequences that it actually had are rectified so that we spread the pain more widely throughout the pharmaceutical industry. That would be not only a fair and equitable result but also better for those of us who actually need these medicines in a safe and timely way. (Time expired)

Senator FIELDING  (Victoria—Leader of the Family First Party) (12.33 pm)—Reforming the PBS to ensure that government is getting the best value for money is a very important issue. We have an ageing population in Australia, and this means that there is going to be even more spent on the PBS and it is going to increase going forward every year. I am mindful of the reforms that were negotiated back in 2007 under the Howard government, and I do believe that there are compelling arguments to suggest that we can do even more in reforming the PBS. The MOU negotiated between the government and Medicines Australia does go some way towards doing this.

Under the measures set out in the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 there is a projected significant cost saving of $1.9 billion for the taxpayers. That is a good thing. It does not make sense for taxpayers to be paying for medicines at a price which is well above what the pharmacies are paying for them in the first place. There are a number of drugs where the government is paying to the pharmacies a premium of between 40 per cent and 60 per cent above the actual purchase price. This is a waste of taxpayers’ money. It is being forked out, going directly into the pockets of those in the supply chain with no direct benefit to the consumer. It makes sense for the government to try to address this discrepancy, and I support the thrust of what the government is trying to achieve with this bill.

The problem is that the MOU signed between the government and Medicines Australia is by no means perfect. The government are trying to save money and are tackling one part of the supply chain. They have largely focused on the F2 medicines category without, I think, really looking hard enough at the F1 category. Doing this may—and the word to note here is ‘may’—have a serious economic effect on the generic medicines industry. Generic medicines play an important role in making medicines affordable for Australians. They also play a very important role in manufacturing and jobs in Australia. We need to continue to ensure that that industry can continue to thrive and grow. I notice that the government has done this with the car industry.

I am little a concerned that maybe the generic manufacturing industry in Australia is at risk. I am all for the government paying less for drugs on the PBS, but at the same time I believe in supporting manufacturing jobs in Australia and having a vibrant industry on our shores. There is concern that the reforms in this bill have not fully taken into account the concerns surrounding jobs in Australia and the viability of manufacturing. That is where my concerns lie. I have raised the issue of jobs with the Minister for Health and Ageing. I will not put words into the minister’s mouth, but my conclusion is that I do not think those concerns are being taken seriously enough.
I see some merit in what the coalition’s second reading amendment is trying to do. From what I understand from talking to another senator in this place, there could be the idea of putting the vote on the second reading of this bill off until another time to try and work out how we can look at the concerns about jobs in manufacturing of generics in Australia. I will leave it there. I hope that common sense will prevail and that there will be further discussions with the generic medicines industry and a further focus on jobs and the concerns I have in that regard.

Senator ADAMS (Western Australia) (12.37 pm)—In the few moments that I have I would like to say that the coalition supports the intent of the memorandum of understanding. The coalition does not stand in the way of the savings in the proposal but believes savings can be achieved via far more equitable negotiation of the MOU. During the Senate inquiry there were many concerns about the government’s failure to adequately consult all parties with material interest in the sector, particularly the Generic Medicines Industry Association, the National Pharmaceutical Services Association and the Consumer Health Forum.

I will state how the National Pharmaceutical Services Association felt about the consultation process. Unfortunately, as Senate inquiries go on, consultation seems to be a very difficult issue for this government. We find that a number of policies are adopted and the cry is that nobody consulted the industry beforehand. The National Pharmaceutical Services Association made the following comments with respect to consultation: at no stage was the organisation privy to or consulted on the proposed PBS reforms agreed to in the MOU with Medicines Australia; NPSA was not able to negotiate transition arrangements to ensure that supply is maintained under the new arrangements; NPSA would have sought to discuss the need for transition funding if it had been given the opportunity; if consulted, NPSA would also have sought to make recommendations with respect to how to ensure that supply is maintained when the price changes are effected; it is unclear whether the savings in wholesale margin funding are included in either the guild or the Medicines Australia savings; and, if the savings from the wholesale margin have not been taken into account when calculating the $1.9 billion of savings under the Medicines Australia MOU, then any adjustment mechanism in favour of the wholesalers would not impact on the total savings.

The minority report by coalition senators listed some recommendations. The first recommendation was:
The MOU negotiated between the Commonwealth and Medicines Australia be set aside—until we can come up with some other way of having the other organisations included in the consultation. The second recommendation was:
The Commonwealth undertake a fresh set of negotiations to develop a new MOU which will secure the identified $1.9 billion cost savings in a more equitable manner.

The third recommendation was:
All parties possessing a material interest in the outcome of the proposed reforms or whose material interests are affected by the reforms be involved in the negotiations, including the members of the GMIA, the Pharmacy Guild of Australia and the National Pharmaceutical Services Association.

The fourth recommendation was:
The National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 be amended in light of the contents of the new MOU and be represented to the Parliament in amended form for reconsideration and approval or alternatively, that the Government withdraw the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 and a new Bill be introduced.
Those were the recommendations after hearing the evidence and reading the submissions.

Generic medicines drive competition and cost savings for consumers and the government. It is claimed that the government’s proposal may compromise access to affordable, high-quality medicines in the long term. Significant price cuts without volume drivers under this measure may detrimentally affect the viability of the sector which drives PBS savings for government. These issues could have been avoided through better consultation and actual negotiation with all stakeholders. Evidence suggests that additional savings can be achieved in consultation with all key stakeholders and should be fully explored by the government.

The coalition successfully implemented a 10-year reform plan for the PBS in 2007 which will deliver far greater savings than anticipated. The government’s own report, *The impact of PBS reform*, shows that the coalition’s reforms will deliver savings of up to $5.8 billion over the 10-year implementation period compared to the estimated $3 billion. Whilst the coalition are not in a position to support the bill given the outstanding issues, we do support the intent of the MOU and believe that more savings can be achieved through better consultation. The coalition stands ready to support the measures which achieve this end. The coalition calls on the government to delay consideration of the bill and renegotiate savings proposed under the MOU with all stakeholders.

**Senator SHERRY** (Tasmania—Minister for Small Business, Minister Assisting on Deregulation and Minister Assisting the Minister for Tourism) (12.44 pm)—The National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 will amend the National Health Act 1953 to deliver a more efficient and sustainable Pharmaceutical Benefits Scheme, better value for money for Australian taxpayers and policy stability for the pharmaceutical sector. The world-class PBS system provides timely access to medicines for all Australians. The reforms in this bill will guarantee that the PBS continues to provide this essential service to Australians while at the same time ensuring that every precious health dollar is spent effectively. The proposed changes to pricing policy recognise that discounting already exists in the market for many PBS subsidised medicines.

Debate interrupted.

**MATTERS OF PUBLIC INTEREST**

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

**Elder Abuse**

**Senator POLLEY** (Tasmania) (12.45 pm)—I am sure that senators know the scope of the problem that we confront with child abuse. In 2008-09 the Australian Institute of Family Studies indicated that there were 339,454 suspected cases of child abuse and neglect—let alone the numerous unreported occasions. I have twice previously risen to speak in this place about abuse at the other end of the age spectrum: elder abuse. As the Australian government’s seniors website states, ‘Elder abuse and neglect receives less attention than child abuse.’ On this occasion, I will again describe the forms this abuse may take, who the abusers seem to be, and the frequency with which this occurs. I will also raise the very real concern that this abuse can lead to active and even involuntary euthanasia.

What do we mean by elder abuse? The Toronto Declaration on the Prevention of Elder Abuse states:

… a single, or repeated act, or lack of appropriate action, occurring within any relationship where there is an expectation of trust which causes harm or distress to an older person. Elder
abuse can take various forms such as physical, psychological or emotional, sexual and financial abuse. It can also be the result of intentional or unintentional neglect.

The Health Service Executive of the Republic of Ireland provides more detail, and I will quote from their report, *Open your eyes*, as there has been an attempt at systematic collection of data for the last few years. Objective data is difficult to collect, as there is serious underreporting of abuse—either by the individual or by the organisation providing their care. The report defines elder abuse as:

- Physical abuse, including slapping, pushing, hitting, kicking, misuse of medication, inappropriate restraint (including physical and chemical restraint) or sanctions.

- Sexual abuse, including rape and sexual assault or sexual acts to which the older adult has not consented, or could not consent, or into which he or she was compelled to consent.

- Psychological abuse, including emotional abuse, threats of harm or abandonment, deprivation of contact, humiliation, blaming, controlling, intimidation, coercion, harassment, verbal abuse, isolation or withdrawal from services or supportive networks.

- Financial or material abuse, including theft, fraud or exploitation; pressure in connection with wills, property or inheritance, or financial transactions; or the misuse or misappropriation of property, possessions or benefits.

- Neglect and acts of omission, including ignoring medical or physical care needs, failure to provide access to appropriate health, social care or educational services, the withholding of the necessities of life, such as medication, adequate nutrition and heating.

- Discriminatory abuse, including ageism, racism, sexism, that based on a person’s disability, and other forms of harassment, slurs or similar treatment.

How often does this occur? That is difficult to assess due to underreporting. Some examples from the report *Elder abuse: how well does the law in Queensland cope?* will provide some insight:

- Feelings of shame when abuse has occurred. For example, this may occur when a son or daughter has been physically violent to an older parent to coerce money from them.

- Fear of inciting further violence, or of being punished or abandoned.

- The consequences of reporting may be undesirable. If the violence of an adult child to an older parent occurs in the context of the parent residing with the adult child, then the parent may be concerned that reporting will lead to placement in residential aged care. The parent may have complicated feelings about implicating the perpetrator particularly if the person is their spouse, adult child or carer.

Older persons may also not report abuse due to impaired capacity. They may not be able to recognise the behaviour as abuse or, even when they do, they may not be able to articulate or even understand how to report the abuse.

As can be seen, getting an accurate estimate is difficult. This is further complicated by the array of definitions that are used in various jurisdictions to describe elder abuse. The World Health Organisation estimates the number of older people who are abused to be between one per cent and 10 per cent of the population aged over 65. Estimates vary substantially between countries. For example, in Japan it is quite low while in India and China it is quite high. Two studies in Canada gave varying results: six to 18 per cent of over 65s. The Republic of Ireland, who have endeavoured to be more systematic in the collection of this data, suggest that it is about five per cent of the older population. However, this figure excludes incidence of self-neglect. Estimates in Australia suggest between three per cent and seven per cent, although two studies conducted by Monash University which looked particularly at fi-
Financial abuse is especially significant for older people, because the opportunity to recover from this assault is negligible.

In summary, elder abuse is an enormous problem. This is only a very limited indication of its scope and gravity. It is so serious that I believe it is worthy of investigation by the Senate. Disability support organisations around the world have lobbied opposing euthanasia. Why? Because they see the huge risk that this legislation poses to any disadvantaged group.

In 1995 the Canadian Special Senate Committee on Euthanasia and Assisted Suicide wrote:

… legalization could result in abuses, especially with respect to the most vulnerable members of society. The ill and the frail are particularly dependent on those around them and on the health care system. Inevitably, and often without realizing it, these individuals cede control over their lives to the system and to those on whom they are dependent. For this reason, it would be difficult for others to assess whether an informed choice was made without coercion. If assisted suicide were legalized and accepted by the community, how could the expectations of the people surrounding the patient not influence his or her decision, particularly if the patient feels she or he is a burden on the family.

… some would feel pressured to resort to assisted suicide where financial and institutional resources are scarce. Financial restraints that affect the health care infrastructure could also result in attempts, perhaps unconsciously, to influence patients to die more quickly and conveniently. All of the above factors could make it difficult to establish whether a request for assisted suicide is voluntary.

I intend to give a few examples of events that clearly present this dilemma—that it is not possible to legislate to prevent even 'narrow' intentions of euthanasia legislation to be abused. These are classic examples but they are not isolated; the reverse is true—they
reflect frequent and widespread examples of what is really happening.

The first example relates to a man of Dutch heritage, a veteran of World War II, who gave his only relative, a niece, his enduring power of attorney. He subsequently developed cognitive impairment. He was admitted to a hostel as a concessional resident, partly on the basis of her statutory declaration. Later, the hostel built a sun room. The man liked to sit there. The hostel manager asked the niece to buy him a hat and gloves. She declined as she said he had no money—even though she had retained the balance of his pension after 80 per cent was paid to the hostel. It transpired that she had sold his properties, bought four penthouses, cashed in his superannuation and sold his car. She had realised $7 million.

The Oregon ‘death with dignity’ law and other similar acts claim to provide safeguards. Kate Cheney, age 85, was refused lethal prescription by her physician as he thought the request for assisted suicide was not Ms Cheney’s free choice but resulted from pressure by her assertive daughter who felt burdened with care giving. The family found another doctor to prescribe the lethal drugs and Ms Cheney died. This was reported in the Oregonian.

The Oregon legislation requires alternatives to assisted suicide to be discussed; however, there is no requirement that these alternatives be made available. Further, the ‘good faith’ provisions of this and other laws render all safeguards effectively unenforceable.

Barbara Wagner, an Oregon resident and recipient of Medicaid, was diagnosed with recurring lung cancer. Her physician prescribed Tarceva—a drug that increases the chance of survival by 30 per cent and increases the chance of survival after one year by 45 per cent. The letter she received from Medicaid denied funding for this chemotherapy but indicated that Medicaid would be prepared to fund doctor assisted suicide. This funding denial was based upon the Medicaid ruling that care which did not provide a greater than five per cent chance of a five-year survival would not be supported.

In 2009, H Rex Greene, former Medical Director of the Dorothy E Schneider Cancer Centre in California described this as:

… an extreme measure that would exclude most treatments for cancers such as lung, stomach, esophagus, and pancreas. Many important non-curative treatments would fail the five-percent/five-year criteria.

As Diane Coleman of disability support organisation Not Yet Dead wrote:

… is society really ready to ignore the risks, tolerate the abuses, marginalize or cover up the mistakes, and implicitly agree that some lives—many lives—are expendable …

Meanwhile, back in the Netherlands, in February 2010 a citizens’ initiative called Out of Free Will demanded that:

All Dutch people over 70 who feel tired of life should have the right to professional help in ending it …

A friend of mine, somewhat inappropriately, insists on talking about cars manufactured in a particular country as ‘throw-away cars’; is life becoming another disposable entity? I surely hope not.

Euthanasia and elder abuse are interlinked. We need to engage in conversations in our communities about these issues before any decisions are made. I would also like to add one of my own personal experiences. An 82-year-old woman who needed emergency surgery was presented to a health system under pressure because of lack of funding. The doctors had to weigh up whether or not the investment in that surgery was worthwhile, taking into account the patient’s age and health—the risks were 40 per cent in favour of survival. A second opinion was
sought and the patient was lucky enough to find another doctor prepared to give her the opportunity to have the surgery. That woman is still alive now—two years on.

What will happen if we have voluntary euthanasia legislation in this country? What pressures will be put on that family and that individual? These are the sorts of issues that you cannot legislate on. I see euthanasia and elder abuse as being intertwined and I would encourage and urge those in this place and those in the community to think long and hard about the emphasis that we place on our elderly. We should think about the lack of respect that we are showing older Australians by allowing elder abuse to continue in our community. We need to educate the community.

**Political Organisations: GetUp**

**Senator ABETZ** (Tasmania) (1.00 pm)—I congratulate Senator Polley on her considered speech. There is something deceitful and repugnant about an organisation which claims to be independent and non-partisan but is actively partisan; which campaigns on particular popular issues but is really only interested in funnelling votes to the Greens and Labor; which at each election pretends to independently assess the policies of the various political parties when the result is a foregone conclusion; which pretends to educate young people about policy issues but takes advantage of their political inexperience; and which preaches openness but is secretive about its own financial affairs. Today I wish to update the Senate on some of these traits of the left-wing activist group GetUp.

GetUp claims to be independent and non-partisan and, lately, that it ‘does not back any particular political party’. It claims it only takes up issues in order to bring about progressive reforms. Unfortunately, this is not so. To GetUp, issues are merely fodder enabling the organisation to identify and electronically tag people concerned about particular matters, to enlist them to a broader agenda and eventually to direct them to vote—and, preferably, to campaign—against the coalition.

I will put a little theory to you. In a Wikipedia article, in a section entitled ‘Common aspects of “community organizing groups”’, it says: Organizing groups often seek out issues they know will generate controversy and conflict. This allows them to draw in and educate participants, build commitment, and establish a reputation for winning. Thus, community organizing is usually focused on more than just resolving specific issues. In fact, specific issues are often vehicles for other organizational goals as much as they are ends in themselves.

Amanda Tattersall describes herself as founder and chair of GetUp. Previously, she was a Labor staffer. When GetUp was founded, Ms Tattersall was a special projects officer with Unions NSW. She is now Deputy Assistant Secretary of Unions NSW. GetUp’s 2005-06 annual report tells us:

Amanda Tattersall describes herself as founder and chair of GetUp. Previously, she was a Labor staffer. When GetUp was founded, Ms Tattersall was a special projects officer with Unions NSW. She is now Deputy Assistant Secretary of Unions NSW. GetUp’s 2005-06 annual report tells us:

GetUp’s 2005-06 annual report also credits Ms Tattersall, at the time a special projects officer at Unions NSW, with being ‘ultimately responsible for conceptualising and establishing GetUp’ along with David Madden and Jeremy Heimans. In a Workers Online article in 2006 entitled ‘So where to now?’ Tattersall outlined her plans for Working NSW and the challenge of connecting research, communications and campaigning. She said:

A progressive agenda ensures that individual campaigns are feeding into a broader program of
change that can shift power away from big business and prioritise the needs of working families. Does the phrase ‘working families’ sound familiar? The article goes on to say:

Working NSW is just one new piece in a growing infrastructure for progressive politics in Australia. The aggressive agenda of the Howard Government, and its attacks on almost every facet of the lives of working families—there is that phrase again—has created a strong base for coalitions of common interests between unions, community organisations, religious organisations, the environment movement and students. New organisations such as GetUp.org.au have been developed to interconnect individuals committed to specific campaigns to a broader movement.

I wonder what that ‘broader movement’ might be?

This is a salient admission by GetUp’s conceptualiser, co-founder and chair that GetUp was conceived in league with Working NSW, a Unions New South Wales campaign to interconnect individuals committed to specific campaigns to a broader anti-business, anti-coalition, pro-labour movement and political purpose.

Also on GetUp’s board is Anne Coombs, and she has given to GetUp up to $150,000. In 2004, Coombs declared her political leanings when she wrote:

So the landscape I see under a continuing Coalition government is not a hopeful one... After a six-week campaign, Latham is no longer the unknown quantity. Many Australians like what they see... it is almost Whitlamesque—she gushed. She went on to say:

But I believe that if they win government then Labor are likely to backslide on both environmental and social issues. That’s why we need the Greens.

Anne Coombs has also written an article called ‘How cyber-activism changed the world’ in which she admitted:

GetUp! invested such extraordinary effort and passion into defeating the Coalition government that there was always a danger that the organisation would fall into irrelevance once this goal was achieved.

Like Amanda Tattersall’s article ‘So where to now?’ Anne Coombs’ article records not only GetUp’s anti-coalition agenda but also its broader, partisan political raison d’etre. It says:

One of the intentions of GetUp!’s founders was to unite the—small ‘I’—liberal middle-class and working-class unionists. Somehow that does not sound very independent or non-partisan; but it does reveal the truth about how GetUp is designed to capture votes from so-called ‘liberals’ concerned about single issues and funnel them to Labor. Coombs elaborates:

Decisions about which issues Get Up! takes on are taken by a small core of staffers... The most significant feedback for Get Up! is that from people who say they have never been involved in politics before. Madden says, ‘It’s empowering for people and can lead to greater participation.

Coombs goes on:

The potential to mobilise those who have not traditionally been interested in politics was demonstrated... when Get Up! ran a strong campaign against Internet censorship. That campaign brought in tens of thousands of new members, many of them the kind of IT geeks not usually associated with progressive politics. Most have stayed on board and a significant number joined a subsequent action in support of a Human Rights Act.

Finally, Coombs admits GetUp’s recruits are politicised and enlisted as anti-coalition foot soldiers for federal election campaigns:

Signing up to an email campaign is one thing, but true political involvement means getting together with other people... Madden says this offline work was always part of the plan, ‘because people like face-to-face’. Local mobilisations were
important in the lead-up to the 2007 federal elections — particularly in John Howard’s Bennelong electorate, where Get Up! concentrated major resources and Get Up! members volunteered from far and wide.

GetUp’s 2007 federal election report indeed shows that it was able, if we are to believe them, to field up to 7,000 active volunteer campaigners during that election campaign. It fielded a similar number in 2010, concentrating its activities in marginal seats. GetUp’s dodgy vote generator in 2007 and similarly notorious and spurious scorecard in 2010 also advocated voting for the Greens and Labor.

Together, Tattersall and Coombs’s candid statements testify to GetUp’s broad and deceptive political agenda, to which its issues based campaigns are merely subordinate. This is underlined by GetUp’s own figures, which indicate that, in 2007-08, a massive 62 per cent of GetUp’s campaign expenditure was actually used for electoral purposes rather than on issue based campaigns.

GetUp’s other early board members, the internet savvy current MP Bill Shorten and Evan Thornley, testify to GetUp’s political agenda. Another early board member was Cate Faehrmann, a former staffer for Lee Rhiannon, campaign manager for the Greens on both sides of the Tasman and Greens lead Senate candidate in South Australia in 2001. Cate Faehrmann has now taken up Lee Rhiannon’s place in the New South Wales Legislative Council on behalf of the Greens, Lee Rhiannon having been elected to the Senate. Here we see more evidence not only of GetUp’s deceptive broader anti-coalition agenda but also the clear political leanings of its founders and directors towards Labor and the Greens. Looking at GetUp’s staff at the 2010 election, pictured on the GetUp website, the majority giving the clenched-fist salute, we see yet another indication of GetUp’s ‘independence’ and ‘non-partisanship’.

I wish to return to some aspects of the theory of internet campaigning and the principle that this form of campaigning is concerned not so much with ideological inconsistencies as with pushing in the broad direction desired. In the lead-up to and throughout the recent election campaign GetUp said that it was campaigning on the issues of climate change, refugees and mental health. But, in August, GetUp ran a personal-attack advertisement featuring out-of-context quotes saying its aim was to ‘examine Tony Abbott’s ultra-conservative views on key issues in these last crucial weeks of the election’ — hardly what one would expect of a so-called independent, non-partisan organisation which, despite airing an ad mildly mocking Ms Gillard, never once lampooned or criticised Greens Leader Bob Brown.

On Sunday it emerged that the CFMEU donated over $1.1 million to GetUp to run the anti-Tony-Abbott advertisement. GetUp is now in damage control on this issue and has had to poll its members — by means of a loaded survey — about whether they support this sort of donation. I would like to know whether GetUp discussed the timing and co-ordination of their advertisements with the Labor Party or the CFMEU.

Aware that their activities have been referred to the AEC, GetUp is now claiming to support the coalition’s proposals for mental health. Earlier this month GetUp said that for the first time its members would be emailing, calling and faxing Greens MPs trying to get them to be ‘more pragmatic’ and support the Liberal-Nationals plan. Of course, during the federal election GetUp claimed it was campaigning on mental health, but its spurious scorecard ranked our mental health policy as equal to that of the Greens and introduced two new criteria by which they were able to
downgrade the coalition on health compared to the Greens and Labor.

So I say to members of GetUp and to anyone who may be attracted by a particular campaign GetUp is appearing to champion: don’t be duped. As in all transactions on the internet, you should be very careful who you are dealing with and what their real agenda is. GetUp is not so much interested in your issue as in grooming you into voting and working for Labor and the Greens. I hope to receive more messages of support from GetUp members like the one I received yesterday in response to GetUp’s online campaign:

... thank you for adding some scrutiny to this new, popular, emerging organisation. Keep the scrutiny going. I have supported some initiatives by them however I was unaware of the nature of the organisation …

On 6 September I referred a precis of a speech I made on GetUp to the Australian Electoral Commission with a request to re-examine the issue of whether GetUp should be deemed an ‘associated entity’ under the Commonwealth Electoral Act. The AEC has responded that the information being in this form does not constitute admissible evidence and that there is still no available evidence showing that GetUp meets the definition of an ‘associated entity’. Accordingly, I am preparing a submission to the AEC outlining the detailed case for GetUp to be considered an ‘associated entity’ under the Commonwealth Electoral Act and also examining other options to force GetUp to come clean with its members and the Australian public.

In short, the criticism is not what they do but how they seek to portray what they do. In a free democracy such as Australia’s, of course, any organisation should be free to speak and advocate as they want. But, when they are so clearly and extremely left-wing, to try to portray themselves as simply issues based—they are anything but—is a deception of the Australian people against which the Australian people need to be protected.

OzHelp Foundation

Senator MOORE (Queensland) (1.15 pm)—The OzHelp Foundation was developed within the construction industry about five or six years ago, originally in the ACT. They were shaken by the tragic suicides of three apprentices within a very short time. The mother of one of these apprentices persistently lobbied the industry for some action to address the suicide problems and to prevent further deaths. This issue was not unknown within industry. Through the various super funds that operate as a joint industry-union arrangement throughout the construction industry, people had been working with families who had suffered bereavement over many years and had seen that there was a growing rate of concern about the issues of suicide in this industry.

The statistics back up this concern. Recent stats, and I think these are from about 12 months ago, indicate that suicide mortality rates from the construction industry are around 75 per cent higher than the standard Australian male rates. That is a horrific statistic. According to internal figures from Cbus, which is the construction and building industry super fund, from 1998 to 2004 the rate of possible suicides among their membership is 43 per 100,000. I use the adjective ‘possible’ because of the ongoing discussion we have about how suicide statistics are collected within this area. The stats that the industry funds are putting out there indicate that these are cases where, in discussion with families, it could well be indicated that the reason for death was suicide.

These figures were so concerning, and they stacked up consistently across the industry, that something needed to be done and the OzHelp organisation was formed. It has a
vision. I am always worried about visions, but this vision says:

To provide an early intervention work based suicide prevention and social capacity building program, that has a vision for resilient and resourceful apprentices and workers, confidently facing life’s challenges and that provides measurable benefits for the participants and industry.

One of the truly impressive aspects of the OzHelp Foundation is that it is a co-operative. It has a range of participants that engage with the construction industry. The unions are very strongly involved, the super funds are very strongly involved and building companies have been involved from the start and understand the importance of maintaining health and strong social engagement among their workers. These people were all shocked by the statistics, which I have mentioned, and the persistent lobbying of a family who had been bereaved. Out of this process, the ACT has developed the OzHelp program.

I have met with the OzHelp people in the ACT, but most of my knowledge comes from the OzHelp Foundation in Queensland. I have been happy to know many of the people involved in this program for many years, and I will talk about the work they do. There are three key projects that are run in Queensland under the OzHelp guidelines: Mates in Construction—MIC—the Life Skills Tool Box and a program called Staying Connected.

The Mates in Construction project focuses on visiting workplaces. People are not being taken away from their workplaces; they can talk there on the job. A number of volunteers are trained very well about how to become aware of the issues and what their roles are. These people are called connectors. I did speak with some people in the ETU and they told me that they had no involvement in this particular title and that the idea of connecting means people will connect with each other.
and be able to share experiences and offer support.

In the OzHelp program people do not pick up individual aspects of the program; they engage in the full training. There is a general awareness training component, which takes about 45 minutes and is conducted on site. It deals with suicide as an issue within the industry and the kinds of tip-over points that can cause someone to go from being unwell or upset to being in danger—some of the warning signs that you might be able to identify in yourself but also in your mate. People become more aware of some of the warning signs of behaviour so that perhaps in a friendship arrangement they can tell someone, ‘Hey, maybe you want to have a chat with someone.’ Once again, it is not intruding from outside but using people’s own knowledge and respect to talk about a really important issue.

All workers at a particular site, once it has been identified as a site that is engaging in the program, should receive the training. What we are trying to do is maintain backup training over a period of time, because industries turn staff over quite rapidly. What we have found in talking with people who are engaged in the program is that once the program is in place people have a sense of ownership and pride in it and want to maintain it. That is the key issue: when people own a project and want to continue making it operate.

The connector training is about a four-hour course. Those people then have the sense and the confidence that they can have this role in the workplace and actually get to have more knowledge if they wish to. We also have the understanding that the standard provisions that are available within other agencies are also known so that people can have an effective referral processes.

One of the things that people talk about is whether blokes are prepared to ask for help, and certainly one of the links that has been made in the Queensland OzHelp process is with the existing mental health services in the state—in fact on their board they have a representative from state mental health—and also with the key research areas. Professor Graham Martin, Professor of Child and Adolescent Psychiatry at the University of Queensland, well known for his work across a range of areas, is also on the board. Once again, it keeps these networks alive. Graham Martin has said:

A common misconception is that ‘blokes’ will not access help, but MiC has already undermined this idea.

I also have a quote here from one of the delegates who has done the connector training. Dean from the BLF said:

So you come back on a one-to-one basis and nine times out of 10 in that one-on-one you get them to open up and then you know straightaway that it is just you and him talking. Make the phone call, put in the right people and two weeks later—not even that, probably a couple of days later—they come back and say, ‘Thanks, it’s exactly what I needed.’

That reinforces the need for people to have the training and the confidence, but it also means you have to know other places to which you can turn for help.

The process around OzHelp is certainly one that indicates that the awareness situation is very important in ensuring that people are prepared to talk about issues about which they are concerned and are causing them stress. The impetus for starting this in the first place was deaths of young people—apprentices. One of the concerns was that kids did not know where to turn for help and also this idea that strong people do not need to. That is all so wrong. The Mates in Construction program proves that you can have an ability to talk together and share experi-
ence and know when your role ceases and when you need to hand on to someone else.

A really good friend of mine works with OzHelp in Queensland. His name is Jorgen Gullestrup. He is an ex-plumber and a fairly strong and tough individual. He gave evidence to the Community Affairs References Committee suicide inquiry about the kind of work he was doing in the workplace—the kind of connections that he had made. He told a story at the hearing about working with some people who had gone to the stage of attempting suicide and the way they thought that they had no-one else to talk to. These are people that he had worked with on construction sites.

He identified one particular case in the inquiry. This person had reached the stage that he was so concerned that there was only one role that he could see in his future and that was to end it, but he knew by the connections that he had made in the MIC program that he could call someone in that group, and he did. In that way Jorgen could go to the nearest hospital with the person and sit with them while they went through the horrors of what happens in emergency wards, because it is very much the case that when someone needs treatment you need to get it quickly and you need to know that you are going to get the appropriate treatment. That does not always happen. By having the Mates in Construction program and people whom you trust to whom you can turn, that gives you the help that you need to survive the system—not only to survive the circumstances in which you find yourself, which may lead you to having thoughts about suicide, but then to survive the health system into which you are placed. If anyone gets a chance to look at the Hansard record of our Community Affairs References Committee inquiry, you can see the kinds of situations, particularly in emergency rooms, where it is most important that someone is there with you who will be able to support you through that process. This link amongst men in the workplace can provide very important element to whether you will able to be healthy into the future or not.

One of the core aspects of the OzHelp program is that it brings together people from the superannuation trusts, government and industry and also the trade union movement. This particular program grew out of the trade union movement, because they saw that their members needed help. In Queensland there is wide support from a broad spectrum of Queensland building and construction industry donors, funders and sponsors. This is not an exclusive list, but they include the Building Employees Redundancy Trust; Queensland Health, particularly the mental health area; the Building Unions Superannuation Scheme; Construction Skills Queensland; Construction and Building Industry Super; BERT Training Fund; Services Trades Industry Fund; Building Services Authority; RoadTek; Fulton Hogan Pty Ltd; NECA; the Electrical Trades Union; and the CFMEU is also strongly involved. It goes across the whole industry and it is owned by the industry.

It is important that we see where things work and where they do not. The number of evaluations of the OzHelp program shows that this model actually operates to make people safer and help them talk about their issues and maintain their health. Certainly at this stage our government has responded to the suicide inquiry by announcing a whole range of funding programs that will be operational over the next few years. I strongly hope that the OzHelp program will be able to access some of that funding, because this program gives practical assistance and, most importantly, it gives hope and it gives hope for the future.
Foreign Debt

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (1.29 pm)—I think it is very important, as we go to the Christmas break, that we are aware of some of the pertinent issues that will continue after we are no longer here, whilst we are away on holidays. I am very concerned about an issue to do with the Commonwealth Inscribed Stock Amendment Bill 2009. What is special about this bill is that it gives us the authority to borrow up to $200 billion as Australian government securities outstanding. If you go to the Australian Office of Financial Management website you will note that that information is on the front page. At the moment we are at $169.9 billion outstanding, so we have approximately $30 billion left to go. On average, since the election, we have been borrowing $1.6 billion a week. At that rate we will be up to our limit in 20 weeks, by around April next year, and we will have to come back here to pass an appropriations bill to give us the ability to go even further into debt.

So often we just let this roll on. As an accountant, it concerns me. It concerns me when the client is not aware of where they are off to and where this is heading or what happens next. We just cannot go on borrowing money like this. I want to inform the Senate of exactly where this is up to. In January 2010 we borrowed in excess of $2 billion; in February it was $5½ billion; in March it was $6.8 billion; in April it was $5.65 billion; and in May we borrowed a further $5.5 billion. In August it was about line ball; we did not borrow much more. But then in September we borrowed in excess of $10 billion extra. There will come a point when we have to repay this money. There has to come a point when we actually have to pay back people in the Middle East and China and everywhere else that we have borrowed this money from.

We have to realise the sort of global environment that we are going to be repaying this money into. I was interested to read an article by Herman Van Rompuy, the EU President, talking about the EU. He said that, by reason of the financial issues that are going on there at the moment, the EU is in ‘survival crisis’ mode. The Congressional Oversight Panel says that the US financial system is still in a precarious place. These are things that are not resolved by building school halls or by putting insulation into the roof. Our role is to make sure that we are in a strong financial position. We are not in a strong financial position when we just continue to borrow money, thinking that somehow, miraculously, a point in time will come when we will be able to pay it back. If there is nothing that has structurally changed in a business enterprise then there will be continual structural deficit. It will continue to go into debt. It will go further and further into debt and then the premium that it pays for the money will go up. You put yourself in a precarious position in that situation. We in this chamber should be very aware of that and we should be doing everything in our power to try to turn the situation around.

These costs filter through to every aspect of commerce. We have to be absolutely aware, when we hear discussions about net debt, that people really struggle—in fact, they fail completely—to explain how you get from gross back to net. They fail to explain exactly what you are taking out of the gross figure to get back to the net figure and what it is that you are apparently going to look for to net your debt off. We put a question on notice about this to Treasury at Senate estimates months ago. It has never been answered. When they were netting off and going back from the gross to the net figure, they had $75 billion nominated as ‘other’. On behalf of everybody in the chamber and everybody listening, I think that people want
to know what that $75 billion worth of ‘other’ is. We have never had a reply. No-one has ever written back to us and told us what makes up that $75 billion. It is way past the time when we expected to get the reply from Treasury. It has just never turned up.

I do know that in the MYEFO figures that $75 billion of ‘other’ has now become $72 billion of ‘other’, but we are still not quite sure what that ‘other’ is. I was always kind of surprised that the media never picked this up and pursued it. I am sure there are a lot of people out there who want to know what this ‘other’ is. If you cannot explain it, I will tell you what it becomes. It becomes other debt that you have to pay off. That is not included in the gross figure, and that is why I always refer to the gross figure. I refer to the gross figure because if people cannot explain to me what ‘other’ is then I am not going to start talking about a net figure. You can only rely on funds that are easily and clearly accessible to pay back a gross amount if you want to net it off. As you well know, Acting Deputy President Barnett, if you go to your bank manager, he is not interested in what you perceive to be the amounts owed to you by other people; he is very interested in what is actually written in ink on the statement. That is the money that he expects you to repay.

At this point in time, right now, as I speak, we owe the world, federally, $169.9 billion. The states, on top of that and away from that, are heading towards $240 billion of debt. There is going to come a time when the bigger the debt is the more pain there is in paying it off. Why that is important at the moment is that we are already seeing quite a substantial amount of pain out there in the community. It is not going to be resolved by a new position on euthanasia, it is not going to be resolved by a new position on whales and it is not going to be resolved by a new position on gay marriage. It is going to be resolved by dealing with the fundamentals and the basics of life, such as the price of electricity, the price of food and the price of fuel. I was startled when, in speaking to my mother-in-law the other day, she explained to me that, while delivering meals on wheels during winter in areas such as New England, quite often she will find pensioners in bed. This is not by reason of infirmity; they are in bed because they cannot afford the power.

This is disgusting in a country that has the abundance of coal that we do. It is disgusting in a nation such as Australia that we export coal to South Korea for the South Koreans to burn in power stations and that the South Koreans get power cheaper than we do. We have become fundamentally dysfunctional in where this nation is heading in the delivery of basic utilities.

State governments, by reason of their ineptitude and possibly a lack of funds, have been stripping the money out of utilities such as electricity, trying to grab a dividend to fill up their coffers. That dividend is then being paid by the person who has the power point in their house; they are having to cop the bill. So there is a definite connection between bad management and the price of power as the state governments reach into utilities to grab money out of them to prop themselves up because they have not managed to get on top of their own books. Now we are seeing this develop federally, no matter what you hear about prospective surpluses two or three years down the track.

What is actually happening week by week is that our position is getting worse. We must do something about it. If we do not, we are not going to be in the position we were in when we had the capacity to sell substantial assets. We are going to have to recover this debt by a massive change in the structural positioning of revenues and expenses.

If it is not the price of electricity people are trying to deal with, it is the price of food.
Even today I am finding that the price of electricity in the production of horticulture has gone up. It filters through to the price of food. The price of fuel is staying up. That filters through to the price of groceries. The price of water has gone up. Electricity has gone up by 42 per cent since 2007. Water prices have gone up by 45 per cent since 2007. After inflation, water and electricity prices are going up by 10 per cent a year.

If we brought in a carbon tax, it would be something that would be well engaged in by those who could afford it and well debated about by fine people over fine dining. But it would be an extremely cruel blow for the people who currently cannot afford their power, food and the basics, such as staying warm in winter and being able to cool down in summer. You have to remember that the pensioner who stays in their bed in winter because they cannot afford the power bill is also the one who cannot afford to cool their house in summer.

This is what we as a nation should be concentrating on over Christmas, having a mind to those on the edges and to legislation that we bring through here that helps them. It is completely wrong and mischievous for Mr Swan stand up and say that he is going to help the pensioners deal with the price of power by moving towards a carbon tax. That is not going to help anybody. He says that it will remove uncertainty. The only uncertainty it removes is that it makes it absolutely certain that power will get dearer. That is the only thing that is going to be certain.

If we want to do something positive for the Australian people before Christmas, we should be concentrating on how we reduce the price of power, how we reduce the price of water and how we make sure that food is affordable for people who are struggling with the price of food in the shopping trolley. We should be concentrating on how we stop borrowing so much money; how we start to turn that around; how we deal with the fact that, if we can structurally start to turn the tide on the amount of money we are borrowing, we will make things easier for ourselves on either side of this chamber in the future. We have to do it now; we cannot just believe that some sort of divine spirit will somehow descend on the place in two or three years time and make things better.

It is also important for people, when they have discussions about surpluses—I hear this over and over again—to understand that a surplus does not mean you have repaid your debt. A surplus means that you have got money available to pay your debt. So often people shine a light on the word ‘surplus’, and out there people think that that means the debt has gone. If we have got a debt in excess of $200 billion—and we will have by about April of next year—we will know about it because we will all be back in this chamber debating it. A billion dollar surplus means that we are going to have to be around for 200 years to try and bring that money back in. I am not trying to gild the lily. Gross debt when the coalition left government was around $58.8 billion. Now is just racing ahead.

If there is one thing I think the Australian people should be aware of over the Christmas break it is that we have to try and get the fundamentals right in this parliament. We cannot have months where we are borrowing up to $10 billion. We cannot be borrowing on average $1.6 billion a week, as we have been in the 12 weeks since the election. We cannot do it. If you believe that you can borrow $1.6 billion a week, week on week, then you must believe that at some point in the future you have the capacity to repay $1.6 billion a week, week on week. That is going to be a mighty fine trick, because the money that you get to repay it with is the money that is left over after you have paid for everything
else. It is the money that is there by reason of tax revenues.

For tax revenues to be there, you must have a profit in the economy, and for there to be a profit in the economy you only create the tax rate on your net profit; it is not a tax on your gross. You are going to be looking for that profit in the economy when you have got statements by people such as European Union president Herman Van Rompuy saying the Euro zone was in ‘survival crisis’—his words—when you have got the Congressional Oversight Panel saying that the US is still in a precarious place and when inflation is starting to break out in China and China is trying to reel in inflation. You walk into that process with that massive debt and with unknown circumstances in the future and you believe you can repay it when you have a period of benevolence with record commodity prices, which is why you should be getting on top of everything now. It is when the going is good that you should be on top of everything. You should not be hoping, praying and delivering promises that, at some time over which you have no control and when things might be worse, you can make things better.

Mining

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (1.44 pm)—I will ask Treasury when I see them this afternoon whether it is the case that nothing is being paid back on these borrowings given at a weekly rate by the honourable senator. I think we will find that that is not the case.

I want to talk about the Wandoan coalmine in Senator Joyce’s home state of Queensland. This mine was ostensively given the tick-off by the Bligh government in Brisbane last week. It has been proposed by Xstrata. It is being done against a backdrop in which the Greens have an agreement with the Gillard government for a carbon price committee which will over the coming months be looking at where a carbon price should be set in Australia and through what mechanism it should be set in order to reduce the greenhouse gas pollution in the atmosphere. You will recall, Mr Acting Deputy President Barnett, that you were part of the coalition when it went into an agreement with the Rudd government last year, and that agreement was to reduce greenhouse gas emissions by five per cent by 2020. The price tag put on that was compensation of $20 billion to the polluters from taxpayers, so we were going to pay $20 billion to reduce greenhouse gas emissions by five per cent.

Xstrata in Queensland will build this coalmine, which so far as I can ascertain—and the government has no information to the contrary—will be the world’s biggest open-cut coalmine. With transport facilities et cetera it will be 11,000 hectares in extent, next to the village of Wandoan on the northern Darling Downs. Out of the pit will come 30 megatonnes a year of coal, or 22.5 if it is dried, to be exported and burnt elsewhere in the world. But it does not matter, because we have the same atmosphere; we are all sharing that. Whether carbon comes out of Peru, Lithuania, Australia or Kazakhstan does not make any difference; it is the same impact on the atmosphere. When you do a back-of-envelope assessment of the impact of this one Xstrata coalmine in Queensland, you find that it will increase the impact of Australia’s greenhouse gas emissions—and we are already the worst polluter per capita of all the developed countries in the world—by the equivalent of 10 per cent.

We had the two big parties agreeing to reduce our greenhouse gas emissions by 2020 for $20 billion just a year ago. Here we have a coalmine which is going to increase our greenhouse gas emissions overall—this is
not the way carbon accounting is done, but it is the reality—by 10 per cent, and Xstrata will be wanting public funding to help it get its coal to the seashore for export to be burnt and to damage our future economic and environmental prospects. I ask: what madness is this? James Hansen, the chief scientist for NASA in the United States, who drew the impact of climate change so clearly to congress’s attention in 1988, describes as criminals people who open coalmines like this and transport the coal to be burnt. I ask: what sort of craziness is in the air? I will ask to see Xstrata to hear from them what they have to say about all this.

I am told also that Wandoan is not a one-off; there are two similar coalmines coming down the line. The good folk at Felton, to the south of Toowoomba on the Darling Downs—I notice that Senator Joyce has now left the chamber—have a great farming community there. I visited them earlier this year. They are faced with another massive open-cut coalmine, although this one is, in its first iteration, only 900 hectares. But, as I have told the chamber before, that will swallow up farmlands, the creek at the bottom of the vale, which has platypuses in it, and the local hillside, which has an Aboriginal bora ring on it. They are going to put there a petrochemical works which is a bit short of water. So, to supply themselves with water, the purveyors of this particular mine say they are going to pump it uphill from Brisbane, where we have just had such exigencies in availability of water that the Bligh government wanted to dam the Mary River and put 1,100 farms out of action further north near Gympie. I ask again: what craziness is this?

I spoke at a public meeting in Brisbane on Sunday, and Drew Hutton, who is campaigning on this issue, also spoke there, as well as representatives of a marvellous group of young people called Six Degrees. I guess we have the old asseveration about six degrees of separation, but what I think they are really talking about is that, given current scientific data, what might happen if we do not control this phenomenon of climate change is that we might be six degrees warmer by the end of this century. That is at the upper end; we always talk about the lower end because it sounds better.

This morning I have been talking to Mr Enkhbat, the Green MP from Ulaanbaatar, the capital of Mongolia. There is a Mongolian delegation in Canberra at the moment. He tells me that because they are at high altitude and—

**Senator McGauran**—A Green from Mongolia! Are you sure?

**Senator Sherry**—Julian, you are getting scatty in your senior years!

**Senator BOB BROWN**—We get an interjection from the quite uninformed senator-for-a-short-time-yet from Victoria on the opposition benches that it cannot be that there is a Green MP from Mongolia. Catch up, sir. It is the case, and he is a very erudite, dignified and informed man who helped to set up the IT industry in Mongolia, amongst other things. He tells me that that country is suffering an average rise in temperature of two degrees since records began at the start of last century. It is having a huge impact. Everybody in that country, like this country, is talking about climate change.

I return to this extraordinary situation in Australia where we have Xstrata with its Wandoan coalmine wanting to do—if we take the raw figures I have given to the chamber—$40 billion worth of damage to this nation’s future through one coalmine. That ought to be—and must be, I would think—rejected out of hand by the Minister for Sustainability, Environment, Water, Population and Communities, Mr Tony Burke, or by his fellow ministers when it comes to national consideration of this out-
ragement proposal which will also compro-
mise a third of producing farmlands in the
Darling Downs.

Mr Acting Deputy President Barnett, in
our home state there is currently a move for a
wood agreement. It is not a wood supply
agreement—that was part of the mistakes of
the past—but an agreement to end logging in
high conservation value forests. However,
last week I flew over the western end of the
Wellington Range, which connects Mount
Wellington above Hobart city—that great
and beautiful mountain that we all look to in
Hobart every morning to see how things are
going: to see whether there is snow up there,
whether the clouds are around it or whether
the rainbows are bringing us rain from the
west—

Senator Chris Evans—But it is cold
whatever!

Senator BOB BROWN—And it is
cold—it is fabulously cold. Anybody who
has not experienced the top of Mount Wel-
lington has not experienced weather.

On the ridge that runs from Mount Wel-
lington to the even loftier Snowy Range to
the west is the great potential for a walking
way from Hobart to the central wilds of
Tasmania, including the tallest flowering
forests on earth. However, despite a potential
agreement there are massive clear fells in
that country. There is a community group at
the moment trying to stop further destruction
of these great forests of highland Tasmania.
It is for nothing; the native forest industry is
on its knees and has asked the environment
movement to help it to get through. Again, I
put to Mr Tony Burke that he should require
that moratorium on such important places to
be brought forward for the alternative values
of inspiration and education—and, of course,
for great economic value to the tourism and
recreation industries and as a backdrop for
Tasmania’s international reputation. This
destruction should stop immediately.

I am told by a local conservationist that,
as we sit, here a new road—and this will in-
volve a large amount of public money—is
being driven into the Styx Valley. If this
wood supply agreement is going to mean
anything, then that is money that is totally
wasted. It is being hosed up against the wall
and it is high time that the Tasmanian au-
thorities looked at that waste, because there
is going to be a request for public money to
ensure that the agreement signed between the
industry and environmentalists bears fruit.
That means good management and an end to
this sort of destruction.

I flew across the south coast of Tasmania
with a Channel 7 film crew a week ago and
there is a massive clear-fell this year. This is
where in 1793 the great French botanist, La-
billardiere, slept out with his fellow French
bushwalkers—this was before British colo-
nialisation—and wrote in his diary about the
wonder of these magnificent forests in which
the sound of an axe had never been heard.
There has not just been an axe there; there
have been bulldozers and massive chainsaw
clear-felling and cable logging, and next will
be firebombing with napalm on this magnifi-
cent precinct, all for an industry which can-
not make ends meet and which is still subject
to great public subsidy. Again, what failure
of management and good governance is this?
What failure of imagination about the future?
The Greens will continue to campaign to put
an end to that, and I might add that they will
try to enlighten a future government in Vic-
toria about the ongoing destruction of the
great forests of the central highlands and
East Gippsland in that state.

I was in Bendigo last Friday and people
there are trying to protect their local wood-
lands, which have a great range of rare and
endangered species. You have to take your
that off to them, but also wonder why it is that governments are so remiss and that this destruction of native forests is continuing here at the start of the second decade in the 21st century. This great country can do better than that. We can catch up with Thailand and New Zealand by putting an end to the destruction of native forests, and we must do it soon. I am looking forward to hear from this Gillard government and from the minister, Tony Burke, about progress in putting an end to the catastrophic logging of Australian forests and woodlands, which itself produces 15 to 25 per cent of the greenhouse gas emissions out of this country, unnecessarily and at great threat to the future of the economy as well as the environment of 23 million Australians.

The President—Order! The time for the debate has expired.

Royal Engagement

Senator Abetz (Tasmania) (2.00 pm)—by leave—On behalf of Her Majesty’s loyal opposition, I congratulate His Royal Highness Prince William of Wales and Miss Catherine Middleton on their engagement, noting that Prince William is second in line to the throne. The opposition wishes Prince William and Miss Middleton happiness and health in their future lives together.

Distinguished Visitors

The President—I acknowledge the presence in the chamber of former senator Margaret Reynolds. I welcome you to the Senate at question time.

Honourable senators—Hear, hear!

Royal Engagement

Senator Bob Brown (Tasmania—Leader of the Australian Greens) (2.01 pm)—by leave—I would like to add my own congratulations and that of many other people in this chamber to the royal couple and wish them great happiness and great success into the future. I did notice the news report which referred to them as ‘the British royal couple’, and that speaks very loudly of itself. I hope that very early in the period of their married life that we in Australia find an Australian head of state who can greet them in this country as heads of the United Kingdom.

Senator Chris Evans (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations) (2.02 pm)—by leave—On behalf of government senators, and like all senators, I wish Prince William and his fiancee all the best for their marriage and a long-term, happy relationship. I say that as a Welshman who has had trouble in the past in wishing British royalty good luck, but it is obviously a very happy occasion for them and I am sure all senators are pleased for them.

Senator Joyce (Queensland—Leader of the Nationals in the Senate) (2.03 pm)—by leave—Knowing that many of my constituents think that this is a great occasion, I wish the happy couple all the best. I would not have their jobs for all the tea in China; the thought of living the rest of your life in a human goldfish bowl just does not appeal to me. But I do think that their representation in the Australian context in that we have a stable constitution that has provided the freedom of democracy that we all experience and enjoy is something quite worthy and admirable and is to be protected.

Senator Fielding (Victoria—Leader of the Family First Party) (2.03 pm)—by leave—I also join with the remarks of the government and the opposition in regard to the good news of the marriage of Prince William and his fiancee, and I wish them all the very best.

Questions Without Notice

Innovation

Senator Ronaldson (2.04 pm)—My question is to the Minister for Innovation,
Industry, Science and Research, Senator Carr, and I will go through it slowly so he can find his brief. Does the minister recall, when announcing the government’s Review of the National Innovation System by an expert panel in January 2008, saying: 

… to fulfil our potential we must embrace innovation.

Does he also recall saying that the panel chair, CSIRO director Dr Terry Cutler, is: 

… a highly regarded expert on innovation and industry policy.

Further, does he also recall saying on releasing an innovation review paper in September 2008—that is over two years ago:

I want to thank Dr Cutler … The report provides clear direction for action.

Senator CARR—I do recall saying those things, and I also recall that the government brought down a white paper entitled Powering ideas: an innovation agenda for the 21st century, which outlined the largest increase in expenditure in science and research on record. I recall that we brought down a program of measures which actually made up for the extraordinary neglect that we had seen under the Howard government in regard to innovation, science research and industry policy. Dr Cutler, along with a panel of experts, produced a report for us that was able to provide advice to us on a range of matters, including support for the research and development taxation credit, a measure which I understand is to be discussed in the House of Representatives if not today, very shortly. It is a measure which will produce results that will double the level of support for small business and increase by one-third the level of support for large business for research and development, a measure which the opposition is opposing. Like so many other parts of our innovation agenda, the opposition has opposed it because the opposition is essentially made up of people who do not want to support an innovative Australia and who do not want to support the substantive transformational change that is required if we are to bring forward this country, to ensure that we are to maintain living standards and to ensure that Australia remains at the top of the game rather than at the bottom. Our approach is essentially all about that—making sure that Australia is able to go to the top in terms of value adding rather than going to the bottom as occurred under the coalition’s policies. (Time expired)

Senator RONALDSON—I thank the minister for the spin. We might get back to the substance. Mr President, I ask a supplementary question. Can the minister now tell me how he responds to Dr Cutler’s scathing assessment that a ‘dismal silence’ now surrounds the Gillard government’s approach and ‘dust accumulates’ on his review report; that ‘good policy design has remained more observed in the preaching than the practice’; that the government’s attitude to R&D policy resembles ‘disembodied theory’— (Time expired)

Senator CARR—There was no question there, but I understand the intent of the senator’s remarks. It goes to the issue of the disembowelment of research and development in this country. The only people who are in the business of disembowelling research and development in this country are those in the coalition. It is the coalition that is opposing our research and development tax initiatives. It is the coalition that is opposing the measures we are taking to actually double the level of support for small and medium sized business in this country. It is the coalition that has rejected, sight unseen, legislation that would ensure that large businesses had increases of one-third in their support. It is the coalition that has not offered one constructive suggestion about how we can improve our innovation efforts in this country. In fact, what we have seen is a coalition de-
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termined to oppose for opposition’s sake. (Time expired)

Senator RONALDSON—Mr President, I ask a further supplementary question. Is it the case that, while Dr Cutler’s 2008 report provided ‘clear direction for action’, you, Minister, and your government have completely and utterly lost your way, you have no agenda and you have completely lost the plot in relation to good policy?

Senator CARR—The government’s white paper Powering ideas: an innovation agenda for the 21st century—a paper which, I would suggest to you, Senator, it would also be helpful that, if you ask a question like this, you actually read—outlined quite an extraordinary array of measures: the largest innovation agenda this country has seen since records began. We have of course seen no action from the opposition on these things. We have an opposition spokesperson on innovation who does not understand the meaning of the word and has made no effort whatsoever to get her head around the issues involved with this portfolio. In fact, what we see from the opposition is opposition for opposition’s sake—a Leader of the Opposition who has opposed everything, supports nothing and is in a state of despair since he lost the last election.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from Mongolia led by Mr Nyamaa Enkbold, Deputy Chairman of the Parliament. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Tourism

Senator FURNER (2.10 pm)—My question is to Senator Sherry, the Minister for Small Business and Minister Assisting the Minister for Tourism. Can the minister outline to the Senate the importance of the tourism industry to the Australian economy as a whole? How important is the industry to regional Australia and the small business sector? Is there new analysis of the industry available to help chart its future growth?

Senator SHERRY—This is an important and timely question. Just this week the Minister for Tourism, Mr Ferguson, officially opened the first-ever Tourism Directions Conference here in Parliament House. As minister assisting I also released at the conference the first state of the industry report. There are many positive indicators in the report at what I would have to acknowledge is a difficult time with challenges for the tourism industry. In the face of the global recession, where we saw global international tourism drop by approximately four per cent, the total number of visitors to Australia in 2009 remained unchanged at 5.6 million visitors spending some $23 billion. Tourism contributes some $33 billion to the Australian gross domestic product. It directly employs half a million people. It is Australia’s largest service export industry, representing eight per cent of Australian exports. Forty-six cents in the dollar of tourism is spent in regional Australia, so it is very important from a regional perspective and also for small business. Small businesses make up some 90 per cent of the tourism sector.

In the context of regional benefits, a further benefit is that many overseas visitors commonly known as backpackers fill gaps in the employment market that would otherwise be hard to fill in our low-unemployment environment. They extend their stay in regional
Australia and work in industries such as fruit picking and meat processing. What is not commonly known is that backpackers are amongst the higher per capita spenders of the visitors who come to Australia. They spend some $5,753 each, so the money that they earn in our economy is returned to the economy. *(Time expired)*

**Senator Furner**—Mr President, I ask a supplementary question. Can the minister outline to the Senate the challenges facing the tourism industry in both domestic and export terms?

**Senator Sherry**—Yes. I have referred to challenges. There is no doubt there have been major shifts in the global tourism marketplace—for example, the stronger Australian dollar, the growth in aviation capacity and the operation of new, low-cost opportunities. That is increasing Australians travelling overseas. So there is fierce competition. This will only intensify, but there are some positive signs of recovery in inbound travel and in domestic tourism. In the first nine months of this year international visitor arrivals were six per cent higher than in the corresponding period in 2009, and in the first half of this year there has been a recovery in domestic tourism. I understand Terri, Bindi and Robert Irwin from the Australia Zoo in Queensland are in the Senate gallery today, and I would like to welcome them. I would also like to acknowledge their positive promotion of Australia and, particularly, Australia’s tourism product. *(Time expired)*

**Senator Furner**—Mr President, I ask a further supplementary question. Can the minister inform the Senate what the government is doing to help the tourism industry meet the challenges it faces?

**Senator Sherry**—The government has both immediate and long-term strategies to help support the industry. The agenda is set out in the national long-term tourism strategy work program. In very brief summary it focuses on reforms to improve productivity, remove unnecessary or duplicated regulation, assist in labour force planning in the sector, encourage investment in areas such as hotels-motels and conference centres and lift general quality standards. We are also encouraging Australians to holiday at home with the No Leave, No Life campaign, which aims to get workers to use their leave and take a short break in Australia. As I am sure everyone is aware, Tourism Australia has successfully secured a visit by Oprah Winfrey, which will include the filming of at least two of her episodes in Australia. That is a first; she has not produced a program outside the United States. This is a great coup. *(Time expired)*

**Computers in Schools Program**

**Senator Mason** (2.15 pm)—My question is to the Minister representing the Minister for School Education, Early Childhood and Youth, Senator Evans. Noting that this week marks three years since Kevin Rudd’s computers in schools announcement, can the minister confirm that in these past three years not one of the promised computers has been connected by the federal government to the fast, up to 100-megabits-per-second fibre broadband, as also promised by Mr Rudd at the time of the 2007 election?

**Senator Chris Evans**—I thank Senator Mason for the question. I enjoyed his interview in the *Australian* today. There was a very nice photo, but I thought he was a bit harsh about former Prime Minister Howard, if accurate. It would have been useful for Senator Mason to have started with the great success of the rollout of the computers in schools program, the fact that the program is delivering computers to schools in accordance with the government’s commitment and that many children are already accessing those computers and using them in their...
schooling. The rollout is continuing apace and the government is on track to meet its commitments for the provision of computers in schools. So the characterisation you seek to put by trying to focus on the connection issues, I think, seeks to misrepresent the great success of the program. I think it is about time the opposition recognised the success of many of these programs in lifting the education standards of Australia and giving children greater opportunity. Senator Mason had the opportunity to take us through this in estimates, and he did in part. He has those statistics available to him, and what they will tell him is that the program for the rollout of computers in schools is proceeding apace and that many have already been installed, with the rest progressing. Whenever I go to schools the feedback is that they have been a tremendous resource and are proving education—

Senator Mason—Mr President, on a point of order: with the greatest respect, the minister has not answered the question. It is quite specific. It relates to how many computers have been connected by the federal government to fast broadband. He has not addressed that.

The PRESIDENT—Senator Evans, you have 13 seconds remaining to address the question that has been asked.

Senator CHRIS EVANS—As Senator Mason would be aware, the rollout of the broadband network has commenced. Senator Conroy has answered many questions about the extent and the availability of that in Australia, about the priority areas and how we are seeking to provide broadband services to all communities in Australia to provide support for families, businesses and education providers. As I said, I think the key point to make is that the government has indicated it will provide funding for over 788,000 computers. We are on track with the purchasing and installation of those, with 44 per cent of those already installed. As I said, the rollout of the NBN will obviously provide support for providing the functions that the senator refers to. (Time expired)

Senator MASON—Mr President, I ask a further supplementary question. Having already broken one-half of their crucial election promise, can the minister explain to almost half a million Australian students why, three years into the program, they still do not have their laptops? Can the minister guarantee that all the remaining computers will be delivered and connected to fast fibre broadband by December 2011?

Senator CHRIS EVANS—Senator Mason, I think if you had listened to the two answers I have already given you would have got that answer. I made it very clear that the fund is designed to reach a computer-to-student ratio of one-to-one for years 9 to 12 by the end of 2011. I indicated to you that already 345,000 or 44 per cent of the target set by the government. (Time expired)

Senator MASON—Mr President, I ask a direct supplementary question. How many computers have been connected by the federal government to the fast, up to 100-megabit-per-second fibre broadband, as promised by Mr Rudd at the time of the 2007 election?
the program and they are very grateful for the Commonwealth’s investment.

Indigenous Employment

Senator SIEWERT (2.22 pm)—My question is to the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Senator Arbib, who also happens to be the Minister for Indigenous Employment and Economic Development. I would like to draw the minister’s attention to recent reports of Aboriginal workers renovating houses under SIHIP in Central Australia. Is the minister aware of claims that CDEP participants are being used in preference to providing real jobs for Aboriginal workers and that these CDEP workers have been underpaid, some have not been paid top up or some have had diminishing rates of top up? Is it a fact that some of these workers are in fact on the BasicsCard? If the minister is aware of this, what is the government doing about addressing the problems in this key infrastructure program?

Senator ARBIB—I thank Senator Siewert for the question and also for her interest. I know it is an area of deep interest and she has worked very hard on it. SIHIP is the largest ever investment in Indigenous employment, and I have spoken about it before in question time and also before many Senate estimates hearings. It employs a large number of Indigenous Australians. There are currently 323 Indigenous employees making up over 30 per cent of the SIHIP workforce. That exceeds our Indigenous employment target by 10 per cent. These people are doing real work for real wages. Whether they are on CDEP doing work experience or receiving income support, all people working on SIHIP are paid at least award wages. I am aware of the articles that Senator Siewert is referring to. I am advised that the government will investigate any claim made that a CDEP participant is not being paid appropriately and take action as necessary. Our investigations to date indicate that CDEP participants undertaking work experience placements in SIHIP are being paid appropriately.

It is important to talk about the link between SIHIP and CDEP, because there is a great deal of work there and CDEP providers are encouraged to work with Aboriginal people to ensure that they have all the necessary skills to place people in employment with SIHIP contractors. As a supplementary measure some CDEP participants undertake work experience placements with SIHIP providers to gain valuable training and on-the-job skills. I want to make this point clear: all work performed on SIHIP is paid at least the award rate. This includes CDEP participants on work placements whether they are on CDEP wages or income support. (Time expired)

Senator SIEWERT—Mr President, I ask a supplementary question. We have had reports that in fact CDEP workers have been preferred over providing real jobs to workers. I ask that the minister also investigate that and give us a time when he will get back to us following that investigation. Could the minister please tell us what proportion of the 30 per cent are real jobs as opposed to two CDEP workers?

Senator ARBIB—I thank Senator Siewert for the question and also for her interest. I know it is an area of deep interest and she has worked very hard on it. SIHIP is the largest ever investment in Indigenous employment, and I have spoken about it before in question time and also before many Senate estimates hearings. It employs a large number of Indigenous Australians. There are currently 323 Indigenous employees making up over 30 per cent of the SIHIP workforce. That exceeds our Indigenous employment target by 10 per cent. These people are doing real work for real wages. Whether they are on CDEP doing work experience or receiving income support, all people working on SIHIP are paid at least award wages. I am aware of the articles that Senator Siewert is referring to. I am advised that the government will investigate any claim made that a CDEP participant is not being paid appropriately and take action as necessary. Our investigations to date indicate that CDEP participants undertaking work experience placements in SIHIP are being paid appropriately.

It is important to talk about the link between SIHIP and CDEP, because there is a great deal of work there and CDEP providers are encouraged to work with Aboriginal people to ensure that they have all the necessary skills to place people in employment with SIHIP contractors. As a supplementary measure some CDEP participants undertake work experience placements with SIHIP providers to gain valuable training and on-the-job skills. I want to make this point clear: all work performed on SIHIP is paid at least the award rate. This includes CDEP participants on work placements whether they are on CDEP wages or income support. (Time expired)

Senator SIEWERT—Mr President, I ask a supplementary question. We have had reports that in fact CDEP workers have been preferred over providing real jobs to workers. I ask that the minister also investigate that and give us a time when he will get back to us following that investigation. Could the minister please tell us what proportion of the 30 per cent are real jobs as opposed to two CDEP workers?

Senator ARBIB—I thank Senator Siewert for the question and also for her interest. I know it is an area of deep interest and she has worked very hard on it. SIHIP is the largest ever investment in Indigenous employment, and I have spoken about it before in question time and also before many Senate estimates hearings. It employs a large number of Indigenous Australians. There are currently 323 Indigenous employees making up over 30 per cent of the SIHIP workforce. That exceeds our Indigenous employment target by 10 per cent. These people are doing real work for real wages. Whether they are on CDEP doing work experience or receiving income support, all people working on SIHIP are paid at least award wages. I am aware of the articles that Senator Siewert is referring to. I am advised that the government will investigate any claim made that a CDEP participant is not being paid appropriately and take action as necessary. Our investigations to date indicate that CDEP participants undertaking work experience placements in SIHIP are being paid appropriately.

It is important to talk about the link between SIHIP and CDEP, because there is a great deal of work there and CDEP providers are encouraged to work with Aboriginal people to ensure that they have all the necessary skills to place people in employment with SIHIP contractors. As a supplementary measure some CDEP participants undertake work experience placements with SIHIP providers to gain valuable training and on-the-job skills. I want to make this point clear: all work performed on SIHIP is paid at least the award rate. This includes CDEP participants on work placements whether they are on CDEP wages or income support. (Time expired)
ence on those programs and that is why the government supports it. Can I also again refer the Senate to the statement I made in this chamber previously that the SIHIP program was awarded the Chairman’s award, the top award, in the Northern Land Council employers awards. That was for work that SIHIP was doing in terms of employment. (Time expired)

Senator SIEWERT—Mr President, I ask a further supplementary question. Perhaps I could try again. Is the minister able to tell us what proportion of the 30 per cent are real jobs as opposed to training positions under CDEP? Surely, the minister would be able to tell us that.

Senator ARBIB—As I have said to Senator Siewert, and I am happy to say it again, I am very happy to take that part of the question and the details of your previous question on notice and to provide you with that information. It is something that is very important, obviously, to the government. Can I also say in regard to CDEP conversions, as the Senator knows, a great deal of work is being done by the government in terms of reform of CDEP to ensure that there is a conversion from CDEP positions into government service delivery jobs. As I have told the Senate, Indigenous employment has been boosted over the past three years through the conversion of 3,779 former CDEP positions into government service delivery jobs. As I have told the Senate, Indigenous employment has been boosted over the past three years through the conversion of 3,779 former CDEP positions into government service delivery jobs. I might refer the Senate also to the Northern Territory Emergency Response report which showed that there had been an increase of 46 per cent in Indigenous employment in the last six months to June. (Time expired)

Forestry

Senator COLBECK (2.28 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. I refer to the coalition-announced, Labor-matched $20 million funding to begin a restructure of the Tasmanian forest contractors sector. Two months later forest workers are still in the dark about these funds. Last week the Tasmanian Labor Premier said, ‘I am disappointed that it has not happened as rapidly as it should have.’ Can the minister guarantee this program will be open by the end of this week and if not why not?

Senator LUDWIG—I thank the opposition for their question. Of course, the forestry industry in Australia is facing several challenges including the continuation of the fallout from the global financial crisis and the recent strength of the Australian dollar. The annual value of Australia’s forests harvesting and processing industry was valued at $7.1 billion in 2008-09 and employed more than 64,000 people. Domestic demand for structural timber products increased significantly from the previous year.

When you look at the industry occurring in Tasmania you can see the value of what is harvested from native forests across Australia. In 2008-09 it was valued at $582 million. If you then have a look at the issues that surround the Tasmanian $20 million election commitment which the government made, you can see that it was very early on in my portfolio. Within a week of my appointment I visited Tasmania to announce the $20 million promise, which was an election commitment made to the Tasmanian forest industry. In doing so, it was very important to hear from harvest contractors, the timber industry itself and the Construction, Forestry, Mining and Energy Union about the timber industry and the issues they were confronted with in the downturn of the industry in Tasmania. It was also important to look at the structure of this assistance package we could provide to the Tasmanian industry. What I have said, and what the industry expects, is that within a very short period— (Time expired)
Senator COLBECK—Mr President, I ask a supplementary question. The industry is listening and I am sure it would like to get a real answer. Can the minister confirm to the Senate whether or not the funding to be provided to Tasmanian forest contractors will be subject to GST and whether it will be treated as taxable income?

Senator LUDWIG—I thank Senator Colbeck for his question. What I am not going to do is provide in advance what the package will look like and how the package will be structured for industry assistance. In Tasmania the forest industry plus the haulage contractors have significant issues. This government is concerned about the downturn in the industry, which has created hardships.

I understand Senator Colbeck has an interest in ensuring that we do roll out the $20 million package of assistance for the haulage contractors in the forestry industry, particularly for the employees who are employed by the contractors. In addition to that, this government, as I have indicated, will be announcing the package soon, but what I am not going to provide is a pre-announcement of that package, how it will be used by industry and how it will be rolled out to industry. But I am sure that in a very short space of time that information will be available.

(Time expired)

Senator COLBECK—Mr President, I ask a further supplementary question. Can the government advise what the administration cost of the program for Tasmanian forest contractors will be and whether or not this too will be deducted from the $20 million funding announcement?

Senator LUDWIG—As I have indicated, I am not going to pre-announce how the package will be structured. What these questions do go to is how the package will be structured. What I have indicated is that the package will be provided. Industry will be aware of how the package will be rolled out in a very short space of time.

As I have indicated, those discussions with the Tasmanian forest contractors have been productive and we have continued, through my department, to meet with the forest contractors to ensure that there is good dialogue and that we do have a package that provides assistance to those industries that have been under financial stress since the downturn in the forest industry. What I would also like to go on and say is that there has been incredible cooperation from all parties to date in respect of the rollout of this package. (Time expired)

Research

Senator PRATT (2.33 pm)—My question today is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister please outline to the Senate what action the government is taking to strengthen career opportunities for our researchers and to secure top talent for Australia’s future? What is the minister doing to make sure our research sector ranks among the best in the world?

Senator CARR—I thank Senator Pratt for her question. I inform the Senate that today I announce that the government will invest more than $143 million to support 200 talented researchers through the Future Fellowships scheme. The new fellows and their universities will receive the funds they need to undertake research of the utmost importance to our nation. Their projects include new technology to tackle climate change, new initiatives to improve Indigenous health and new ways of coping with the effects of drought. This is a testament to the value of our investments in the Australian research sector.

The Labor government established the Future Fellowships scheme to remedy the neglect of the former Howard government—
neglect Senator Mason has so aptly identified in this morning’s Australian. It was a bleak time—Senator Mason, I think you would agree—under John Howard for Australians who were undertaking research careers because, once they completed their PhDs and their postdoctorates, they had nowhere to go. I think you will acknowledge also, Senator Mason, that the reforms that the Labor government introduced were overdue.

We have allocated $844 million over five years to support 1,000 leading mid-career researchers through the Future Fellowships scheme. We understand that a world-class research sector needs a world-class research workforce to sustain it. A world-class research sector is vital for boosting our productivity, for protecting our environment and for improving the lives of all Australians. That is why we are fostering the next generation of researchers, that is why we are doubling the number of Australian postgraduate awards, that is why we are increasing stipends by 10 per cent and that is why we have created the Super Science Fellowships for early career researchers. (Time expired)

Senator PRATT—Mr President, I ask a supplementary question. Can the minister please outline to the Senate what action the government is taking to address the neglect of research in previous years?

Senator CARR—I know that Senator Mason would be embarrassed for me to acknowledge that he is an unusual Liberal. Firstly, he is unusual in the fact that he is a decent man. Secondly, he reads; he is a Liberal that reads. He even reads books. He has shown remarkable insights into the failures of John Howard. We understood the thrust of what he was saying. That is why we increased support for research and innovation by 34 per cent. We know the legacy of John Howard, the legacy that left $1.6 billion of cuts. He left a litany of comments about how universities were never to be trusted, that they were the hotbeds of radicalism. (Time expired)

Senator PRATT—My further supplementary question is: can the minister outline to the Senate what importance the government is placing on genuine engagement with the university research sector?

Senator CARR—This government acknowledges that engagement is critical. But our view is that such engagement has to be on the basis of respect and constructive dialogue. Senator Mason has drawn our attention to the Leader of the Opposition’s new policy on what he calls ‘engaging creatively’ and he wants to do it with our universities. I think we should all live in fear of an opposition bent on Abbott’s style of engagement.

The PRESIDENT—Order! Senator Carr, you will refer to people in the other place by their correct title.

Senator CARR—Mr Abbott’s style of engagement follows the legacy of John Howard, which saw the $1.6 billion cuts under that government. And in the last election Mr Abbott’s legacy was a further $1 billion cut promised through the Liberal Party election. In the days before the election we saw the Liberal Party was not interested in universities. (Time expired)

National Security

Senator TROOD (2.39 pm)—My question is to the Minister representing the Attorney-General, Senator Ludwig. I refer the minister to a joint press release by him as the Special Minister of State and Robert McClelland, the Attorney-General, of 18 March 2010 in which they announced their intention to appoint a National Security Legislation Monitor. Does the minister recall that the statement said:

The Government expects to announce the appointment of the new Monitor shortly.
Does the minister consider a period of eight months to fall within the commonly accepted definition of ‘shortly’? Can the minister advise the Senate when the appointment will be made?

Senator LUDWIG—The monitor will of course be a person of high standing with a sound understanding of Australia’s counterterrorism and national security legislation. The monitor will be appointed by the Governor-General on the Prime Minister’s recommendation in consultation with the Leader of the Opposition. A short list of preferred candidates is currently being actively considered by the Prime Minister and a decision on the appointment will be made in due course. It is expected that it is not that far away. As indicated during the debate on this bill, of course it is a significant appointment. It is an important appointment to oversee national security legislation and it will be made, as I have indicated, in due course by the Prime Minister.

The Independent National Security Legislation Monitor Act which came into effect this year does provide for the establishment of an independent National Security Legislation Monitor. It will be an independent statutory officer who will be required to report findings and recommendations regarding counterterrorism and national security legislation to the Prime Minister each year. The issue of the timing of the appointment has been raised not only by the opposition but also by Senator Ludlam, and we have indicated that it will be dealt with in a short while.

Senator TROOD—Mr President, I ask a supplementary question. I am grateful for the assurance that the person will be one of integrity. But I refer again to the press release of 18 March in which the Attorney-General said that he was proud to be able to facilitate the passage of national security monitor legislation. Is the Attorney-General also proud of what is now an eight-month delay in the appointment of the independent reviewer?

Senator LUDWIG—I thank Senator Trood for his apparent interest in the Independent National Security Legislation Monitor Act 2010. It is one that I know the coalition did not bring into parliament. I know it is one that the coalition did not bring forward in the three years—

Senator Brandis—It was coalition legislation that forced your hand.

Senator LUDWIG—I see that Senator Brandis cannot help himself in this. It is one that the coalition never turned their mind to in the years that they introduced legislation dealing with antiterrorism. It is one that the coalition have failed significantly in bringing forward.

Senator Brandis—If it hadn’t been for Mr Georgiou and Senator Troeth, you would never have done it and you know it. Stop lying!

The PRESIDENT—Order! Senator Brandis, you must withdraw that.

Senator Brandis—All right.

Senator LUDWIG—You cannot help yourself, Senator Brandis.

The PRESIDENT—Order! Senator Ludwig, just address your comments to the chair and ignore the interjections.

Senator LUDWIG—I am being provoked, Mr President, by someone who failed to deal with this when they had the opportunity. When the opposition had an opportunity, right through from the early days of 2001 when national security legislation was brought forward, they failed to do so. (Time expired)

Senator TROOD—Minister, I think you have an incomplete recollection of the history of this matter. Mr President, I have a further supplementary question. Isn’t the delay in making this appointment yet another
sign of the government’s woeful commitment to supporting the legislation monitor position and a further indication that the Gillard government has a lack of serious interest in national security?

Senator LUDWIG—I thank Senator Trood for his very belated interest in this issue. Where were the opposition from 2000 onwards? When they were bringing forward national security legislation, they did not consider the need for a monitor during that time. It is interesting to note that they are now arguing strongly for a national security monitor. It is one that this government is committed to and we will bring it forward in 2010.

Senator Brandis—It was our proposal that you resisted.

Senator LUDWIG—We recognise that it is our legislation that will put the statutory position in place. It is comforting to know that you have now come on board with the national security monitor and, as I indicated, it will be the Prime Minister on recommendation and in consultation with the Leader of the Opposition—(Time expired)

Television Sports Broadcasts

Senator FIELDING (2.45 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Given the minister’s comments in relation to the changes to the antisiphoning regulations that all AFL blockbuster games will continue to remain on free-to-air networks, can the government explain whether a Carlton and Collingwood match would be screened on free-to-air TV even if both teams were positioned 15th and 16th on the ladder respectively?

Senator CONROY—I thank my fellow Collingwood supporter for that question. I will have to refer Senator Fielding to our president for his suggestion that our team could end up 15th or 16th in the foreseeable future. His membership rights may be revoked for that suggestion, but on his behalf I will plead with our president not to do that!

The negotiations that are taking place at the moment are complex. They involve three different parties: the rights holders in the AFL, the NRL and other sporting associations; the free-to-air networks; and the pay television sector. But let me be clear about this: those opposite would roll over as fast as they could to the News Ltd organisation—that is their position—but we are intent on ensuring those blockbuster games continue to remain on free-to-air television.

There is currently a formula of sorts that is applied by the AFL. It is a formula that ensures that all teams get some coverage on a Friday night, irrespective of their position on the ladder.

Senator Chris Evans—Unless they’re Western Australian.

Senator CONROY—So all teams get some exposure. We will have no sledging from the Dockers on this side of the chamber. I am looking forward to the match between the Fremantle Dockers and the new Giants from Western Sydney. In that purple versus orange clash, sunglasses will have to be issued!

On the serious point you are raising: there is currently a formula. It revolves around things like the six-day rest period that has been negotiated with the players association. AFL fixtures, as you would know, are set out a year in advance. (Time expired)

Senator FIELDING—Mr President, I ask a supplementary question. Given the rise in popularity of Twenty20 cricket, can the minister guarantee that those matches where Australia is playing Twenty20 cricket in the UK, in Australia or in the world cup will be protected by the government’s planned changes to the antisiphoning regulations?
Senator CONROY—Senator Fielding is now asking me to speculate on the final outcome. I can assure him that the issues he has raised are the central issues around cricket coverage in this country. We are giving active consideration to many of the points he has just raised. I am sure he understands that, because I will be taking these matters before my colleagues in the cabinet in the near future, I do not want to pre-empt the final outcome.

I assure him that issues around Twenty20 cricket are foremost in the discussions. We are giving considerable consideration to whether 50-over cricket will continue to survive in the long term and whether Twenty20 cricket is going to supplant it. We look forward to announcing the final results in the very near future.

Senator FIELDING—Mr President, I ask a further supplementary question. Is the minister prepared to give an assurance to the Australian people that all Socceroo and World Cup games will be protected for the free-to-air networks beyond the 2014 FIFA World Cup?

Senator CONROY—The commitment we took to both the 2007 and 2010 elections was that Socceroo World Cup qualifiers would go back on the list after the current contract expires. I have said this on a number of occasions. It will come as no surprise that I anticipate that that will be part of the outcome, given that it was an election commitment in both 2007 and 2010. The negotiations I have been involved in with the Football Federation and the pay TV networks revolved around that very point. I believe we will deliver our election commitment.

Marine Sanctuaries

Senator BOSWELL (2.49 pm)—My question is also addressed to Senator Conroy, in his capacity as the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities. Minister, can you assure the Senate that the study conducted by the Ecology Centre of the University of Queensland for the Pew Charitable Trusts that was publicly released last week, which recommended that 50 per cent of the south-west marine bioregion be locked up in sanctuaries, will not be a consideration in the development of the draft marine plan for either the south-west region or any other bioregion?

Senator CONROY—I thank Senator Boswell for his ongoing interest in this area. I am not familiar with the detail of that study. As I am sure he is aware, in this chamber I am representing the Minister for Sustainability, Environment, Water, Population and Communities. Of course, the Labor Party is very committed to ensuring that fishing gets a fair go in this argument. Obviously that report has been released and it will be considered. The government is aware of the significant debate about protecting the marine environment while maintaining fair access for fishing. The government will consult closely with those people and industries that use the marine environment, including the recreation and commercial fishing sectors, to identify marine protected areas. We will make decisions about marine parks, including multiuse marine parks that include commercial and recreational harvest, according to the best available science and assessment of economic and social consequences.

The government is committed to sustainably managing Australia’s fisheries for the benefit of all Australians and has committed to minimising economic and social impacts and providing assistance to those where impacts cannot be avoided. The government supports the Australian seafood industry in its sustainable management and stewardship of the marine environment—

Senator Boswell interjecting—
Senator CONROY—I am sorry, Senator?

The PRESIDENT—Ignore the interjection, it is disorderly. Just address your comments to the chair, Senator Conroy.

Senator CONROY—Commitment to a national system of marine protected areas was made in Australia’s oceans policy in 1998. The intention was first announced and subsequently reflected in Australia’s agreement to the 2002 convention— (Time expired)

Senator BOSWELL—Senator Conroy, I note you will not rule it out. So my supplementary question is: can the minister assure the house that no Commonwealth funds were used by the Pew Charitable Trusts to fund the study undertaken for the trusts by the Ecology Centre of the University of Queensland?

Senator CONROY—that was quite a specific question.

Senator Boyce—Can you start answering it yet?

Senator CONROY—I am happy to take those parts of it on notice— (Time expired)

Senator Ian Macdonald—Get your typist to type it in so you can read it out to us!

Senator CONROY—as I have repeatedly explained to you, Senator Macdonald, this computer is not actually connected to anything. It is simply an electronic folder, in much the same way that Mr Turnbull uses his iPad when he travels around. It is a collection of information.

The PRESIDENT—Senator, ignore the interjection and come back to the question.

Senator CONROY—Thank you, Mr President. I appreciate that Senator Boswell or Senator McGauran might not know what an iPad is, but Mr Turnbull at least on the other side has some understanding of the advantages of having an electronic folder with easy access to material. Let us be clear about this. I will take on notice— (Time expired)

Senator BOSWELL—Mr President, I have a further supplementary question to the minister. You will not rule the study out. You will not tell me whether the Commonwealth put any money into it. How about we have a third-time lucky one. Can the minister inform the Senate if it is still the government’s intention to release the displaced effort policy and the draft marine plan for the southwest this year?

Senator CONROY—I want to make sure I am not in a position where I mislead the chamber or Senator Boswell, with his genuine interest in this, so I will take that on notice and come back to you, Senator Boswell.

Senator Boswell—Mr President, that was an absolute waste of time, considering I gave the minister advance—

The PRESIDENT—Senator, that is not a point of order.

Senator Boswell—He has just ignored it.

The PRESIDENT—Senator Boswell, there is no point of order.

Senator Ludwig—Mr President, on a point of order, we have seen this from the opposition, where they jump to their feet. I at least put a point of order and try to reinterpret the question. It is completely inappropriate that this is the case.

Senator Conroy—Mr President, on the point of order: I just want to make it clear that notwithstanding—

The PRESIDENT—Senator Conroy, I have ruled on the point of order that there was no point of order. The time for debating this is at the end of question time.

Homelessness

Senator POLLEY (2.56 pm)—My question is to the Minister for Social Housing and Homelessness, Senator Arbib. Can the minis-
ter inform the Senate about the progress of the Australian government’s investment in homelessness and housing constructed to address homelessness? How is this investment helping to make a long-term impact on homelessness, particularly for people who are considered to be chronically homeless?

Senator ARBIB—I thank Senator Polley for the question. As the Senate knows, the government is extremely serious about tackling homelessness. We are passionate about this. We have set some very ambitious goals to reduce homelessness—halving homelessness by 2020 and offering supported accommodation to all those rough sleepers who seek it. We are working hard, but the government cannot do it alone. We need support and we are working closely with our state and territory colleagues and also with community organisations, the private sector and the Australian community to make long-term and sustainable changes.

Homelessness is something that has been neglected by Australian government for far too long. I am happy to say that, under the guidance of Minister Plibersek, there has certainly been a significant investment already: almost $5 billion from the Gillard government of new funding to homelessness services since 2008—the greatest amount ever committed in Australian history. In addition, more than half of the social housing dwellings being built under the Nation Building and Jobs Plan will go to people who are homeless or at risk of homelessness. I also recently announced an extension of funding for early intervention programs such as Reconnect and Home, which do wonderful work in helping young people and families avoid homelessness.

The government wants to continue to drive the momentum and continue the reform in this area, and that is why we will continue to work with our state and territory colleagues and the ministers responsible. We are not after short-term solutions; we are after long-term changes. We are interested in sustainable strategies that will deliver, particularly for those who are at risk— (Time expired)

Senator POLLEY—Mr President, I have a supplementary question because this is indeed an enormous issue for all Australians. Can the minister advise the Senate how housing models such as Common Ground are being supported by the Australian government? What is the importance of investing in permanent housing such as through the Common Ground program to tackle homelessness?

Senator ARBIB—There are certainly some very good programs underway across the country. Last week I had the opportunity to visit Common Ground in Elizabeth Street, Melbourne, in which the Australian and Victorian governments have invested around $46 million for development. Mr Stephen Nash, the chair of the Common Ground alliance and CEO of HomeGround Services, and Mr Rob Leslie, CEO of Yarra Community Housing, showed me around the site. I have to say it was hugely impressive. It was established using the model of New York’s Common Ground, which is based on the principle that you need to put people who are experiencing chronic homelessness into stable, permanent housing, coupled with onsite, wraparound support services, including health, counselling and vocational training.

As we know, tackling homelessness is not just about providing housing; it is also about critical support services. That is why Common Ground is such an important program. It certainly will make a long-term difference not only to those people suffering from homelessness but also to those people requiring low-cost, affordable housing. (Time expired)
Senator POLLEY—Mr President, I have a further supplementary question. Can the minister advise what other partners have helped make Common Ground a reality in Australia? Can the minister inform the Senate of other Common Ground developments around Australia?

Senator ARBIB—I said earlier that governments cannot do it alone and that we need the support of the community sector and business. Common Ground is one such development which has received a great deal of support from the corporate sector. Grocon has played a huge role and invested in the program. It has been absolutely crucial. I am told that Grocon, by donating resources and constructing the site at cost, has enabled the cost of the project to be significantly reduced, by more than $10 million. On behalf of the government, I congratulate Grocon and thank Daniel Grollo for his and his company’s generosity. I understand that Grocon has also committed to doing the same work for the Brisbane and Sydney Common Ground sites. It is also worth mentioning that Grocon recently won the Mercy Foundation’s Social Justice Award—the first time the award has gone to the private sector. I know that there were many other partners in this initiative, including the Rotary Club of Melbourne, the John T Reid Charitable Trusts, HomeGround Services and Yarra Community Housing. (Time expired)

Murray-Darling Basin

Senator TROETH (3.01 pm)—My question is to the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, Senator Conroy. I refer the minister to the statement made by Minister Tony Burke on 25 October concerning the legal interpretation of the Water Act. In relation to the legal advice he was releasing, Minister Burke said:

What is important now is how the MDBA … responds to it.

With more than three weeks having passed, when will the Murray-Darling Basin Authority respond to this legal advice?

Senator CONROY—I am not quite sure that it is within the power of the minister to deal with that, but I will give the senator what information I have on the legal advice. As we have discussed before, the government is trying to achieve three outcomes: to deliver a healthy river system, to deliver it acknowledging the importance of food production and to deliver strong regional communities. That was the objective when the Water Act was first introduced by those opposite. This government’s determination to reach that objective is the same. Let us acknowledge that the government’s triple bottom line approach is what those in opposition once claimed they sought too. It is certainly what the member for Wentworth sought and I hope it is what the current Leader of the Opposition is willing to help deliver.

Given the continuing uncertainty about the extent to which the basin plan can take social and economic considerations into account, Mr Burke did release advice from the Australian Government Solicitor on this issue. Broadly, the advice outlines that the Water Act:

- gives effect to relevant international agreements,
- provides for the establishment of environmentally sustainable limits on the quantities of water that may be taken …
- provides for the use of the Basin water resources in a way that optimises economic, social and environmental outcomes,
- improves water security for all uses, and
- subject to the environmentally sustainable limits, maximizes the net economic returns to the Australian community.
The international agreements which underpin the Water Act recognise the importance of social and economic factors. The advice continues:

The Act specifically states that in giving effect to those agreements, the plan should promote the use and management of the basin water resources in a way that optimises economic, social and environmental outcomes.

(Time expired)

Senator TROETH—Mr President, I ask a supplementary question. Does the minister knowledge, then, that uncertainty continues to exist about the legal interpretation of the Water Act by the MDBA? What are the government doing to ensure that they and the MDBA both agree—to quote Minister Burke, as you have just done, Minister—that ‘environmental, economic and social considerations are central to the Water Act and that the basin plan can appropriately take these into account’?

Senator CONROY—I think that there is a great deal of concern out there, which is exactly why Mr Burke sought this legal advice. Once he released it, even the National Farmers Federation welcomed the minister’s comments and said that they would reassure irrigation communities. Mr Burke has been travelling the country, talking with these communities, as you would want him to be doing. I am sure, I know that he has been. I sit next to him in cabinet and, given that I represent him in this chamber, I have discussions with him about it. He is diligently pursuing consultations with these communities. I am happy, as I said, to seek further information on that, but I do reject your assertion that he is somehow not diligently following his duties.

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Health: Disease Control

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry) (3.07 pm)—Mr Deputy President, I seek leave to incorporate an answer to a question asked by Senator Milne yesterday on Tuesday, 16 November 2010 in relation to her question to me for the Minister for Health and Ageing.

Leave granted.

The document read as follows—

1. Given the climate change and the ever increasing movement of people, animals and
goods around the world which is increasing the risk of outbreaks of diseases in both human and animal populations, everything from hendra virus to swine flu. Does the government intend to maintain national disease intelligence capacity and Australia’s ability to respond quickly and effectively across state boundaries to contain such outbreaks.

2. Supplementary question 1:
Why has the government decided not to renew the federal finding for the ANU Master of Applied Epidemiology program, which is in the absence of a national centre for disease control, Australia’s only frontline flying squad of Doctors, Vets and Nurses to protect Australia’s people and Animal populations from epidemics from communicable infectious diseases.

3. Supplementary question 2:
Could the Minister please explain to the senate why a termination of this funding has occurred and was this the Governments deliberate intent to remove the funding or an unintended consequence of the Governments decision to terminate the public health education and research program and will the Minister come back and tell the senate whether the government has found alternate funding of the ANU program which has been so successful in stemming the spread in Australia of about 200 epidemic time expired.

SENATOR LUDWIG—The Minister for Health and Ageing has provided the following answer to the honourable senator’s question:

1. Yes. The Australian Government maintains capacity through bodies including the Australian Health Protection Committee, the Public Health Laboratory Network and the Communicable Disease Networks Australia to work with the States and Territories to ensure early detection and appropriate management of communicable disease threats.

2. While it is acknowledged that the ANU Program has made an important contribution to building capacity in epidemiology and public health, the Master of Applied Epidemiology course is only one of a number of courses that provide trained staff to work in disease surveillance as referred to in the answer to question 1 and elsewhere. Students will continue to be able to access this and related University Master courses through the usual funding mechanisms that include sponsorship from their employers. It is not part of Australia’s front-line disease surveillance and control infrastructure.

3. Public health education, research and training in Australia now has an international profile and Australia has a strong leadership role in the Asia-Pacific region. Public health is marketed overseas and is attracting students and funds from the region and elsewhere.

Australian institutions are now in a position to seek funding within the normal competitive tertiary education environment and the special subsidy for masters of public health courses is no longer justified. 22 training positions funded by the Commonwealth in 2011 will go to trainees in public health medicine

This Government also continues to support training of public health physicians as part of its specialist training program that will increase by another 400 totaling 900 specialist training places by 2014.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator MASON (Queensland) (3.08 pm)—I move:

That the Senate take note of the answers given by ministers to questions without notice asked today.

Taking note without a particular theme is always fun for senators, but governing without a theme is not a good thing for the country. This is a government without a theme, without a rationale, except of course for political survival. Whatever you think of Labor, you could always say in the past that they were passionate and committed. You cannot argue that any more. Some of my friends sitting down here today argue that Labor’s greatest failure is their incompetence and they always point to things like turning a $20
billion surplus into a $50 billion debt within a year. They think that is pretty incompetent. My friend Senator Joyce said earlier today in his contribution that continuing to borrow $100 million a day is pretty incompetent as well.

I have often argued in this place that the Building the Education Revolution was an absolute and utter shambles. It was a shambles because the Commonwealth did not have sufficient oversight mechanisms to ensure that state governments were spending Commonwealth taxpayers’ money appropriately. That is the argument that sticks in the opposition’s craw. It is a failure by the government to ensure that money is well spent by state governments, and what happened as a result of that? School halls built by state governments cost much more than they should have. That is also incompetent.

We know about pink batts as well. We know there were deaths and electrified roofs, and a massive and expensive clean-up campaign. That was also a shambles, and that has been Labor’s answer to the global financial crisis: pink batts and building school halls. If only President Obama had known it was that simple! But, as you know, Mr Deputy President, I am generous: Labor’s failings are not just their incompetence; Labor’s failings are that they do not have an agenda. When Senator Fifield asked Senator Evans yesterday about Labor’s agenda, Senator Evans, for all his great skill at answering questions, did not have an answer.

The government limps from week to week looking for something to believe in. If the Greens do not provide the government with convictions then Labor cannot find them. It is now the Greens providing the Labor Party with conviction. Labor can no longer claim to be the party of conviction. We have heard Senator Faulkner, one of the respected elders of the Australian Labor Party, in the last few weeks say the ALP is long on cunning but short on courage. Doesn’t that summarise where the Australian Labor Party today is in government? Senator Cameron, whose contributions I always enjoy, said that the Labor caucus is full of zombies who do not believe in anything anymore. They used to but they do not now, except for political survival.

The great salvation apparently is the NBN. Senator Conroy is going to save the government with the NBN. The NBN is going to be the saving grace of the Australian Labor Party. But even Senator Conroy does not believe that the NBN is good value for money, that it would pass the cost-benefit analysis. Senator Conroy does not even believe that because he tells the independent members of this place that it would not pass that test, let alone what the OECD says. So the bottom line is: the Labor Party virtually have nothing left. They believe in nothing, and if you think for a second that the BER was a shambles—and the world now knows that—just think of what is going to happen to the NBN over the next 18 months to three years. It will be failure on steroids.

I know the clock ticks down and Christmas awaits us. Santa Claus will hopefully give a president—sorry, a present—and that might be an agenda for our nation’s future. At the moment this government is running off some pathetic synergy between the Greens, the Independents and the Labor Party, and a pathetic synergy is not a recipe for good government.

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (3.13 pm)—Santa will bring a present, Senator Mason, and it will not be a president; it will be a prime minister and it will be Prime Minister Julia Gillard. That will be the present we give to the Australian people. I am not sure where Senator Mason has been for the last two years, be-
cause his description of the things that the Gillard government did to ensure that this country avoided the greatest recession, potentially the greatest depression since the Great Depression—

Senator Cormann interjecting—

The DEPUTY PRESIDENT—Order! Senator Cormann, Senator Farrell will be heard.

Senator FARRELL—Thank you, Mr Deputy President. I always appreciate your protection for a fellow South Australian. Senator Mason, I do not know where you have been for the last two years, because this country, thanks to programs like the one that you are criticising, the BER—the sorts of programs that this government introduced—Australia avoided the great recession. Some people call it a depression. Look overseas at countries like the United States, which has 10 per cent unemployment. Yesterday I was talking to an official in the water industry of Spain. He tells me that in his country there is 20 per cent unemployment. You go through countries in Europe. What is the situation in Australia? We are now the envy of the OECD countries because this government, with programs like the BER, enabled Australians to remain in jobs. Because they remained in jobs, they continued—

Senator Mason—You don’t believe that, Don.

Senator FARRELL—I do believe it, Senator Mason. I believe it because it is true. You try and explain, if you are such an economic genius—

Senator Mason—I’m not. I don’t claim to be.

Senator FARRELL—If you are so good on economics, Senator Mason, how come you made a $10 billion mistake in your costings at the last election?

Senator Cormann—No, he didn’t. You’re just fiddling.

Senator FARRELL—Hockey did. Yes, okay. I am sorry; I withdraw that, Mr Deputy President. It was Mr Hockey who made that mistake—the bloke that you are putting up as—

Opposition senators interjecting—

The DEPUTY PRESIDENT—Order! Senator Mason was heard in silence, and I think Senator Farrell should be given a fair go as well.

Senator Bernardi—Would you like my speech notes, Don?

Senator FARRELL—I do not need your speaking notes, Senator Bernardi, because I imagine they will say exactly the same things that Senator Mason said and they will be just as wrong as the things Senator Mason said. I would like to talk some more about your economic credentials, but there was one issue that was raised during question time that I would like to refer to, because you have failed to be specific in respect of the taking of note. That is the role of Minister Burke. I had the privilege of being the parliamentary secretary to a large section of Minister Burke’s portfolio. I tell you this bloke works nonstop day and night, 24 hours a day, seven days a week. He is going to all of the places where Australians want to see him. He recently came down to Renmark with me. We had a fantastic meeting with irrigators. In fact, even some of your Liberal Party colleagues attended, Mr Deputy President. Patrick Secker came along, as did Tim Whetstone, the new member for Chaffey. He was there, and we had a great meeting with irrigators. The reason that we had a great meeting with irrigators was that, unlike for the whole period of the Howard government, when you took no notice of the problems in the Murray, Minister Burke is concerned about it and he has a plan and a solution.
Senator Fisher—After the event.

Senator FARRELL—No, this is not after the event, Senator Fisher. We want healthy rivers, strong communities and strong food production. That is what Minister Burke is all about, and he is going around the country. Renmark was not the only place he went to. He came down with me and we flew over to see the water coming through the Murray mouth. It was a fantastic scene. We went down to Hindmarsh Island. We also went down to Milang. (Time expired)

Senator COLBECK (Tasmania) (3.18 pm)—We have just seen Senator Farrell struggle through his five minutes because, as Senator Mason said, the government does not have policy, does not have a plan and does not have direction. That is clearly demonstrated by Senator Ludwig’s answers to my questions today. I asked him three very simple questions: when is he going to announce the funding package for Tasmania’s forest contractors, which is absolutely desperately and urgently needed; will it be subject to GST and company tax; and will it have administration fees taken out of the $20 million—in other words, will it be whittled back? My understanding from conversations that I have had with industry is that the minister promised that this would be announced by the end of this week. I gave him the opportunity to clearly state that today. He hid behind the excuse that he did not want to reveal details of the package. I accept that he does not have to tell us how the money will be spent on the contractors themselves, but he could tell them whether $10 million will be gouged out for GST, whether they will be subject to tax on the money that they receive and whether the administration costs for that program will be deducted from the $20 million. He could quite easily have said that and put that on the table right now.

As Senator Mason said, there is an absolutely complete and utter policy failure here, because the Labor Party did not even issue an agriculture policy for this election. Senator Farrell has talked about how wonderful Mr Burke is. He was so lazy in his policy before the last election that he did not even release a policy. In fact, the Labor Party’s policy in respect of forestry was—I read the heading from the media release of 19 August—‘Labor matches Coalition forestry commitment’. That was the Labor Party policy for forestry at the last election. So, when we talk about Minister Burke and how wonderful he might be, he was so lazy that he did not even release a policy at the last election.

Senator Boswell asked questions this afternoon in relation to marine parks. It would be interesting to know—given that Senator Conroy said the environment department were working very hard and Senator Farrell said that Minister Burke works day and night 24 hours a day—why the meetings with the Commonwealth Fisheries Association programmed for this afternoon on the issue of marine parks were cancelled. One of the representatives of the Commonwealth Fisheries Association, who was in my office this afternoon, said: ‘This is the reason: we’ve got nothing to say. We have nothing to tell you.’ This is yet another example of what Senator Mason has said: there is no policy and no plan.

The reason the government are struggling with the $20 million for forest contractors is that they did not do the policy work before the election. They are struggling through it now. Even the Tasmanian Premier said on 10 November: I am disappointed that it hasn’t happened as rapidly as it should have.

He is quite famous in Tasmania for being slow to get things done, and even the slow Tasmanian Premier believes that this is tak-
ing longer than it should. It is a complete and utter policy failure on behalf of the government.

In respect of marine parks, we have been following this process for quite some considerable time. We want to know what the program is and we want to know what the displaced effort policy is, which was the issue which the Commonwealth Fisheries Association was supposed to meet the department about this afternoon. The responses from the department and from the government were, ‘We have got nothing to tell you’. There is complete and utter policy failure on behalf of the government, and now we are in a situation of policy paralysis. A minister cannot even confirm his commitment to an industry association in Tasmania that a policy will be launched this week. It was a very simple question. All he had to do was say, ‘Yes, I made that commitment to the industry and, yes, I am going to follow it through,’ but the government cannot even do that.

And yet again we saw Senator Conroy in response to a question today from another senator about the antisiphoning legislation and proposals. He did not even turn up to the free TV drinks last night—he did not even front. So not only can they not make policy or deliver policy; they will not front up. I spoke to a number of representatives of the industry last night who were very anxious to talk to the minister. They just wanted to put their views to him; they did not necessarily want to harangue, but he would not even front up. This is a demonstration, as Senator Mason said at the outset, of the complete and utter policy failure and paralysis of this government. (Time expired)

Senator CAROL BROWN (Tasmania) (3.23 pm)—It is actually quite disappointing to see that Senator Colbeck has joined the ranks of other Liberal senators and, indeed, his own leader in continually criticising, blocking and going out there and scaring the community. I think that, as Senator Colbeck would know—

Senator Cormann—Senator Colbeck knows a good government when he sees one!

Senator CAROL BROWN—Excuse me, I listened to Senator Colbeck in silence. I know Senator Cormann does have problems controlling himself, but I would appreciate it if he would—

Senator Cormann—I know a bad government when I see one too.

Senator CAROL BROWN—As I was saying, the Gillard government recognises that native forest harvesting and haulage contractors in my home state of Tasmania are facing severe financial difficulties following a downturn in demand for hardwood woodchips sourced from native forests. We will meet our commitment to provide $20 million, as the minister has said in his answer to Senator Colbeck. We will meet the commitment to provide help to forest contractors and their employees to meet the challenges facing the native forest sector in Tasmania.

The details of the package will be announced shortly, as the minister has said, and it will involve both business assistance and exit assistance and will be designed to increase viability in the sector. As Minister Ludwig also mentioned in his response to Senator Colbeck, he visited Tasmania in his first week of receiving the forestry portfolio. He went down to Tasmania in September to consult with the Tasmanian forestry contractors and other key stakeholders, including the state government, environment and industry associations and the Construction, Forestry, Mining and Energy Union. Since then, the federal and state departments have been working with the Tasmanian government officials, contractors associations and the relevant union, the CFMEU, to develop a $20 million package of support for the Tas-
manian forest contractors and their workers. As I have said, this package will include exit assistance and business assistance.

It is a shame that, in his role as the shadow parliamentary secretary, Senator Colbeck has been playing politics with people’s livelihoods and playing on the fears of the sector for the opposition’s own political advantage. The opposition keep talking down the package the government is delivering, when during the election they promised the exact same thing. The opposition must stand up and take responsibility for their comments and stop talking down the contracting sector. The tide of negativity from the opposition only serves to sap confidence in an industry that is already struggling. I ask Senator Colbeck to support the government’s package and to stop talking down the industry.

I also want to take this opportunity to put on record that the Gillard government supports a sustainable and profitable forest industry. We value both the ecological and economic aspects of our native forest resources and believe that there needs to be a balanced and sustainable approach to native forest management. We welcome the landmark agreement between environmental NGOs and the forestry industry in Tasmania on the future of the state’s native forests. I know that many people have worked very hard to get this agreement to this stage. This is a sign of a level of cooperation between the industry and environmental movements that we have not seen in the past.

In the time remaining to me I would like to restate the government’s commitment to supporting regional jobs, to encouraging sustainable investment in forestry and to helping our forest industries prepare for future challenges. That is why we are committed to delivering the $20 million package to the contracting sector which we promised during the election and which the minister confirmed in his answer, once again, in question time today. (Time expired)

Senator BERNARDI (South Australia) (3.29 pm)—There is an embarrassment of riches with which we can dissect this fragile and, one would say, feckless government. I should start by taking to task Senator Carol Brown for maintaining there was coalition disinterest in and lack of support for the forestry commitment that the Labor Party made. Senator Brown probably does not spend a lot of time reading, but I am reading from a Labor press release here entitled ‘Labor matches Coalition forestry commitment’. That part of matching the coalition’s idea and policy has been lost on Senator Carol Brown as she has been defending Labor’s policy. It is the only policy she can defend, because Labor had to copy ours to get a decent policy. There is no doubt about this: this is a government that is absolutely feckless. It is, as Senator Faulkner, the wise old man of the Labor Party—he is not that old actually; I will take that back, but he is a wise, well-respected man—said: Labor are long on cunning and short on courage. Often I disagree with Senator Faulkner, but I think this sentiment is right.

But Senator Faulkner clearly has not learned the Labor version of courage. The South Australian state Treasurer, Kevin Foley, claimed in the parliament that the opposition did not have Labor’s courage to break their promises. How pathetic is that? You have a South Australian Treasurer boasting that he is courageous enough to break his promises. And, sure enough, clearly that model has been translated into the federal parliament, because this government claim they are keeping their promises and yet they are breaking them again and again. Do you remember the shrill claims by Senator Wong and Prime Minister Gillard about how they would implement every part of the Murray-Darling Basin Authority plan that was to be
released? They have walked away from that commitment now even though they signed up to it blindly. They signed up to it not knowing what was in it and yet they made these election promises to the Australian people. Do you remember their promise not to have a carbon tax? Of course you do, because that was in every media statement for weeks on end during the election campaign: we will not be putting a price on carbon. What have they done? They have had to get the spine of the Greens to make them implement a carbon tax, which is now back on the agenda.

What about Senator Conroy today? He makes claims all the time about the broadband plan, when we know perfectly well what the costs of it are going to be. We know it is going to be $43 billion but we do not know what the actual benefits of it are going to be or whether it will be worth the price paid. Senator Conroy does not even know that. He talks all the time about how it has been rolled out in Willunga and the people of Willunga are very happy. I have to tell you, I was speaking to someone from Willunga at five minutes to two, before question time today, who said that they and all their friends have not heard anything about this broadband; it is certainly not connected to their place and they live right in the township of Willunga. So one has to ask: what reckoning is Senator Conroy on? This is another example of what this government is focused on; it is delusion on a grand scale.

It is a government that is like the walking dead. And who has said that but one of their own. He is one of the most entertaining senators in this place, I have to say, but it was humiliating for the Labor Party when Senator Cameron said that this government is full of zombies. It is full of deadheads, and we know it is full of desperadoes because they are desperate to cling to power at any price. We know that. If Labor were a beverage, they would not even be the liquid in the glass; they would be froth at the top. They are the froth—

Senator Back—They are the dregs on the bottom.

Senator BERNARDI—They could be the dregs on the bottom, indeed, but they are froth on the top of what is now a green beer. We know that this Green menace that is launching into us—

Honourable senators interjecting—

Senator BERNARDI—It is torture! This Green menace is now controlling the agenda of the Labor Party. This is an alliance that is so concerned about important issues for Australia, such as borrowing $100 million a day, the reckless and feckless rollout and the waste of government money, that the very first items that they have brought on their lacklustre legislative agenda are about euthanasia, about gay marriage—about things that the Australian people are not consumed with. They are desperate about how they can reduce the cost of living and how they can fight against the interest rate rises that have been foisted upon this country by the reckless and imprudent spending of the Labor Party. Yet what defence do we hear? We hear nothing from Labor or the Greens. It is just more froth and bubbles.

Senator SIEWERT (Western Australia) (3.34 pm)—I am going to take note of only one of the answers, and that is about the issue of SIHIP and the Aboriginal employment program. I am very concerned and want to clarify the employment and working conditions for Aboriginal workers employed under SIHIP. We want to know under what conditions participants in CDEP, traineeships or Work for the Dole programs are being employed. We have received some very disturbing reports from communities in Central Australia of inconsistent and in fact exploitative treatment of Aboriginal workers. This,
surely, should not be happening in what is supposed to be one of our premier infrastructure programs in this country.

The minister proudly proclaimed the meeting of a 30 per cent target of Indigenous or Aboriginal employees. But under what conditions is that 30 per cent target being met, and how many of those are real jobs? We have heard allegations of Aboriginal workers on CDEP or on income management being promised top-up pay that they did not receive or did not fully receive. There are allegations of inconsistent and diminishing rates of top-up pay for workers, so that workers continuously employed to do the same work for the same number of hours a day receive less pay in subsequent pay packets. We have heard allegations of a failure to provide pay slips, employment contracts or other documentation to Aboriginal workers. We have heard allegations of a failure to report on employment outcomes to JSA providers and minimal training for extended periods of work—for example, one day for three or four months of full-time work, and they are still supposed to be trainees.

We have heard of Aboriginal contractors being asked to include CDEP places to reduce costs and receiving less work when they refuse to do so. We have heard of Aboriginal contracting organisations who are fully able to employ full-time people in real jobs being told, ‘No, we want you to do CDEP,’ and when they refuse because they are committed to real job outcomes, they do not receive the work and are cut out of the work. We have heard of different workers doing the same work side-by-side but receiving vastly different pay. We have heard of oversubscription of CDEP workers for the amount of work required. For example, there will be 15 or 20 employees on CDEP work where you would normally have five or six full-time workers—in other words, the figures are being skewed, and maybe that is where some of that 30 per cent so proudly boasted of as being over target comes from. We are concerned that if some or in fact all of these allegations are true, they are undermining the positive employment outcomes that could be achieved by the significant opportunity provided by SIHIP.

Minister Arbib, in answer to my questions around CDEP, claimed that part of the rationale for employing CDEP people under the SIHIP program was to provide long-term training to help Aboriginal people get into real jobs. As I have said, the reports coming from Central Australia are that a single day’s training is provided before somebody works full time for three or four months on the job without any further training. I fail to see how this is justifying employing people on CDEP under so-called training when they are not receiving any training. That could be about cheap outcomes for the employer. By any account, we believe that that is in fact real work they are doing. It is not trainee work. These are real jobs and they should be paid as real jobs.

One of the other issues here, of course, is that the people who are working on these jobs are still being income quarantined. Here you have Aboriginal people who are supposedly in real jobs, but they are still getting income quarantined. What is that all about? How is that teaching people to get a job? It was supposed to be about encouraging people into employment; that is about still demonising people and the government having its cake and eating it too. They changed CDEP in the first place so they could income manage people’s work for the dole payments. Now you have people supposedly working full time in real jobs and still getting income managed. It is no wonder Aboriginal people get so discouraged when again they see the promise of real jobs disappearing for more CDEP training, more exploitation, people not getting paid for the work they do and work-
ing alongside people who are getting paid full, proper wages. They are working alongside people doing the same work and not getting those wages. That is not fair.

I appreciate the government undertaking to investigate that. It needs to be investigated immediately. I would hope that they have already started investigating it, seeing as these claims came out last week. I hope that the government would have instantly started investigating it. I am disappointed that the minister could not tell us how much of the 30 per cent of jobs that were supposed to have been for Aboriginal employment were full time. How many of those were real jobs? The government has told us time and time again that they are creating real jobs, but the minister could not tell me how many out of that 30 per cent were real jobs. That is unacceptable.

Question agreed to.

STANDING ORDERS

Senator ABETZ (Tasmania) (3.39 pm)—by leave—I move:

That the Senate take note of the President’s statement delivered earlier today.

I thank the Senate. Firstly, I regret I was not in the chamber when the President delivered his statement this morning. In my defence, I was not notified. I note the President’s absence now, which is necessitated by his other duties, which is understood. Secondly, in taking issue with the statement of the President, I indicate that this is a taking of issue with the statement, not the person. The President continues to enjoy our support and confidence. The coalition nevertheless respectfully but very forcefully takes issue with the reasoning in the statement, as it completely ignores the fundamental reform voted on by this chamber on 13 November 2008 and confirmed and reconfirmed just as recently as three weeks ago.

Allow me to canvass the lead-up to the President’s statement. Yesterday Senator Birmingham asked, as always, an excellent question of Senator Conroy. Senator Brandis during Senator Conroy’s answer raised a point of order seeking the invocation of sessional order 22, which requires in subparagraph (c):

… answers shall be directly relevant to each question.

Senator Brandis said in part in his point of order:

While the minister is addressing generally the topic, he was asked two very narrow questions …

… He cannot be directly relevant in failing to provide the two quantities sought.

Senator Birmingham followed up with a similar point of order, which went:

I have a point of order, Mr President. It goes to the changes to the standing orders that this chamber passed in relation to the change from relevance to direct relevance.

… the minister was asked very specifically for two pieces of information.

… if direct relevance is to mean anything in this chamber the minister’s attention needs to be brought to those two specific pieces of information or he should be sat down.

The President responded in part:

I have explained that as previous presidents before me have explained it.

…

…

He—

the minister—

—might not be answering the question in the terms that you desire but I cannot instruct the minister, and if you read the precedents of this chamber you will find that that is the case.

In response I rose on a point of order and said:
Mr President, the precedents in relation to the points of order and all the previous rulings that you refer to refer to different standing orders. We actually amended the sessional orders in this place to require ministers to be directly relevant. That was a specific change made by this chamber to ensure that ministers were relevant. To now rely on previous precedents absent of the change made to the sessional orders is, with respect, Mr President, not to understand or give fulfilment to the changes that the Senate voted on specifically to overcome the shortcomings of ministers—and I uncharitably added:

... such as Senator Conroy.

The President kindly responded by saying:

I will go out and I will review what has transpired...

The President in a very timely fashion reviewed the situation and delivered his statement in response this morning.

Having outlined the history, I seek to deal with the substance. With great respect, for the President to have said, as he said yesterday, that he relied on previous presidents’ rulings is to completely ignore the fundamental change the Senate voted for in 2008, when President Hogg was already in the chair as our President. It is simply not appropriate to rely on precedents that were related to the unamended standing orders. With respect, those precedents are—to be blunt—irrelevant. Those rulings and precedents actually gave rise to this Senate deeming there was a need for sessional order 22, requiring answers to be directly relevant. It is therefore, with respect, difficult for the coalition to understand the President’s reliance on precedents which were designed to be overcome by the new sessional order 22.

Turning to the five-paragraph statement of the President, I make the following observations. We take no issue with paragraph 1. We do, however, challenge the robustness of the reasoning in paragraph 2. The President states:

Regardless of whether the requirement is for relevance or direct relevance, I cannot direct a minister how to answer...

However, we say, with respect, the President can—indeed, not only can but under the standing orders must—require the answer to be directly relevant. The minister, in answering, is either in or out of conformity with a relevant standing order or sessional order. But we really take issue with this aspect of the President’s statement:

Provided that an answer is directly addressing the subject matter of the question, it is not within the power of the chair to require a minister to provide a particular answer.

The last part of the statement is, with respect, a straw-man argument. The coalition does not require a particular answer; indeed, it is not up to us. The issue is that standing orders and sessional orders require—indeed, mandate—answers to be ‘directly relevant to each question’. No ifs, no buts and no addressing the subject matter, as the statement asserts, but direct relevance to each question and nothing less. If the statement by the President were to be an accurate reflection of sessional order 22, the following could occur. The questioner could ask, ‘What is the budget deficit?’ According to the statement, if the answer canvassed the subject matter of the budget, it would be directly relevant for the minister to refer in his or her answer to funding for a local community group that was referred to in the budget. Such an interpretation, as countenanced by the President’s statement, with respect, fails to embrace in any way, shape or form the import of sessional order 22, which was specifically designed to alter the culture and overcome the previous precedents of this place. The statement by the President seeks for the Senate to completely ignore sessional order 22.

In paragraph 3, the statement gratuitously suggests senators have certain expectations of receiving the specific answer they have in
mind. As an aside, currently the coalition’s expectation is that we will not receive any answer whatsoever. With respect, this assertion in the President’s statement both is wrong and misses the point. All the coalition expects is that the answer be in compliance with sessional order 22—namely, that it be directly relevant and not just dealing with the subject matter. Indeed, if the Senate wanted the sessional order to be so interpreted, I am sure we would have drafted sessional order 22 to read, ‘Answers shall directly address the subject matter of the question.’ Instead, we drafted and voted for a change which requires answers to be ‘directly relevant to each question’.

Paragraph 3 regrettably again refers to rulings by previous presidents which are, with respect, as I have already pointed out, irrelevant given the adoption of the changes. I note the statement also claims the chair has no basis to withdraw the call except to restore order. With respect, if this is correct, it allows any senator to be completely irrelevant in any contribution and the chair could only request relevance. Surely, repeated refusals to be relevant would allow the chair to require the senator to resume his or her seat and then move to the next senator.

To conclude, the statement comprehensively ignores the change made courtesy of the Senate’s adoption of sessional order 22. To ignore the sessional order is to ignore the will of the Senate. That is the seriousness of the President’s statement. That is the practical consequence of the President’s statement. That is why the coalition respectfully requests the President to reconsider his statement of this morning. I reconfirm our issue is not with President Hogg. Our issue is with his statement and our desire that ministerial answers be directly relevant to each question, as mandated by sessional order 22.

Senator LUDWIG (Queensland—Manager of Government Business in the Senate) (3.50 pm)—This area of the standing and sessional orders has been raised by the coalition on occasions. I will not go through the history, as Senator Abetz has done so, but fundamentally one of the areas this came from, as the Deputy President would be aware, was experience overseas. I say, by way of example, that when you—in my words—cherry pick part of the outcomes from overseas jurisdictions, include them in the current rules and then try to interpret them in the fashion that you seek to will trip yourself up. In this instance, with due respect to Senator Abetz, I think he has done that. In one respect, it is a furphy—or at least a hollow argument—to say that past precedent should not be taken into account at all in relation to these matters, if I understood his argument correctly. If I did not, then I will correct the record.

As I understood it, the import of this issue was that it is a new matter that we have to address from the rules without reference to previous principles that have been enunciated in this place. I take issue with that, if I am correct about that from the argument that is put in part by Senator Abetz. If you look at past precedent from Odgers in respect of this matter—on page 500 of chapter 19, ‘Relations with the executive government’, it says:

Questions with or without notice are permissible only for the purpose of obtaining information, and answers are subject to the same limitation, that is, they are limited to supplying the information asked for by the questions.

In answering a question, a senator must not debate it ... Thus an answer should be confined to giving the information asked for, and should not contain any argument or comments. An answer must also be relevant to the question.

It is one example of where past precedent can be referred to to guide and to assist in
looking at the sessional orders today. *Odgers* further states:

… in answering a question:

the Minister should confine himself to points contained in the question with such explanation only as will render the answer intelligible. In all cases the answer must be relevant to the question.

Going on from that the Procedures Committee in 1994 observed—I think this is instructive for those participating in this debate—as follows:

It is clear that, in answering a question, a minister must be relevant to the question. It is for the President to make a judgment whether an answer is relevant to a question. If the answer is not relevant, the President requires the minister to be relevant.

That is, that it is within the ability of the President to rule on that. *Odgers* goes on at page 501 to say:

It is not the responsibility of the chair to tell ministers how they should respond to questions: ‘That is purely a matter for Ministers, provided their answers are within the standing orders’

It goes further:

It is also not for the chair to determine whether an answer is correct … Challenges to the accuracy of an answer should not take the form of a point of order.

We do seem to have a continuing interest from the opposition in taking a point of order. It is clear—if I can remind those opposite—that when they do rise to their feet to take a point of order, it is not for the chair to determine whether an answer is correct. Challenges to the accuracy of an answer should not take the form of a point of order.

Therefore, in this debate it is permissible to go back and have a look at the precedent in this place. What the precedent tells me is this: it appears that the opposition, in—and I will use the polite form—criticising the President’s ruling in question time, should be, in fact, looking at the nature of the questions they ask. If the opposition declines to use question time for questions, if the opposition does not wish to use question time for questions seeking information—as I think the precedent does demonstrate—and instead uses the forum to try to make political points then they should also accept the President has a different role.

Opposition senators interjecting—

Senator Ludwig—I afforded your leader the opportunity to provide his statement without interjection and I would ask for the same respect because we are dealing with a matter. For many years presidents have restated the reality that they cannot direct ministers to provide answers that the opposition want to hear. Ministers are required to be directly relevant to the question, not to provide the answer that the opposition in this instance want to hear. The precedent which I have avowed to supports that position. In reality the opposition may be dissatisfied with responses by government ministers—that proposition is longstanding. I have no doubt when in opposition I was also most likely persuaded that the then government’s responses to my questions did not satisfy them.

The Senate has developed procedures for the opposition to express their dissatisfaction. The take note period after question time is one response. It provides limits on the time to respond to answers, which was another approach to ensure that could occur. Regardless though of these changes the opposition does need, in my view, to recognise that the President cannot second-guess the answer that the opposition want to hear and ensure that a minister provides that and only that response. This will not be the case. The Procedure Committee has examined this issue, as those in the chamber would be aware, and they would have had the opportunity of looking at the Procedure Committee report in this
area. It has determined the rules for question time. Quite frankly, it is time that the opposition stopped complaining about a process when it is one that was brought in by them and acceded to by us to achieve a purpose where you only take half a rule not a full rule in dealing with this issue.

Of course, in using the New Zealand model, you have now adopted a hybrid of that and implemented that. It comes without the opportunity of providing notice to the government of the nature of the question that is being asked. That would afford the opposition the ability to consider the question that was asked in a way that at least the opposition might find a little bit more adequate. But that was not adopted by this house; that is recognised and I am not arguing for it now. I am simply saying that in this instance the ruling that the President provided was correct. The position that the President provided remains correct. It is not the case—as has been made by Senator Abetz—that the ruling is incorrect.

What the President has done is rely on past precedent, look at the current wording and ensure that the provision that he has made is both relevant and timely to respond to the issue that was raised by Senator Abetz. It is time for the opposition to, quite frankly, understand the nature of the ruling and understand and apply the standing orders of the Senate as included within that sessional order.

Senator BRANDIS (Queensland) (4.00 pm)—In rising, may I first associate myself with Senator Abetz’s remarks and remind honourable senators——

Senator Marshall interjecting——

The DEPUTY PRESIDENT—Order! Senator Marshall, this is a serious discussion that has been heard in silence. I would ask that you listen to Senator Brandis in silence.

Senator BRANDIS—The debate that the opposition has initiated, which involves criticism of the statement made by President Hogg this morning in explaining his ruling of yesterday afternoon but is not a reflection on the ruling, is a course of action on which we embark with great care and hesitation. It is very unusual. This is a very unusual parliamentary debate. The fact that the opposition has brought this debate on should of itself convey to others, including President Hogg, the seriousness with which we regard the matter.

In relation to the contributions by Senator Ludwig, let me simply say one thing. If Senator Ludwig is right, then by adopting sessional order 22 the Senate made no change to its practice. If Senator Ludwig is right, then sessional order 22 means nothing, and that plainly is not the case. When the Senate adopted sessional order 22, it changed the rule. It changed the rule from a rule that required an answer to be relevant to a rule that required an answer to be directly relevant. If Senator Ludwig is right, the addition by the Senate after due deliberation of the adjective ‘directly’ means nothing.

I do not think any senator who participated in that discussion thought that when we adopted sessional order 22 we were not intending to change the practice; we were not intending to refine, to make more specific, the meaning of the term ‘relevance’. The precedents to which Senator Ludwig has referred, which were directed to the old standing order which did not require direct relevance, are to that extent themselves not relevant to the new standing order because the test is now different.
There are three respects in which I want to make some observations about the approach that has been taken by President Hogg. Like Senator Abetz, I want to begin with the second paragraph of his statement where he says:

Regardless of whether the requirement is for relevance or direct relevance, I cannot direct a minister how to answer a question. Provided that an answer is directly addressing the subject matter of a question, it is not within the power of the chair to require a minister to provide a particular answer.

With all due respect to President Hogg, both sentences are wrong. I will explain why. Let me deal first with the assertion in the statement that all that a minister must do to make himself directly relevant is to address the subject matter of the question. That is plainly wrong, because that is not what sessional order 22 says. What sessional order 22 says is, ‘Answers shall be directly relevant to each question.’ It is a point Senator Abetz made—not to the subject matter of each question but to the question itself. So, for example, when Senator Birmingham’s question yesterday, which precipitated this debate, asked for a quantity, that was the question—what is the quantity? It is not responsive to that question, with respect, merely to address the subject matter in which the particular question arises. If that were the case, then any minister could address any aspect of public policy within the context of which a particular question arose. That is not a relevant answer.

I think the error that has crept into President Hogg’s reasoning arises from the fact that President Hogg has sought to apply to question time the test of relevance applied by the standing orders for parliamentary debate. That is where the error lies. It lies in the mis-application of standing order 194(1) which provides:

A senator shall not digress from the subject matter of any question under discussion ...

That is the definition of relevance for the purpose of parliamentary debate. But questions asked in question time are not ‘questions under discussion’; they are not questions before the chair. They are questions to ministers and they are governed by a different provision of the standing orders, chapter 11. Chapter 11 provides particular rules for the asking and answering of questions which make it clear that question time is not part of parliamentary debate and questions asked in question time are not questions before the chair, which is the matter with which standing order 194(1) deals.

That is clear from three things. First of all, it is clear from the title of chapter 11 of the standing orders, which is entitled ‘Questions seeking information’. It is not an aspect of parliamentary debate. Secondly, it is clear from the express terms of standing order 73, which is entitled ‘Rules for questions’, which sets out a number of restrictions and limitations on what may be included in questions which are not limitations on what may be said in the course of parliamentary debate. Thirdly, it is even clearer from the provisions of standing order 73(4) which provides:

In answering a question, a senator shall not debate it.

So, when the opposition asks questions of a minister, we are not engaged in parliamentary debate and, when the minister answers the question, he is specifically prohibited by the standing orders from debating the question. Those are the words of the standing orders. That is what they mean.

I am afraid to say, with all due respect, that the error into which President Hogg, or perhaps those who advised him, has fallen is to apply the relevance test for parliamentary debate in standing order 194(1) and assume that it is the same for question time, when it
is as clear as can be from standing order 73, and in particular from standing order 73(4), that there is a different test.

The second error that President Hogg makes in his statement is his assertion—which has been the foundation of most of his rulings on these relevance points of order the opposition has been taking—‘I cannot direct a minister how to answer a question.’ That is true. The presiding officer or the President cannot direct a minister how to answer a question, but it does not follow from that that the President may not require a minister to be relevant, indeed directly relevant, to the question. For the President to require the minister to be directly relevant to the question does not mean that he is telling the minister how to answer the question. He is merely saying that part, or all, of what the minister may be saying is not directly relevant to the question. He is not suggesting the alternative words; he is merely saying that, however the question may be able to be addressed responsively, what the minister is saying now is not directly relevant to the question.

The standing orders provide some guidance on the duties of the President. The principal standing order which sets out the duties of the President in this regard is standing order 184. Standing order 184(1) says:

Order shall be maintained in the Senate by the President.

That is the President’s principal function. He has ceremonial functions and, as you know, he has administrative functions. But his fundamental constitutional function is the function conferred on him by standing order 184 of the standing orders: to maintain order. As you know, Mr Deputy President Ferguson, for a senator to defy the standing or sessional orders of the Senate is disorderly. So the President, in order to fulfil his constitutional function under standing order 184, is obliged to prevent disorderly conduct and that includes any conduct by any senator, including a minister in question time, in disobedience to a standing or sessional order. For the purposes of today’s debate, of course this includes disobedience to the requirement that the minister be directly relevant to the question.

It is as clear as can be that President Hogg considers himself entitled and obliged to rule on relevance issues. Many times this year, since sessional order 22 has been in place, President Hogg has ruled that a minister’s answer is relevant. If a President may rule that the minister’s answer is relevant, then equally, he may rule that the minister’s answer is irrelevant; and, if he so rules, that is a ruling that the minister is out of order, because by so ruling he declares that the minister is being disobedient to sessional order 22. It is as simple as that: if you can rule that it is relevant, you can rule that it is irrelevant, and a ruling that an answer is irrelevant or not directly relevant is not an instruction to the minister as to how to answer the question; it is an insistence that the minister desist from disobedience to sessional order 22. It is as simple as that.

In fact, early in the life of sessional order 22, President Hogg indicated a willingness to direct a minister to be responsive to a question. On six occasions this year—on 2 February, 4 February, 24 February, 17 March, 18 March and 13 May—President Hogg instructed a minister to answer the question or to be relevant to the question. So the statement made in the second paragraph of President Hogg’s statement this morning that he cannot direct a minister to answer the question is in fact at variance with his own previous practice, his own previous interpretation of the same sessional order.

However, since 13 May this year, on the 47 occasions, including today, when either
an opposition senator or a crossbench senator raised a relevance point of order, President Hogg departed from his previous practice by merely saying that the minister has so many minutes or seconds in which to conclude his answer and stating, ‘I cannot direct the minister how to answer the question.’ He can do so, he has done so and he ought to do so if he is of the opinion—and it is an opinion that he must form—that the minister is being disobedient to the sessional order.

Sessional order 22 is, in fact, in exactly the same language as standing order 104 of the House of Representatives, requiring answers by ministers in that place to be directly relevant to the question. On four occasions in the House of Representatives, Speaker Jenkins has required ministers to be directly relevant to the question. On 29 September, Speaker Jenkins considered that a question very similar to the question asked by Senator Birmingham yesterday about the cost of expanding the Curtin detention centre—a question that asked for an amount of money, a quantity—was not being answered conformably to the standing orders by Minister Bowen when Minister Bowen merely elaborated upon the government’s border protection policies, and the Speaker insisted that Minister Bowen answer the question.

On 21 October, when a question was asked of Minister Grey on advertising campaigns concerning the Murray-Darling Basin plan, Speaker Jenkins said that an answer which dealt with the government’s Murray-Darling Basin plan but not with the advertising campaign about which the question inquired was not directly relevant and, therefore, disobedient to the standing orders.

On 21 October, Speaker Jenkins ruled that the answer by the Prime Minister to a question about the East Timor detention centre, in which the Prime Minister merely criticised the opposition’s border protection policy, was not directly relevant to that question. He ruled that to attack the opposition was not directly relevant to a question inquiring about a particular failure in the government’s own policies.

On 28 October, most recently, when the Prime Minister was asked why she imposed pressure on the former Prime Minister to abandon the emissions trading scheme, as had been claimed in the press and as we know was the case, once again the Speaker ruled that for the Prime Minister to attack and ridicule the opposition was disobedient to standing order 104 of the House of Representatives because it did not directly address the question asked.

So, on each of those six occasions in the early part of this year on which President Hogg ruled and on the four occasions since the new House of Representatives standing orders came into operation on which Speaker Jenkins ruled, there was demonstrated by both of those Presiding Officers a view that they have a capacity to insist on applying the standing order about direct relevance, that the minister desist from including irrelevant material in their answer and answer the question. Ruling that a minister answer the question is not to tell the minister how to answer the question; it is merely fulfilling the President’s function under standing order 184 to require the minister to behave in an orderly fashion—for this purpose, by not being in defiance of sessional order 22.

Lastly, in the time available to me, nor is it sufficient for the President to say that the minister still has so many seconds to go. It reaches the absurd point where it would never be possible, no matter how irrelevant the minister was being. If the minister were reciting nursery rhymes, on that rule the minister could not be regarded as not being directly relevant if the minister had a second or two to go in which, possibly, they will come...
to the question. That offends logic. It offends common sense. It is not a rule that has been adopted by Speaker Jenkins, nor is it a rule that was adopted by President Hogg before 13 May—after which date he changed his practice. The opposition, with respect and reluctance, urges President Hogg to fulfil his duties under standing order 184 and enforce sessional order 22 according to its terms.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (4.20 pm)—I think this is a serious debate and I think that we have to break from the 14 years that I have been in the Senate in which the government has taken advantage of (a) having a President in the chair and (b) flouting the standing orders. The opposition has also taken the opportunity to flout the standing orders to get into debate and sees question time as an opportunity for scoring points rather than for gaining information.

This was all on display yesterday. Yes, ministers routinely fail to answer questions. But I draw your attention to the first supplementary question from the opposition in the Senate yesterday, as against the rules for questions in standing order 73—which I drew to the President’s attention and which he referred to in his statement today—which rule out questions containing arguments, inferences, imputations, epithets, ironical expressions or hypothetical matter. Here is that question from Senator Fifield, leading for the opposition, yesterday:

I am surprised that the Leader of the Government in the Senate could take such a casual interest in the agenda of the parliament and his government, but I do thank him for again confirming that the opposition to VSU is the most pressing issue facing this parliament and nation. Mr President, I ask a supplementary question. Given the fact that the Senate ran out of government business yesterday, is this not further evidence that the government has no agenda, no plans and no direction and has lost its way?

That is an entirely vacuous question which is really a political point-scoring submission to the Senate dressed up as a question.

What I submit from the crossbench and from the Greens is that, if the government and opposition want a genuine question time in here, the opportunity is coming. It is and always has been the position of the Greens that question time should be for eliciting information in the public interest. We, during the last period of government, entertained with honourable members of the opposition the prospect of notice being given for questions, as in the New Zealand parliament, so that ministers were forewarned, were able to seek information and were able to come in here and deliver information to the chamber. For some reason that has not manifested itself. Maybe the government, the Labor Party, did not want that particular arrangement, but it would seem good sense to me. If you want information out of government ministers, who are just human beings who do not carry all that information in their heads, then you give some warning on the day that the question is going to be asked and you expect to get the best information available. It means the minister has got time not just to speak to his or her office staff but to go to the bureaucracy and elicit the information that is required. That is pure common sense, but we have had no agreement on that. On the other hand, when the opposition ask questions, they should be short, succinct, to the point—

Senator Fifield—Like yours?

Senator BOB BROWN—Yes, exactly. If you look at them you will see a better plan of action than yours, Senator Fifield—and I listened with respect to your colleague’s submission and I expect that you will do the same. The opportunity exists here for the Greens and the opposition, together with the government, to get better outcomes, if that is what you really want. I put it to the opposi-
tion now to approach me and the Greens, our fellow crossbenchers and, indeed, the government—because these things ought to be done by the whole of the chamber—to see how we can better change not just the standing orders but the way in which question time is used by all members of the Senate. I put that genuinely to both the opposition and the government.

What I have watched for 14 years here is simply a point-scoring exercise, a political exercise, rather than an information-getting exercise. I have heard these debates before, but I am saying we now have an opportunity to move this forward. I congratulate members of the opposition for changing the standing orders. We now have a question with two supplementaries, with time limits, and the House has adopted that. It has seen a better outcome. It is better than the free-for-all we used to have. But let us now move on from that to see if we can get better definition, if not agreement, on both the asking of questions and the delivering of information. The New Zealand parliament, for one, does. It is another option to be looked at.

I do think it is reasonable to expect that if ministers are going to be asked to give answers to questions, particularly where either complexity or important information such as of a budgetary nature is involved, then they ought to be given notice. One of the reasons ministers try to duck questions and be non-specific is that they are held to account: if they make a mistake, it will not be seen as a mistake; it will be seen as a misleading of parliament, with attendant motions. So I think we have to have a better spirit of goodwill but look genuinely at how we can improve question time. We can do it; I am making that offer; and I hope this debate does not come to nothing. We need to improve the way in which questions are delivered so they are not point-scoring and we need to improve the answers to questions so they are genuinely informative and serve the public interest.

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.27 pm)—I think it is very important that, in turning question time into something more than a cathartic experience of the irrelevant, we make sure that we actually get something close to an answer to the question asked. In the modified rules in conjunction with standing orders 72 and 73, sessional order 22(c) notes that an answer must be ‘directly relevant’—that is, the answer must be candid, it must be frank, it must be unreservedly straightforward, it must not be posed or rehearsed, and it must have bearing on and be connected to the matter at hand. It must accomplish the goal of answering the question. There must be an empirical process between the intersubjectivity of the question and the answer. Why do we have question time? It is no more than trying to find out or discover the truth or belief, or at least get a greater understanding of the justification of a process that goes on in the parliament. It has got to be more about knowing that, rather than knowing how, and it is certainly not knowledge by acquaintance, which seems to be the process that it has devolved into.

What we are seeing more and more is that question time has turned into a form of a priori dirge delivered from the couches of one side against the other. That does not resolve the question as intended by the Australian public, which is the reason we are here. It is not a theatrical experience for us; it is actually about trying to get information back out to the public so that they can have an understanding of how their nation is being governed. Sir Richard Baker, right at the start, stated that you do not have to answer the question, you are not compelled to answer the question, but you cannot give a nonanswer. If you are going to give a nonanswer you have to sit down. That should not
be seen as a great insult; it should just be seen as part of the process. We are seeing that in the other place. People are being sat down and I do not see the world coming to an end. But that is something that we must look at.

If we are going to say the words ‘directly relevant’ then either we move away from our comprehension of the English language or we start following exactly what they mean. When we ask a direct question such as ‘what is three plus three’, the answer is six. It is not an expose of the benefits of primary school mathematics and the deficiencies of previous governments and previous ministers.

The motion to change the standing orders was passed and it was passed for a purpose. Everything happens for a purpose. With humble respect, if we could now have a removal of the dissertations on inane ideas and move towards answers, it would be appreciated by the people who find themselves in the unfortunate circumstance of having nothing else to listen to but question time. Apparently, 60,000-plus people actually do that. If we can make question time work then it becomes a great mechanism. More and more, the answers are being found in alternative venues. It seems a shame that you get a more honest answer on *A Current Affair*, *The 7.30 Report* or *Lateline* than we get in the chamber. Surely, if there is a place where we should get an honest answer, it is here.

Senator Ludwig said that the President must judge whether an answer is relevant. What I am trying to remember is whether the President has ever judged an answer not to be relevant. I cannot think of a time in this chamber when any answer has ever been ruled as irrelevant. What is the point of question time if there are no relevant answers? I note that standing order 73(1)(h) says that you cannot ask for the expression of an opinion. So if you cannot ask for the expression of an opinion why is that so often the answer that you get? If the standing order states that you should not be asking for an expression of opinion, there must somewhere have been the belief that what you were going to get in return for asking a question was not the expression of an opinion.

I think that there is a general belief by the Australian public that we can do better than we are doing at the moment. I genuinely believe that there is a sense of goodwill in trying to bring this about. I would be so bold as to think that there is a possible sense of fear on the part of the President of the ramifications if we actually do follow the standing orders, as noted in temporary order 22(c). We have heard what Senator Bob Brown has had to say and we have heard the views of the Liberal and National parties. I presume Senator Xenophon is of the same mind. I am sure there are good people on the Labor Party side who also want to make sure that we have the possibility of changing the culture here. If we do not change the culture to turn question time into a forum where there is a real discovery of facts and a delivery of outcomes so that there is a purpose to it, then the chamber will end up being a place where you go to answer your emails and a place where you go for some quiet time before you go back to work.

There are many venues for people to offer opinions. You can offer an opinion at the doors. You can offer opinions in so many debates. As Senator Brandis has clearly pointed out, the purpose of question time is to obtain answers. I hope that, without being too convoluted, we make sure that the standing orders that have been put in place to make answers directly relevant are adhered to. That means that when we ask a question we actually get an answer.

The DEPUTY PRESIDENT—I call Senator Fifield.
Senator Conroy—You can keep talking. You can talk on it all you want.

The DEPUTY PRESIDENT—Order! Senator Conroy, I know that you have just entered the chamber, but this debate has been held in a very orderly fashion and I wish it to continue that way. I call Senator Fifield.

Senator FIFIELD (Victoria)—Manager of Opposition Business in the Senate (4.35 pm)—As has been stated by my colleagues, the President enjoys the confidence of the chamber and the support of the opposition. The President’s role as the custodian of the values, traditions and conventions of this institution is respected and the President’s duty to act as the guardian of the standing orders of this place is one that we affirm and fully support.

The standing orders of the Senate, as we all know, are much more than a guide for order and good conduct. They are the rule of law in this place. Every senator is equal before, and fully subject to, the standing orders. Their enforcement ensures that the many functions of this place are given effect to. One of the key functions of this place is that of providing executive accountability. This chamber’s practice of parliamentary accountability has long been superior to that of the other place. That is to the credit of the current President and you, Mr Deputy President, and your predecessors. It is also to the credit of senators on all sides.

While the estimates and committee processes are important, the heart of executive accountability in this place is question time. The role of ensuring executive accountability is actually a shared responsibility between non-government senators and the President. Senators who do not hold government office can always be relied upon to ask questions of the executive, whereas the executive, we know, cannot be relied upon to be transparent or to answer questions. Natural self-interest militates against that, which is the very reason that we have question time. That is where the President’s essential role in the accountability process comes into play.

The President clearly is neutral in the chair, but he or she is not neutral on the subject of executive accountability. The President is not a disinterested party. The President’s tool is the standing orders, and it is his or her obligation to ensure that they are enforced in this place.

Without appropriate orders and enforcement, while there may well be the form and the theatre of question time, there will not be accountability. The opposition is a necessary but not a sufficient prerequisite to ensure that accountability. The President is as much a part of ensuring executive accountability in question time as is the opposition itself. That has been ventilated by my colleagues.

The opposition is, with great respect to the President, troubled by some elements of his statement this morning on the application of the relevance rule under the standing orders. The President’s statement was prompted by a point of order from Senator Abetz which the President undertook to review, and the opposition appreciate him doing that. We are troubled because, whereas the practice of question time has been superior in this place compared to the other, recently the House has lifted its performance, and I think we would all hate to see this place eclipsed by them. But we are troubled specifically about the application and interpretation of the temporary order that states:

… answers shall be directly relevant to each question.

I hope that I am in a position to be helpful as there are a number of points in the President’s statement which are easily clarified. The President stated that ‘senators have an expectation of receiving the specific answer that they have in mind’. We have no such
expectation—never have and indeed never will from this government. We have no expectation but also we have no preconception as to what the answers will be. How can we? Mr President can certainly put that particular concern to one side.

The President also stated, ‘It is not within my power to require a minister to provide a particular answer.’ This is something that is completely accepted and understood, and indeed the opposition has never sought this. The President also said, ‘When they do not receive that answer, they raise points of order.’ That is not why we raise points of order. We raise points of order for one reason and that is that the answers are not directly relevant as required by the standing orders and by the temporary order. I hope that is of assistance to the President.

There are two other points, however, in the President’s statement that have particularly exercised the opposition, as indicated by Senator Abetz, Senator Brandis and Senator Joyce—firstly, where the President states: Regardless of whether the requirement is for relevance or direct relevance, I cannot direct a minister how to answer a question. Again, that is a misconception. We have not asked the President to direct the minister how to answer questions. That is something that we never do—

Senator Conroy interjecting—

The DEPUTY PRESIDENT—Order! Senator Conroy, I suggest you read standing order 197(1).

Senator FIFIELD—because we know that the President does not have that capacity. But more concerning is the start of that particular statement, where the President says:

Regardless of whether the requirement is for relevance or direct relevance, I cannot direct a minister ...

Implicit in that is a suggestion that perhaps there is not that much difference between a test of relevance and a test of direct relevance. I think that perhaps one of the problems here is that phrases that are often used in this place can sometimes find that their plain meaning becomes faded. I think it is helpful to revisit the plain meaning of these words. The plain meaning of the word ‘relevant’ in the Macquarie Dictionary is: bearing upon or connected with the matter in hand; to the purpose; pertinent: a relevant remark.

As I look at Senator Conroy, I am reminded again of how we never hear anything from Senator Conroy that has bearing upon or is connected with the matter in hand—that is to the purpose, pertinent, a relevant remark. Yesterday was a terrific exposition of that lack of—

Senator Conroy—That is inviting a response!

The DEPUTY PRESIDENT—And you have just given it!

Senator FIFIELD—That is right: Senator Conroy is a terrific exponent of how not to be relevant. As has been canvassed, the temporary order that came into play added the word ‘directly’ before relevant, and I quote the definition of the word ‘directly’:

1. in a direct line, way, or manner; straight.
2. without delay; immediately.
3. presently.
4. absolutely; exactly; precisely.

Adding the word ‘directly’ before ‘relevant’ does significantly and substantively change the standing order. I was concerned that there was perhaps the hint in the statement by the President that there was not much of a difference between relevance and direct relevance. But more concerning than that is the sentence that follows that in the President’s statement which says:
Provided that an answer is directly addressing the subject matter of a question, it is not within the power of the chair to require a minister to provide a particular answer.

As has been canvassed, there has never been a subject matter test in the standing orders or in a temporary order. It has never been the case in this place that, as long as an answer is in the ballpark and is related to the subject matter, that is sufficient. It is not sufficient. It may be helpful, it may be nice and it may be good that an answer is on the subject matter—you would hope that an answer would at least be on the subject matter—but that is not sufficient. The answer needs to be directly relevant—and directly relevant not to any vague concept but to the question itself. It is a very different proposition, and I think this is one that the President should very carefully examine, because this particular concept of addressing the subject matter is essentially a new creation; it is not founded in the standing orders or the temporary orders. If you did apply that particular test of subject matter, each and every utterance from Senator Conroy’s mouth in question time would be found to be within the standing orders, and I think we all know it is not.

As has been indicated by my colleague Senator Brandis, this is not a matter which is raised lightly. It is a matter which the opposition gave very serious consideration to before taking the decision to seek leave to raise these matters. I would encourage the President to seriously study the contributions this afternoon.

**Senator ABETZ** (Tasmania) (4.46 pm)—I thank most senators for the manner in which this debate has been undertaken. The simple fact is that, prior to sessional order 22 being implemented, all that was required by our standing orders was in standing order 73(4):

In answering a question, a senator shall not debate it.

As a result of question time falling into disrepute and disrepair, the Senate voted for sessional order 22 to apply, requiring that answers be directly relevant to each question.

We had a contribution from Senator Bob Brown which, if I might say so, was somewhat unfortunate in relation to the assertions made as to Greens questions: that they are never too long and never political. In the very short period of time that we have had, just yesterday I found that page 20 of the proof *Hansard* records Senator Milne asking a question, ending with ‘(Time expired)’. In other words, she ran out of time. Why? Because the question was too long.

**Senator McEwen interjecting**—

**Senator ABETZ**—Exactly, and I accept the Labor interjection that it happens to our side of politics as well. But to suggest that somehow it is only the Greens that ask short questions is shown to be false by virtue of the *Hansard* itself. To try to dress yourself up as being ‘holier than thou’ when the record actually shows the opposite is, I must say, a matter of concern.

Apart from the time issue, Senator Bob Brown also suggested that the Greens never ask politically charged or argumentative questions. I see Senator Conroy’s eyes rolling. Well, here’s a go. This is Senator Brown: I refer to the cover-up by Mitch Hooke and the Minerals Council—
clearly not argumentative or political. He then goes on to ask whether this: … is going to reduce the ability of Australians to have $17 million to $30 million spent on their welfare withdrawn to support a political campaign.

In another question, he refers to this being ‘subsidised in this obscene way by the taxpayers’. I think the term ‘obscene way’ may well also fall foul of a strict interpretation of standing orders. I do not criticise Senator Brown for doing it—we all do it—but to come into this chamber and try to claim that it is only the Greens who do not ask politically charged questions and who do ask short questions seeking information is shown to be absolutely wrong by the Hansard record itself.

On a lighter note, I conclude by reminding the President that, if he believes that he does not have sufficient power, we do have standing order 206, which says:

If a senator wilfully disobeys an order of the Senate, that senator may be ordered to attend the Senate and may be taken into custody.

The President would have our full support if he were to do that in relation to some of the ministers opposite. More seriously, I indicate that we have not raised this matter to reflect on the President—he has our support—but, with great respect, we find ourselves unable to support the statement that was provided to the Senate earlier today, and I would therefore request the President to reconsider the statement.

Question agreed to.

NOTICES
Presentation

Senator Fifield to move on the next day of sitting:

That the Senate—

(a) notes that there are six schools for deaf and hearing impaired students in Melbourne but no dedicated school for blind and vision impaired students;

(b) acknowledges that whilst mainstream schooling is appropriate for many children with disabilities, some children require more intensive support in specialist environments for a period of time;

(c) supports the right of parents to choose the educational setting that best meets the needs of their child;

(d) commends the parents involved in the Insight Education Centre for the Blind and Vision Impaired for their tireless advocacy and hard work on behalf of blind and vision impaired children; and

(e) calls on the Government to:

(i) establish a Commonwealth Disability and Carer Ombudsman to undertake a nationwide audit of special schools that cater for particular disabilities to establish the needs that exist across Australia, and

(ii) provide $2.2 million in capital funding to the Insight Education Centre for the Blind and Vision Impaired.

Senator Mason to move on the next day of sitting:

That—

(a) the Senate notes recommendation 1 of the interim report of the Building the Education Revolution (BER) Implementation Taskforce (the Orgill report), which reads as follows, ‘In the interest of transparency and public accountability, the Taskforce recommends that each education authority publish school specific project cost data related to BER P21 in a nationally common structure with consistent definitions’; and

(b) in the interest of transparency and public accountability in relation to the BER program, there be laid on the table no later than Tuesday, 23 November 2010, school specific project cost data related to each BER P21 school project, in a nationally common structure with consistent definitions.
Senator Ludwig to move on the next day of sitting:

That—

(a) consideration of general business order of the day no. 15 (Restoring Territory Rights (Voluntary Euthanasia Legislation) Bill 2010) have precedence over all government business on Thursday, 18 November 2010; and

(b) at 12.45 pm, the Restoring Territory Rights (Voluntary Euthanasia Legislation) Bill 2010 be interrupted to allow consideration of bills listed on the daily Order of Business, under the heading ‘At 12.45 pm’.

Senator Fifield to move on the next day of sitting:

That the Senate notes the Gillard Government’s failure to undertake a cost benefit analysis of their National Broadband Network plan to ensure the most cost effective delivery of competitive broadband services to all Australians in a manner responsive to our future needs.

Senator Bushby to move on the next day of sitting:

That the Economics References Committee be authorised to meet during the sitting of the Senate on Monday, 22 November 2010 and Thursday, 25 November 2010 for private briefings.

Senator Ronaldson to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Defence Force Retirement and Death Benefits Act 1973 to provide for fairer indexation, and for related purposes. Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010.

Senator Fisher to move on 18 November 2010:

That there be laid on the table by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy), by 22 November 2010, the following documents relating to the National Broadband Network:

(a) the complete text of the departmental ‘Red Book’ advice provided to the incoming Government about the National Broadband Network (NBN), including text ‘blacked out’ in the version of the ‘Red Book’ publicly released on 16 November 2010 and, including in particular, text reflecting NBN Co’s view of any recommendations made in the McKinsey and Company and KPMG Implementation Study;

(b) in respect of sites chosen for early roll-out of the NBN:

(i) the criteria (including engineering advice) used as the basis for choosing each of the stage 1 and seven stage 2 sites in Tasmania (to which the Minister referred to in Senate Estimates on 25 May 2010), and

(ii) the ‘commercial, construction and local authority acceptance criteria’ (to which reference is made on p. 12 of the NBN Co annual report for 2009-10, tabled in the Senate on 15 November 2010) used as the basis for choosing each of the first and second release sites around the rest of Australia; and

(c) the agreed set of enterprise bargaining agreement principles ‘signed and agreed by the ACTU, coordinating right through with the CEPU and a range of other unions’ (to which the Minister referred to in Senate Question Time on 15 November 2010) and on which the Minister based his reassurance (also made during Senate Question Time on 15 November 2010) that ‘there is no suggestion at all that there would be a wages blow-out’ in rolling out the NBN.

Senator Bob Brown to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Banking Act 1959 to place controls on changes in the variable interest rates of ADIs, and for related purposes. Banking Amendment (Controls on Variable Interest Rate Changes) Bill 2010.
Senator Milne to move on the next day of sitting:
That the Senate—
(a) notes:
(i) that the planned Wandoan coal mine in Queensland would, at its peak coal production, contribute the equivalent of 0.17 per cent of total global emissions according to Xstrata’s own numbers,
(ii) that approximately 108 of the 186 world nations have annual domestic emissions less than what will result from this single mine each year,
(iii) that the emissions from burning this coal would neither be affected by a domestic carbon price nor be relevant to the mine’s assessment under the Environment Protection and Biodiversity Conservation Act 1999 (the Act),
(iv) the statement by the Prime Minister on 17 November 2010 that ‘it is up to this generation of people and the generations coming up fast behind it to take the action necessary to tackle climate change’, and
(v) the hypocrisy of approving new coal mines while arguing that climate change is real and urgent; and
(b) calls on the Government to give itself the power to stop such hugely polluting developments by introducing a long-promised greenhouse trigger into the Act.

Senator Milne to move on the next day of sitting:
That the Senate—
(a) notes that a statement from a group of the world’s largest investors, representing US$15 trillion:
(i) calls for domestic and international policies to ‘unlock the vast benefits of low-carbon markets and avoid economic devastation caused by climate change’,
(ii) cites potentially 20 per cent losses to gross domestic product by 2050 if climate change goes unabated,
(iii) notes the benefits of both a carbon price and regulation in driving investment into renewable energy and other clean technologies, and
(iv) calls for emissions targets, strong and sustained price signals, energy and transportation policies, the phase out of fossil fuel subsidies, adaptation measures and corporate disclosure of climate risk to be implemented;
(b) applauds the moves by elements of Australian business to embrace the opportunities provided by ambitious climate action; and
(c) calls on the Government to consider the increasing benefits of swiftly transforming the economy for low to zero emissions.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (4.53 pm)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the International Financial Institutions Legislation Amendment Bill 2010, allowing it to be considered during this period of sittings.

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

Leave granted.

The statement read as follows—

Purpose of the Bill
The purpose of this Bill is to amend the International Monetary Agreements Act (IMA) 1947 to authorise the subscription by Australia to additional shares in the capital stock at the International Bank for Reconstruction and Development (IBRD). The purpose of the Bill is also to amend the International Finance Corporation (IFC) Act 1955 to allow Australia to adopt a proposed amendment to the Articles of Agreement of the International Finance Corporation (IFC) and to amend the Multilateral Investment Guarantee
Agency (MIGA) Act 1997 to adopt four amendments to the Multilateral Investment Guarantee Agency (MICA) Convention which have been recently adopted by the MICA Council of Governors.

The IMA Act 1947 established Australia’s membership of the International Monetary Fund (IMF) and the IBRD (part of the World Bank Group) and makes provisions which allow Australia to meet obligations that may arise by virtue of our membership of these institutions. The proposed amendments to the IMA Act 1947 will authorise the subscription by Australia to additional shares in the capital stock at the IBRD.

The IFC Act 1955 and the MICA Act 1997 established Australia’s membership of the IFC and MICA respectively and makes provisions which allow Australia to meet obligations that may arise by virtue of our membership of these institutions. The proposed amendments do not alter these provisions and therefore introduce no substantive changes to Australia’s obligations to the IFC or MIGA.

The proposed amendment to the Articles of Agreement of the IFC aims to improve the voice and participation of developing and transition economies in the World Bank by increasing their basic votes, implementing the O20 commitment. This will increase the effectiveness and legitimacy of the World Bank as the leading global development institution and enhance the influence that developing and transition countries have over governance, policies and decision making in the World Bank. The proposed voice reform also allows shareholders to achieve voting power adjustments in both the IBRD and the IFC, taking into account different levels of shareholder interest in and support for the different institutions.

The four amendments to the MIGA Convention recently adopted by MIGA’s Council of Governors will modernise MIGA’s mandate and expand the Agency’s scope, allowing a greater range of projects to be eligible for MIGA coverage. The amendments will permit the Agency to: provide coverage for stand-alone debt; broaden the process for investor registration; broaden the scope for coverage for existing assets; and eliminate the requirement of a joint application by the investor and the host country to authorise coverage for specific additional non-commercial risks. The amendments do not alter the Agency’s core mandate but are aimed at reducing transaction costs and enabling MICA to insure political risk for projects based on actuarial qualities rather than excluding projects with particular financing structures.

The Treasurer, as Australia’s Governor to the World Bank, is required to vote on any proposed changes to the IFC Articles of Agreement or the MICA Convention. Under Treaty obligations, IFC and MICA members are bound by amendments to the Articles of Agreement and Convention respectively when they enter into force. Any amendment to either institution constitutes a variation in Australia’s treaty obligations and will therefore be considered by the Joint Standing Committee on Treaties.

**Reasons for Urgency**

Timely passage of the legislation is necessary for Australia to meet the G20 Pittsburgh and Toronto Summit commitments of ensuring that international financial institutions have appropriate capital for their resourcing needs, ensuring developing countries increase their voting power and modernising the World Bank. It is important that Australia demonstrates its commitment to the G20 agenda by ensuring prompt implementation of these reforms.

Australia’s subscription to the capital increase, whilst not impacting the Budget, will enable the IBRD to provide the lending levels necessary to assist developing countries in their post-crisis recovery whilst maintaining appropriate prudential standards. This additional lending will help developing and transition countries with the finance needed to assist their recovery from the global financial crisis.

Australia, through the G20, has committed to: ensuring that international financial institutions have appropriate capital for their resourcing needs; enhancing developing countries’ voice and influence in these institutions, including through increases in their voting power; and modernising the international financial institutions to foster sustainable development and poverty reduction. Early subscription of capital stock and passage of amendments to increase the voting power of de-
veloping countries in the IFC, and amendments to modernise the MICA Convention will demonstrate Australia’s leadership in this important area. Failure to subscribe to an increase in capital stock early would limit the IBRD’s ability to rebuild its balance sheet and restore lending commitments to pre-crisis levels. The inability of developing countries to increase global growth may significantly impact on the world’s ability to recover from the global financial crisis.

Postponement
The following items of business were postponed:

Business of the Senate notice of motion no. 1 standing in the name of Senator Kroger for today, proposing the disallowance of the Extradition (United Arab Emirates) Regulations, postponed till the first sitting day in 2011.

General business notice of motion no. 94 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for today, relating to the Papua New Guinean Parliament, postponed till 22 November 2010.

COMMITTEES

Rural Affairs and Transport Legislation Committee

Extension of Time
Senator McEwen (South Australia) (4.54 pm)—by leave—I move:

That the time for the presentation of the report of the Rural Affairs and Transport Legislation Committee on the provisions of the Airports Amendment Bill 2010 be extended to 18 November 2010.

Question agreed to.

Education, Employment and Workplace Relations Legislation Committee

Reference
Senator Conroy (Victoria—Minister for Broadband, Communications and the Digital Economy and Minister Assisting the Prime Minister on Digital Productivity) (4.55 pm)—I move:

That the Social Security Amendment (Income Support for Regional Students) Bill 2010 be referred to the Education, Employment and Workplace Relations Legislation Committee for inquiry and report by the second sitting day in February 2011.

Question agreed to.

1999 GST AGREEMENT

Order
Senator Cormann (Western Australia) (4.56 pm)—I move:

That the Senate—

(a) notes that:

(i) the Government, as part of its changes to the health system, is proposing to fundamentally alter the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (1999 GST Agreement) with the clear opposition of at least one state – Western Australia, and

(ii) clause 44 of the 1999 GST Agreement states: ‘All questions arising in the Ministerial Council will be determined by unanimous agreement unless otherwise specified in this Agreement’; and

(b) orders that there be laid on the table by 5 pm on Thursday 18 November 2010, any advice (including legal advice and advice from the Solicitor General or the Australian Government Solicitor) to the Department of the Prime Minister and Cabinet or the Department of the Treasury, or advice from these departments to their respective Ministers, concerning the need for unanimous agreement to vary the GST Agreement.

Question put.

The Senate divided. [5.01 pm]

(The President—Senator the Hon. JJ Hogg)

Ayes……………. 34
Noes……………. 32
Majority………. 2
Senator Bob Brown (Tasmania—Leader of the Australian Greens) (5.04 pm)—I move:

That the following matter be referred to the Environment and Communications References Committee for inquiry and report by 1 June 2011, with effect from the first day of sitting of 2011:

The status, health and sustainability of Australia’s koala population, with particular reference to:

(a) the iconic status of the koala and the history of its management;
(b) estimates of koala populations and the adequacy of current counting methods;
(c) knowledge of koala habitat;
(d) threats to koala habitat such as logging, land clearing, poor management, attacks from feral and domestic animals, disease, roads and urban development;
(e) the listing of the koala under the Environment Protection and Biodiversity Conservation Act 1999;
(f) the adequacy of the National Koala Conservation and Management Strategy;
(g) appropriate future regulation for the protection of koala habitat;
(h) interaction of state and federal laws and regulations; and
(i) any other related matters.

Question agreed to.

Senator Bob Brown (Tasmania—Leader of the Australian Greens) (5.04 pm)—I congratulate the Tasmanian parliament for its legislation to ban non-biodegradable plastic bags, and I move:

That the Senate—
(a) recognises the damage to our marine species cause by discarded non-biodegradable plastic bags;
(b) congratulates the Tasmanian Parliament on its decision to ban non-biodegradable plastic bags throughout the State; and
(c) urges states that are yet to ban non-biodegradable plastic bags to adopt this sensible waste management practice.

Question put.

The Senate divided. [5.09 pm]

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

AYES

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

NOES

Adams, J. Back, C.J.
Barnett, G. Bernardi, C.
Bilyk, C.I. Bishop, T.M.
Boswell, R.L.D. Brown, C.L.
Bushby, D.C. Cameron, D.N.
Cash, M.C. Colbeck, R.
Collins, J. Conroy, S.M.
Crossin, P.M. Farrell, D.E.
Faulkner, J.P. Ferguson, A.B.
Fielding, S. Fieravanti-Wells, C.
Fifield, M.P. Forshaw, M.G.
Humphries, G. Hurley, A.
Hutchins, S.P. Joyce, B.
Kroger, H. Lundy, K.A.
Macdonald, I. Marshall, G.
McEwen, A. Minchin, N.H.
Moore, C. Nash, F.
Parry, S. * Payne, M.A.
Polley, H. Pratt, L.C.
Scullion, N.G. Sherry, N.J.
Stephens, U. Stoeth, J.M.
Trood, R.B. Williams, J.R.
Wortley, D.

* denotes teller

Question negatived.

COMMITTEES

Reform of the Australian Federation Committee

Extension of Time

Senator PARRY (Tasmania) (5.12 pm)—At the request of Senator Trood, I move:

That the time for the presentation of the report of the Select Committee on the Reform of the Australian Federation be extended to the last sitting day in May 2011.

Question agreed to.

Legal and Constitutional Affairs References Committee

Extension of Time

Senator PARRY (Tasmania) (5.12 pm)—At the request of Senator Barnett, I move:

That the time for the presentation of reports of the Legal and Constitutional Affairs References Committee be extended as follows:

(a) review of government compensation schemes—to 6 December 2010; and
(b) donor conception practices in Australia—to the Wednesday of the first sitting week in February 2011.

Question agreed to.

Rural Affairs and Transport References Committee

Extension of Time

Senator PARRY (Tasmania) (5.12 pm)—At the request of Senator Heffernan, I move:

That the time for the presentation of the report of the Rural Affairs and Transport References Committee on pilot safety, including consideration of the Transport Safety Investigation Amendment (Incident Reports) Bill 2010 be extended to the second sitting day of March 2011.

Question agreed to.

Legal and Constitutional Affairs Legislation Committee

Meeting

Senator MCEWEN (South Australia) (5.12 pm)—At the request of Senator Crossin, I move:
That the Legal and Constitutional Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 18 November 2010, from 3.45 pm, to take evidence for the committee’s inquiry into the Evidence Amendment (Journalists’ Privilege) Bill 2010 and the Evidence Amendment (Journalists’ Privilege) Bill 2010 (No. 2).

Question agreed to.

Legal and Constitutional Affairs Legislation Committee

Extension of Time

Senator McEWEN (South Australia) (5.12 pm)—At the request of Senator Crossin, I move:

That the time for the presentation of the report of the Legal and Constitutional Affairs Legislation Committee on the provisions of the Human Rights (Parliamentary Scrutiny) Bill 2010 and a related bill be extended to 7 December 2010.

Question agreed to.

DR ROBERTA ‘BOBBI’ SYKES

Senator SIEWERT (Western Australia) (5.12 pm)—I move:

That the Senate—

(a) notes the passing of activist, writer and poet Dr Roberta ‘Bobbi’ Sykes on Sunday, 14 November 2010;

(b) acknowledges the huge contribution Dr Sykes made to Aboriginal politics and Aboriginal rights in Australia, from the early days as the Secretary of the Aboriginal [tent] Embassy in Canberra in 1972 to the way in which she paved the way for Aboriginal women in writing and in higher education, obtaining Masters and Doctorate degrees in Education at Harvard in 1981 and 1984; and

(c) expresses its condolences to the members of Dr Sykes’ extended family and community on the passing of this dedicated, compassionate and outspoken black woman.

Question agreed to.

MR LIU XIAOBO

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (5.13 pm)—I move:

That the Senate—

(a) notes:

(i) China’s condemnation of Liu Xiaobo as a ‘criminal’,

(ii) Mr Liu’s major ‘crime’ was calling for ‘democracy reform’ in China, and

(iii) Beijing’s diplomatic efforts to have the Nobel Prize ceremony in Oslo boycotted; and

(b) calls on the Australian Government to ensure that Australia is officially represented at the Oslo presentation of the prize to Mr Liu’s representatives.

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations (5.13 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator JACINTA COLLINS—The government has already made statements in regard to the awarding of the Nobel Peace Prize, and we do not believe that this individual’s incarceration is appropriate or justified. Australia believes that his sentence should be brought to a termination and he should be released. I also note that Australia has not been invited to the Nobel Peace Prize ceremony.

As has been said in this place before, Australia recognises that China has made some progress in human rights over the last 30 years. However, the government remains concerned about human rights in China. We do not believe that either the Australian government’s careful management of the complex and important relationship with China or progress on human rights, including Dr
Liu’s case, will be materially assisted by this Senate motion.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (5.15 pm)—Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator BOB BROWN—There is enormous discussion around the world about official representation at the ceremony. I can only think that if the Australian government does not have an invitation from Oslo to attend this prize-giving ceremony, it is for want of trying. I will draw to the Norwegian embassy’s notice that there has not been an invitation. I think it would be no trouble at all for Australia to have official representation if it wanted to and that the government should make that attempt. However, I will do that on its behalf.

On the subject of the incarceration of Liu Xiaobo, who is one of the greatest exponents of democracy and human, political, civil and religious rights on the face of the planet, he not only should not be in jail but should be celebrated. The Chinese government should be taken on for its unreasonable and cruel repression by putting this man into jail along with many, many other supporters of democracy. The Australian government ought to be doing much more.

This is a simple motion calling for official representation and for Australia to be at the prize-giving ceremony for the Nobel Peace Prize. The government has now revealed it is not going to be there. That adds a new question before the chamber and before this parliament as to why not. I will seek information from the Norwegian embassy and report back to the chamber on that matter.

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

The Senate divided. [5.18 pm]
(The Deputy President—Senator the Hon. AB Ferguson)

Ayes............. 6
Noes............. 32
Majority........ 26

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

NOES
Adams, J. Back, C.J. Boyce, S.
Barnett, G. Bilyk, C.L. Brown, C.L. *
Cameron, D.N. Cash, M.C. Collins, J.
Colbeck, R. Conroy, S.M.
Crossin, P.M. Fergusson, A.B.
Fifield, M.P. Fielding, S.
Furner, M.L. Forshaw, M.G.
Ludwig, J.W. Landy, K.A.
Macdonald, I. Marshall, G.
McEwen, A. Moore, C.
Parry, S. Payne, M.A.
Polley, H. Pratt, L.C.
Scullion, N.G. Stephens, U.
Troeth, J.M. Wortley, D.

* denotes teller

Question negatived.

CREDIT CARD SURCHARGING

Senator MILNE (Tasmania) (5.20 pm)—I seek leave to amend general business notice of motion No. 104 standing in my name for today relating to credit charge surcharges.

Leave granted

Senator MILNE—I move the motion as amended:

That the Senate—
(a) notes the report by CHOICE, Credit card surcharging in Australia, commissioned by the New South Wales Office of Fair Trading, and its findings that:
(i) there has been a significant increase in the rate of merchants charging credit
card transaction fees with 20 per cent of small merchants and 40 per cent of very large merchants now imposing surcharges on their customers,

(ii) 88 per cent of the respondents to the CHOICE survey reported paying a credit card surcharge in the previous year; and

(iii) there is evidence that there are retailers who charge far in excess of the merchant service fees they are required to pay to the credit card companies; and

(b) calls on the Government to investigate, with consumer and industry bodies such as CHOICE, whether merchant service fees are being adequately disclosed and consumers are being protected from credit card profiteering.

Question agreed to.

BURMA AND DAW AUNG SAN SUU KYI

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

That the Senate—

(a) welcomes the release of Daw Aung San Suu Kyi from house arrest on behalf of the Australian people;
(b) congratulates the Burmese pro-democracy movement for its steadfast resistance to military rule and ongoing campaign for democracy;
(c) calls for the immediate and unconditional release of more than 2 000 political prisoners still detained in Burma;
(d) calls on Burmese authorities to embark on a genuine process of national reconciliation and engage in dialogue with all of Burma's ethnic groups; and
(e) calls on the Australian Government to:

(i) make the most of this opportunity to bring about lasting reform for Burma and its people,
(ii) investigate all options for progressing a United Nations commission of inquiry into human rights abuses and war crimes in Burma,
(iii) reinforce the campaign for political reform in Burma with increased engagement through government and diplomatic channels,
(iv) maintain efforts to enforce a universal arms embargo against Burma, and
(v) support at the highest levels of government the efforts of Daw Aung San Suu Kyi and her colleagues to restore democracy and peace in Burma.

Senator LUDLAM (Western Australia)
(5.22 pm)—I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDLAM—This is a foreign policy motion where I do not believe we will be hearing either from the government side or from the opposition side that we do not debate complex foreign policy matters during discovery of formal business. I thank the Foreign Minister and his staff for the way in which they engaged with this issue and also the shadow foreign minister’s office as well.

This motion welcomes the release of Daw Aung San Suu Kyi from house arrest on behalf of the Australian people. I believe that I would speak for everyone in this parliament in celebrating that fact. This is about an extraordinary pro-democracy campaigner who has been under house arrest for a combined total of 15 years. I greatly appreciate that the Senate has seen fit to pass this motion unanimously on behalf of the Australian people and I draw senators’ attention to two of the clauses in the motion which recognises how far the Australian government has come in the last 12 months or so. We are now on board to, as the wording says:

(ii) investigate all options for progressing a United Nations commission of inquiry into human rights abuses and war crimes in Burma,

This is a very important recognition that, as pro-democracy campaigners in Burma have
said, the election changes nothing. It does not even deserve the term ‘election’. The very same people at senior levels of the military and judiciary should indeed face war crimes and crimes against humanity charges in international courts. It is greatly appreciated that the Australian government is on board with this call. We very much look forward to them actually doing something in pursuit of these avenues to prosecute these horrendous crimes against the people of an entire nation. Item (e)(iv) of the motion says that the Senate:

(iv) maintain efforts to enforce a universal arms embargo against Burma ...

One of our most important trading partners, China, welcomed the election as progress for democracy in China, and it is one of the largest arms dealers into Burma in direct support of the regime. Australia should be doing more to persuade China on the universal arms embargo matter.

The DEPUTY PRESIDENT—I am not sure that it is unanimously passed yet, Senator Ludlam, but we will give it a try.

Question agreed to.

BROADBAND

Order

Senator LUDLAM (Western Australia) (5.25 pm)—I, and also on behalf of Senator Birmingham, move:

That there be laid on the table by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy), by 17 November 2010, the following documents relating to the National Broadband Network:

(a) the National Broadband Network Business plan; and

(b) the Government’s response to the McKinsey and Company and KPMG Implementation Study.

Senator LUDLAM (Western Australia) (5.25 pm)—I seek leave to make a short statement.
them themselves. It is not acceptable to us that the Australian government would continue to defy these kinds of orders. As part of our agreement with the Prime Minister the Australian Greens will be seeking that the Information Commissioner should be able to resolve these disputes when the parliament and executive clash on matters like this. This is something that we will be bringing to a head now so that the minister cannot continue to defy an order of the Senate. (Time expired)

Senator XENOPHON (South Australia) (5.27 pm)—I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator XENOPHON—I indicate my strong support for this motion. The government is alienating those supporters who believe in a National Broadband Network. It is ‘burning up goodwill’ to use a phrase that Senator Ludlam used earlier today. I find it extraordinary that these documents will not be made available. When we are dealing with a $43 billion piece of information infrastructure, to be asked to make decisions in an information vacuum is simply unacceptable. That is why it is important that this motion is supported by the Senate and that we get the information that the Australian people deserve.

Question agreed to.

COMMITTEES

Reform of the Australian Federation Committee

Extension of Time

Senator MILNE (Tasmania) (5.28 pm)—I seek leave to make a short statement in relation to motion No. 97, moved by Senator Parry on behalf of Senator Trood, which was rolled in with a series of other motions earlier in the discovery of formal business.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator MILNE—This relates to the Select Committee on the Reform of the Australian Federation. I want to indicate that I spoke last week at the conference on the 40th anniversary of the Senate committees. I feel it is important to say here what I said there and that is that the use and abuse of the select committee process demeans the Senate and undermines the standing of the Senate in the eyes of the community. A select committee is meant to be established for the purposes of dealing with a hot button political issue. It is meant to be for a specific issue and it is meant to be for a specific period of time. Instead of that the way the select committees are now being used is as taxpayer funded coalition Senate committees that are open-ended in order to provide additional status for coalition members effectively, and I object to this.

This committee was given permission to re-form after the election and to report on 17 November. This has now been extended until May 2011, with absolutely no meeting having occurred in the time. This committee has not had a meeting. My colleague who is on that committee has not been consulted about the extension. There has been no meeting and there is no agenda. It is just a long-term process for establishing a committee with no outcomes. If you cannot produce anything or even have a meeting before the reporting date, why should the Senate give you a period of extension, as has occurred? I wish again to state clearly that it undermines the standing of the Senate in the eyes of the community when you start using Senate committee processes for effectively party political purposes under the guise of being paid by the taxpayer—and I object to this extension.
MATTERS OF PUBLIC IMPORTANCE

Strategic Indigenous Housing and Infrastructure Program

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

The Gillard Government’s mismanagement of the Strategic Indigenous Housing and Infrastructure Program.

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

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

The ACTING DEPUTY PRESIDENT—

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

Senator SCULLION (Northern Territory) (5.31 pm)—I normally rise with some excitement to provide a contribution in the debates on matters of public importance—there are only a few moments of shabby pleasure we take in beating up the other side on their complete failure in most programs—but I have to say that today I rise with a feeling of not only disappointment but also some dismay at the extent of the incompetence and mismanagement of the programs more generally affecting our first Australians but particularly in the provision of housing and the SIHIP fiasco in the Northern Territory.

The standard and quantity of houses in Northern Territory communities has been raised in this place as a serious issue for many years. Inadequate housing supply means it is not uncommon for 15 to 20 people to share a dwelling in remote Territory communities, sometimes with non-functioning bathrooms and toilets—and all of the misery that goes with those sorts of circumstances. Many people now in fact choose to live outdoors under sheets of tin or tarpaulins because it is better to live in those conditions than in the sort of squalor that is associated with overcrowding.

Poor housing was raised as a significant factor contributing to child abuse and neglect in the Little children are sacred report released in 2007, and the Howard government decided it was imperative to take a greater role in providing housing in the Northern Territory. The previous government provided new funding of $514 million over four years on top of the existing budget to repair and build housing in remote Northern Territory communities. As I have said countless times in this place, this was an emergency response that was designed to provide immediate relief to our most vulnerable Australians.

When the coalition lost the election in 2007, it was with some relief that we found that Labor had decided to maintain the previous government’s commitment to housing, through the announcement of the Strategic Indigenous Housing and Infrastructure Program, or SIHIP. On 12 April 2008, the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, increased the commitment to $547 million over four years with an additional $100 million to be provided by the Northern Territory government. This $647 million, later increased to $672 million, was to provide: 750 new houses; 230 new houses that would replace houses earmarked for demolition; over 2,500 housing upgrades; essential infrastructure to support those new houses; and improvements to living conditions in those town camps. Work was due to begin in October 2008, meaning that, with the government’s four-year timetable, all work would be completed by the end of 2012.
Unfortunately, the Labor government have failed at every turn to deliver on their promise, which is a monumental tragedy and an insult to the people who continue to suffer in Third World living conditions. Instead of construction being underway by October 2008 the alliance partner has only just been announced and will still need time to commence work. In the meantime, consultations about design and housing requirements began with communities. The amount of time and money allocated to these consultations was unprecedented. The community of Milingrida, for example, received nine visits between March and June 2009, but construction was not scheduled to begin until mid-2010. Later it was revealed more than $45 million was spent on consultations, administration and other bureaucratic expenses before a single house slab was poured, a single nail driven or a single brick laid. The reality was that not a single house had been completed by February 2009, despite money having been available since 2007 as part of the Northern Territory Emergency Response.

In July 2009 it was revealed that New South Wales Labor Senator Ursula Stephens had written to Minister Macklin a year earlier, in 2008, warning that no houses would be built under the program until 2011. The government immediately denied that there were any problems with SIHIP other than delays in implementing such a large program. The cover-ups continued, with the Northern Territory minister responsible for the delivery of SIHIP reported in the media on 7 July 2009 as saying that the government had met every deadline for this project—an amazing statement given that it had already been conceded that the program start date had been delayed.

The same month, NT government ministers Anderson and Hampton received a briefing on the program’s status. Ms Anderson alleged that less than 30 per cent of the $672 million budget would actually be used to build and refurbish houses. The NT minister responsible, Rob Knight, described the claim as ‘ludicrous’—and, of course, we can all remember Minister Macklin claiming that the figure was ‘completely wrong’. Both ministers either had absolutely no idea of the status of the program or were deliberately misleading the public. This was confirmed when a review of the program was conducted. Facing growing dissent, the government announced a review of SIHIP on 24 July 2009.

On 17 August 2009, a week before the release of the SIHIP review, the NT minister answered a question in the NT parliament on SIHIP where he said: ‘So they are the facts; work is underway, it is on track, it is a five-year program, and every single house will be built, every refurbishment will be completed, and all those training positions will be filled.’ The next day, on 18 August 2009, SIHIP’s director, Jim Davidson, who gave a briefing to Alison Anderson revealing SIHIP mismanagement, was removed from his position. Free from the constraints of the position, Mr Davidson spoke to the ABC in Darwin. He revealed that the SIHIP budget was only enough to build 300 houses—substantially fewer than the 750 that were promised—meaning that the budget was likely to blow out to over $1 billion. How prophetic that turned out to be.

The government again denied those claims, but in November 2010 it boosted the program’s budget by $456.7 million to a total of $1.1 billion. On 31 August 2009 the review into SIHIP was released. The review found: the program was overly bureaucratic with six layers of oversight; $45.54 million had, in effect, been wasted on inappropriate consultation before construction had commenced; and the promised construction targets could not be met. This meant that, in order to meet construction targets, all vital
infrastructure works, including water, sewerage, power and subdivisions would have to be cut from the program’s budget and funded from other sources. The review exposed that all the Labor government’s public assurances that SIHIP was on track, on budget and would deliver what was promised were, in fact, untrue. The government was either totally unaware of the status of its program or deliberately hiding the facts from Australians.

SIHIP had quietly increased to a five-year program—just by media release, of course—and, with a new budget, continued with the government stating that the program was again on track; however, the waste, mismanagement and poor standards continued. The standard of completed renovations was well short of expectations for even the reduced $75,000 budget. Renovations now only include repairs to electrical fittings, bathroom plumbing and fixtures, and supply of a new stainless steel bench instead of a proper kitchen. Houses are not even painted anymore. One house I inspected at Ali Curung after it had been renovated did not have a single cupboard or shelf in the kitchen. That meant there was nowhere to store food or put plates and saucepans, and there was not even a drawer to get cutlery off the floor.

In estimates in October this year, officials revealed that:

… in order to make the limited funding that we have go as far as possible and to make as many houses safe and functional as possible, that functional refurbishment will be the focus for the majority of them.

This statement indicates that the functional maintenance, or ‘fix-and-make-safe’ maintenance, is costing the full $75,000 per house—work that has been achieved in similar communities, which I have also inspected, by qualified tradesmen for around $25,000 per house. The government repeatedly refuses to provide a breakdown of what the alliance partners are paid, effectively hiding this from scrutiny. Worse still, in November 2010—this very month—the Territory opposition received a briefing on SIHIP from NT officials which indicated that even the target of 2,500 ‘fix-and-make-safe’ renovations could not be achieved due to funding constraints. Where has all the money gone? The government refuses to answer this most important question.

The next issue that must be explained relates to the program’s target of 750 new houses. Northern Territory government officials have revealed that 50 per cent of the houses will have two bedrooms or less, while 10 per cent will only have one bedroom. A stack of one- and two-bedroom boxes is not going to alleviate overcrowding, which is a key objective of SIHIP. One of the worst aspects of SIHIP is the extent of the government’s deception about the mismanagement of expenditure and the time frames of the program. In December 2009, a post-review assessment was commissioned by the Australian government to report against the SIHIP review recommendations. When that was released on 17 March 2009 it was accompanied by a media release that said:

… the changes and recommendations of the 2009 review have been implemented, and have put the program on track to achieve its targets of 750 new houses, 230 rebuilds and 2500 refurbishments … That is complete rubbish.

What is obvious is that millions of dollars have been spent while Aboriginal people continue to live in overcrowded and substandard housing. The government started with hundreds of millions of dollars and the goodwill of Aboriginal people, and it has squandered both. It is time that a full, open and independent inquiry is instigated to stop the waste and mismanagement that has characterised this program. We can no longer tolerate the monumental incompetence and
failure that Minister Macklin has demonstrated in her mismanagement of this program. *(Time expired)*

**Senator CROSSIN** (Northern Territory) *(5.41 pm)*—There is no doubt that, since we came into government in 2007, the federal Labor government—under Kevin Rudd and now under Prime Minister Gillard—has been absolutely committed to closing the gap on Indigenous disadvantage. We have stated it time and time again. The actions that we have taken in supporting programs and various outcomes and outputs would show that. We are deeply committed to ensuring that the gap is closed and to addressing that in partnership with state and territory governments, and, critically, with Indigenous Australians at the nucleus of any change and any gap that is to be closed. They are the driving force behind anything we want to achieve.

Housing is absolutely essential to the Closing the Gap agenda. It is one of the seven key building blocks that have been agreed to by the Council of Australian Governments, COAG, as being essential to this outcome. We all know the link between safe and healthy housing and broader life outcomes, such as health, education and employment, has been well established, and we know that getting housing right is critical to restoring positive social norms. Let me digress for a moment in terms of ‘getting housing right’. Getting housing right in an Aboriginal community in the Northern Territory means that you consult with Indigenous members of that community. Therefore, each community has had a housing reference group established; each community has negotiated a leasing plan under which the houses can be built on the land that is leased; each community has gone through the process of identifying where they want the houses put; and each community has identified the nature and the type of housing they want. Does that happen overnight? No, it does not happen overnight. It was never meant to happen overnight. It was meant to ensure that Indigenous Territorians drive the outcomes by getting the kind of housing they want, where they want it and the conditions under which they want it. That has been the nucleus of the program that we have embarked upon.

In remote Australia, the state of housing provides the most visible evidence of the persistent failure of governments—I emphasise governments—to address Indigenous disadvantage. For this reason we have taken very strong action to improve the delivery of Indigenous housing in remote Australia. As a government we have committed the unprecedented amount of $5.5 billion over 10 years through the National Partnership Agreement on Remote Indigenous Housing to improve housing and living conditions in remote Australia. In talking about living conditions, we also have to look at extension of infrastructure. We have to look at extension of electricity, water and sewerage and, in many cases, an upgrade of that. I think I have already spoken in this chamber of how, when 25 new houses were to be built on Groote Eylandt at Umbakumba, the first thing people realised was that the electricity grid would not accommodate that many houses. Were you going to get a new house overnight? No, you were not, because the first thing you had to do was upgrade the electricity grid that would sustain that extra output of electricity in that community.

People opposite who tend to want to criticise this, day after day and week after week, do not provide the general public or this chamber with the totality of the work and the commitment that is out there. This is the single largest outlay that any government has ever made on Indigenous housing, and we have set ambitious targets for the construction of new and upgraded housing across remote Australia. Perhaps the fault was that
we did set the targets. We did actually get out there and set some outputs and some key performance indicators. The opposition would have you believe that we are not achieving those. I and my colleagues who speak after me will prove that we are not only achieving them but achieving them beyond the target. Of course, if some targets had not been set, people on the other side would be jumping up like rabbits out of a burrow saying, ‘How many houses did you expect to build for that?’ or, ‘How many refurbishments did you expect for that?’ Of course, we have set targets—we have been ambitious: we have set KPIs—and we are now driving the agenda to meet those.

The Strategic Indigenous Housing and Infrastructure Program delivered through the national partnership agreement is the largest ever investment undertaken by the federal government and the Northern Territory government in Indigenous housing. Under SIHIP, housing and related infrastructure—and I really want to emphasise ‘related infrastructure’, because it goes hand in hand with any new or refurbished houses—will be improved in 73 remote communities and a number of town camps. Better housing, as we all know, is the cornerstone of healthy, sustainable communities. Yes, there were problems and concerns in the early days of SIHIP—and do you know what? As a government, we had the courage to actually admit that and have a look at what those problems were. The problems emanated from a model and an agreement that was designed under a previous federal government—one minister being Mr Mal Brough. That was a design model and an implementation model that the former federal government signed off with the Northern Territory government. When we got into government, there were problems. We have managed to review that, conduct research, have a look at where the problems were, and work with and iron out those problems along the way.

The transition to an entirely new model of delivering housing, including the introduction of new governance arrangements and a new large-scale procure model, was a major reform. SIHIP is much more than a construction project. It is a strategic infrastructure and housing program. So it is much more than just a construction program. It was always planned, under the delivery model of alliancing—a model that was put together by the former federal government. The SIHIP does not just build houses without addressing other issues of community disadvantage. It will leave a legacy of more functional and sustainable communities by providing real jobs and real economic opportunities for residents. Already the program is exceeding its Indigenous employment target, with more than 30 per cent of the workforce being Indigenous.

At 8 November, 93 new houses have been completed, 139 new houses are underway, 786 rebuilds and refurbishments have been completed, 105 rebuilds and refurbishments are underway and a total of 1,123 housing lots have had work. Three hundred and twenty three Indigenous people are employed on the SIHIP program, and the Indigenous employment rate across the program is currently tracking at 32 per cent of the total workforce. That is because, for the first time ever in the history of managing Indigenous housing programs in this country, we as a government mandated that, before any company could touch any tool, any brick, any piece of aluminium, any glass or any paintbrush, they had to sign up to ensuring that a percentage of their workforce was Indigenous. Did it happen under the Howard government? No, it did not. Was there any guarantee of Indigenous employment and Indigenous outcomes and training under the Howard government? No, there was not. So
a very significant change and a very significant KPI under the Labor government is that we have Indigenous people employed. We have them off the Newstart allowance and we have them off CDEP where they choose to go off CDEP. We have them being trained. We have them out there as part of the workforce.

I have to say to my colleague on the other side of this chamber from the Territory: if you get around the Territory, if you went to Elcho Island or if you were at Gumbalunya, like I was last week, you would have seen more than a dozen men in those communities employed by Territory Alliance who are in training, who are very proud of what they are achieving, who boast about the full-time employment and who love the wages that they are bringing home to their families. They talked to me and Jenny Macklin just last week at Gumbalunya about the change they have perceived by being able to take up a trade that they believe will have lifelong benefits for their community. They said that the work experience and training makes them feel good about themselves. But it never happened prior to 2007.

So SIHIP is not just about building a house. It is about infrastructure and it is about changing what happens in those Aboriginal communities by giving people in those communities an opportunity to get into the workforce. That is because we mandated that. That is because you will not get one cent out of this program unless you provide at least a 20 per cent Indigenous employment target. I have to say that the alliances in the Territory have gone to 32 per cent of their total workforce. They are very proud of the fact that on the Tiwi Islands, out in Elcho and down in the town camps, they are getting Indigenous people onboard. They are getting them to be part of this and to own the outcomes. There are enormous legacy issues with housing in remote communities. We are not saying that SIHIP is solving all the housing problems in the Northern Territory; it is one program. There will be a need for more housing programs in the future and for the longer term. But SIHIP is a great start.

You can see the huge differences in the Alice Springs town camps. All 200 existing houses in the camps will be rebuilt or refurbished—43 three-bedroom houses and 42 two-bedroom houses will be built. A major clean-up through a fix-and-make-safe program was completed earlier this year under the $150 million Alice Springs Transformation Plan. In conjunction with the building program, 23 of the 40 staff employed to work on the Alice Springs town camps are Indigenous. And that figure is expected to grow as the construction increases. It has been an enormous transformation for the Alice Springs town camps. The standard of housing and the level of services are finally being lifted to that enjoyed by the rest of the town of Alice Springs. In May this year, Minister Macklin handed over the keys to the first of 85 new houses built in the town camps.

SIHIP is on track to meet its target of 150 new houses across the territory and 1,000 rebuilds and refurbishments by the end of this year. In fact, the national partnerships agreement building program is now being accelerated to deliver housing and housing related infrastructure ahead of schedule as the capacity of the construction consortia gathers strength. To take advantage of this demonstrated increased capacity, the Australian government announced on 10 October that it would bring forward $316.7 million over the forward estimates from the national partnership. Of these funds, $190 million will be used for housing related infrastructure, including sewerage and power. On top of this, the Northern Territory government in partnership is supporting the fast-tracking, by bringing forward $140 million of housing
related infrastructure. This means that SIHIP will build around 180 new houses—and perform around 180 rebuilds—sooner than anticipated.

I just want to say in conclusion that, under the previous governments, none of these things were consistently in place—things like Indigenous employment targets, housing targets, funding reallocation where targets were not met and ensuring that skills and training for Indigenous people were happening so they could get a job. None of those things were in place—none of those were KPIs—under the mishmash of Indigenous housing arrangements we had under the previous federal government. There was no consistent measurement of progress, no national employment requirement outcomes, no tenancy standard agreements between landlords and tenants and no consistently secured tenure; there was just millions of dollars spent with abysmal outcomes.

One of the major things at the end of the day about this is that the houses that are built or refurbished become the property of the Territory Housing. They become the property of the Northern Territory government. So a major part of SIHIP has been a cultural change—when Indigenous people go into a SIHIP house, they are tenants of Territory Housing. With that comes all of the education that is required—to learn what a tenant means and what your obligations are. (Time expired)

Senator IAN MACDONALD (Queensland) (5.56 pm)—The Strategic Indigenous Housing and Infrastructure Program, known as SIHIP, has failed Northern Territory Indigenous people and has in fact become a national disgrace. The program has been dogged by waste, mismanagement and bureaucratic bungling. As Senator Scullion, who led this debate and who is the opposition spokesman on Indigenous matters, clearly pointed out, the waste, mismanagement and lack of information is just criminal. I regret to say that it is another glaring failure of the Rudd and Gillard governments to implement policies in an effective manner. We had the pink batts fiasco, the solar rebates debacle, the boat people mess and the imprudent rush to splurge $43 billion on Senator Conroy’s NBN project; and now we have the SIHIP tragedy.

I call it a tragedy because Indigenous people of the Northern Territory have been promised so much by this government but have received so little. Millions of dollars have been squandered while whole communities continue to suffer living conditions that would not be tolerated in Third World countries. At Ngukurr, a remote community in Arnhem Land, there are 1,300 people living in just 113 homes. That is incredible. In one house, there are 25 people sleeping under one roof. As the ABC reported last week, elders in Ngukurr feel they have been conned by the Gillard government. One of the Ngukurr elders, a man called Walter Rogers, told the ABC that he believed the community had been conned. He said the community was promised some 53 new homes and the repair of all existing homes in exchange for signing a lease agreement, and that promise has been broken. Mr Walters has now been told that the $30 million program in that area will only provide eight extra bedrooms in the whole community. This is a demonstration of the Labor government’s mismanagement of this program. It is a program that promised so much but is now seen as a joke in the Northern Territory. Regrettably, it is a joke on the Gillard government, but I can assure you that members of the Indigenous community are not laughing. The depth of distrust of government is very evident.

While SIHIP relates particularly to the Northern Territory, I will digress a little bit to talk about another chronic neglect of Indige-
nous housing in an area near where I am based in North Queensland—that is, Palm Island, just off the coast of Townsville. The Howard government approved $762 million for the construction of Indigenous housing there. Mal Brough, the then federal Minister for Families, Community Services and Indigenous Affairs, released a plan for 46 new homes on Palm Island under the Howard government’s scheme. Three years later, not a sod has been turned on that project. The disgrace in what is happening on Palm Island is that the money was allocated but not a sod turned, and that reflects what is happening under SIHIP in the Northern Territory.

The Labor Party is simply incapable of managing money, and it is certainly incapable of assisting some of Australia’s most needy people. On Palm Island, up to 30 people are forced to crowd into one three-bedroom home; others are squatting in tin sheds made from scrap iron they got from the tip. So where has the money gone? That $762 million was allocated four years ago, and one wonders what has happened to it. Has it been used for the wages and accommodation of public servants, the very people employed to administer the scheme? No-one seems to know, yet Indigenous people on Palm Island continue to suffer in the sort of accommodation that would not be tolerated in Third World countries. Our first Australians deserve better. No wonder they are disillusioned with this government that is so long on promises and so short on action.

I think Senator Crossin’s was the only intelligent contribution—it was really informative—and I would like to add to it. As we have heard, the Strategic Indigenous Housing and Infrastructure Program is a $672 million investment to construct 750 new houses and 230 rebuilds and 2,500 refurbishments of existing houses in the Territory by the end of 2013. I have some information on that which I will share with the Senate. Work is underway in 25 communities and 11 town camps across the Territory. For example, in the Tiwi Islands 22 new houses are tenanted and complete in Nguiu. I am happy to say also that work is under way on the construction of another 21 houses. Rebuild works are complete at Milikapiti, where 30 houses have been substantially rebuilt. In the Nguiu and Pirlangimpi areas, 63 houses have been rebuilt and refurbished, and work is continuing there on a further 17 refurbishments and rebuilds. At Nguiu, 90 new houses will ultimately be constructed over the life of the program, with 23 houses constructed in the first stage.
Let us go further down the Stuart Highway to Tennant Creek, where a total of 78 houses will be substantially rebuilt under SIHIP. I am told that rebuild works are complete at a number of communities around that area, with 39 houses having been substantially rebuilt. Across the remaining town camps, 23 houses have now been rebuilt, and the building of a further six is underway. I am also told that, in the Tennant Creek area, major infrastructure works are complete in a number of communities and that the Australian and Northern Territory government officers continue to work closely with the Jularlikari Council Aboriginal Corporation down there to ensure that transitional housing is available when required. We have already heard from Senator Crossin about the Alice Springs town camps.

It is important that we get the message across. Mr Acting Deputy President, you share with me a passion for closing the gap between Indigenous and non-Indigenous communities in Western Australia, and lines on maps should not make any difference at all. I spend a lot of time in remote Aboriginal communities in the west, and it is really rewarding—as the Minister for Indigenous Employment and Economic Development, Senator Arbib, said in question time today—to hear that there are 323 Indigenous employees of SIHIP, who therefore make up over 30 per cent of the program’s workforce. This is absolutely fantastic news, and it should not be clouded by the disgraceful antics of those on the other side. Any program that delivers employment to Aboriginal communities should be applauded, because so far no-one has got it right. Those opposite can sit there and flap on about how wonderful they are, but they were not wonderful. It is only fair to say that at least the Rudd government initiated this program and it is being carried through by the Gillard government, and for that the government should be applauded. In question time today, Minister Arbib was asked by Senator Siewert whether Indigenous workers are on CDP, doing work experience or receiving income support. The rewarding answer that came out of question time was that these Aboriginal workers are being paid real wages at the award rate or higher. My goodness, wouldn’t the people in the communities in Western Australia that I travel through—as you do, Mr Acting Deputy President—love to receive a real wage.

Senator Adams—A lot of them do.

Senator STERLE—Real jobs, Senator Adams. Just in case you have not been into any Aboriginal communities I will help you out. I would love to help you out, actually, because you should be standing shoulder to shoulder with me and applauding what is going on in Western Australia. Are you saying no, Senator Adams, through you, Mr Acting Deputy President?

Senator Adams—I beg your pardon.

Senator STERLE—Okay, let me talk about Western Australia. Senator Macdonald has given me the opportunity by digressing into Queensland. I should pass a map over to that side so that they understand. Let’s talk about the Dampier Peninsula, Senator Adams; I do not know if you have been there—

Senator Adams—I have worked there, actually.

Senator STERLE—If you have, you would have seen the fantastic effort being made by Nirrumbuk Aboriginal Corporation up in Beagle Bay. You have been there—have you seen the fantastic work, through you, Mr Acting Deputy President? Then you would agree with me on the work that Nirrumbuk do up there. It is a fantastic Aboriginal corporation under the guidance of two of the most professional representatives of the Aboriginal community in Marty Sibosado and Ray Christophers. They have done fantastic work.
Nirrumbuk is also an RTO and has trained some 300 Aboriginal workers in that region. They carry out real training for real employment. They also employ through their building company. They are in partnership with, I think, Broad Construction. For you, Senator Adams, five houses are being refurbished in Beagle Bay. Are you aware of Beagle Bay? I actually went up there and visited—

Senator Humphries—Is this relevant to this debate?

Senator STERLE—You are not aware? Okay, I will help you out; I will send you a map so you can stand with me and congratulate Nirrumbuk on the work they are doing with their Aboriginal employees.

I will give you some more information, Senator Adams, because you are a Western Australian and you are passionate about Aboriginal employment like I am. I do not want to insult you—I know that you probably know anyway—but this is what is going on in the program up in—

Senator Humphries—Mr Acting Deputy President, I rise on a point of order. I realise that Senator Sterle is more familiar with Western Australia, but this is a motion about the SIHIP, which operates in the Northern Territory. That is the subject matter of this debate. I suggest he might like to return to what this debate is all about, which is a program operating in the Northern Territory of Australia.

Senator Feeney—Mr Acting Deputy President, on the point of order, I would just make the point that there has been some leeway demonstrated in this debate by all sides and Senator Humphries is seeking to apply a standard that was noticeably absent with earlier speakers.

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop)—There is no point of order.
Fifty two refurbishments have been completed there as well, and work is continuing on another 14. Then we go to Groote, where six new houses have been completed, construction is continuing on a further 13, and a total of no fewer than 80 new houses will ultimately be constructed. How the other side can condemn a wonderful initiative that employs Indigenous workers I do not know. You stand condemned.

Senator PAYNE (New South Wales) (6.12 pm)—There is possibly one thing on which I can agree with both Senator Crossin and Senator Sterle this afternoon, and that is that the Strategic Indigenous Housing and Infrastructure Program is a very important program and a very important investment of Commonwealth funds. I do no think there is any dispute about that. I do not think there is any dispute from this side of the chamber—no matter what cheap disparagement those on the other side decide is apparently appropriate parliamentary debate—about the importance of the program. I do not think there is any dispute about the importance of addressing the issues that come with a lack of housing or living in the other fraught environments in which so many Indigenous Australians in the Northern Territory do.

That is not the point. The point of this discussion is about the mismanagement of a program which is this important. The point of this discussion is about transparency, accountability and responding to concerns which have been raised by locals in communities across the Northern Territory, by the media, by members of parliament in the Territory parliament and in this chamber, and by others. I do not think any of those issues are unreasonable, and I do not think we should take as a fact or as a fait accompli that it is good because they say it is good, that it is above board because they say it is above board. Seeking, as elected representatives in this chamber with a responsibility for, and an interest in, these areas, the sorts of information that makes them more transparent and accountable is not an action from which I intend to resile—not now and not ever.

I listened to Senator Crossin carefully. It was certainly a more valuable experience than listening to Senator Sterle. It was valuable in terms of its rhetoric if nothing else. She has the rhetoric down pat, that is true, and the rhetorical story if it were backed by the facts would be a very good one. But our concern is that what matters in this program, as well as the construction of houses, is transparency, accountability and the facts. That is where our issue today with this MPI actually lies.

This is enormously complex and enormously important. It is a massive government spend. I have spent, along with many of my colleagues here now and those who are not in the chamber, hours and hours in Senate estimates and other committees—and Senator Adams would be a leading exponent in that regard—exploring these issues in detail because we all respect the estimates process like many of those on the other side do. It is not always easy to get answers, I have to say. I have a faint hope that we will get the answers to questions taken on notice at the last estimates on this by the due date of return, which I think is 10 December. I have a hope, but I am not going to hold my breath. It would be more helpful for us in our engagement on this program—the importance of which we do acknowledge—if we were able to receive those answers.

What is clear here this afternoon is that, while the Northern Territory government is responsible for providing housing in the broad of the jurisdictional break-up, it is the federal government who is providing the money, who is providing the funding to help with the construction and maintenance, and...
they have an obligation to ensure that the housing and value for money are actually being delivered. The example that Senator Macdonald referred to earlier of Ngukurr, which has been exposed in recent media reports, is reprehensible. I do not hear it acknowledged by those on the other side. I do not even hear the name Ngukurr come out of their mouths, only the good news stories.

There are good news stories. There is no dispute that the housing being built, and being built to the sorts of specifications and the sorts of requirements which make it appropriate housing, is a good news story. But what about those areas where the transparency and accountability is lacking? What about the community of Ngukurr, which Senator Macdonald referred to, where one particular senior elder is sleeping on his kitchen floor and has 24 relatives living with him? Apparently, this is after the delivery of the program in that area. We have examples, also exposed in the media, of individuals choosing to live outdoors under sheets of tin and tarpaulins because it is better than living with so many other people.

I understand that, as referred to by Senator Scullion, the Northern Territory government has just revealed that the budget for SIHIP will not in fact allow all of the promised 2½ thousand house refurbishments to be completed, that it will not extend to all of the 750 promised new houses, that 50 per cent of them will have two bedrooms or less and that 10 per cent will be one-bedroom units. I do not know everything there is to know about Indigenous affairs, not by a long shot—in fact, I doubt many of us standing in this place ever will—but I do know one thing: I am yet to find a community where a lot of one-bedroom units will come in handy. The result of that will be that SIHIP will not be doing what it should be doing in the reduction of overcrowding and the raising of housing standards, and that is what concerns us. Not only is the government not delivering on its promises but it is going over budget as well.

Senator Scullion detailed in his contribution this afternoon a number of the failures that have marked this program. You cannot pretend that it is all peace, love and happiness when you have had an inquiry commissioned by your own minister. You cannot pretend that there is nothing to examine in all of this. When the work was scheduled to commence in October 2008 and not a single house had been constructed by mid-2009, how can you possibly be pretending that it is all peace, happiness and delight? There were reports which Senator Scullion also referred to of briefings of Northern Territory government ministers—last time I looked they were sitting on the same side of the chamber of the parliament there as those opposite us—when those government ministers themselves were forced to raise concerns about the administration of the Commonwealth funds. One minister resigned from the Northern Territory Labor Party, as I recall. Those issues are being obfuscated and ignored by those opposite. These are the concerns that we have.

We want to know where the employment is occurring, we want to know how it is structured, how people are being engaged, what sort of time they are spending, whether they are locals and whether they are imported into communities to work on projects and counted in the same way. We do not have information about those issues and we have been asking for that for some time. These are the sorts of issues which are important in the process. If you are going to claim a 30 per cent employment target being reached, then tell us how, tell us who, tell us how long they are working for, tell us how long they are engaged for and tell us what their roles are. We do not think they are unreasonable questions and we are still waiting for answers on those.
Senator PRATT (Western Australia) (6.20 pm)—This government is determined to close the gap on Indigenous disadvantage. Our government’s commitment to improving the life chances of Indigenous Australians in partnership with Indigenous Australians stands strong. We know that housing is absolutely central to the government’s Closing the Gap agenda. It is one of the seven building blocks agreed by the Council of Australian Governments as necessary to bridging the gap in this disadvantage. We know that the link between the availability of adequate housing and broader life outcomes such as health, education and employment has been well established. We know we need to overcome the historically very ad hoc and manifestly inadequate arrangements of the past in remote Indigenous housing.

We know that in remote Australia the state of housing currently provides the most visible evidence of the persistent failure of governments to address Indigenous disadvantage, and this is something we are moving on from. We know it is critical that we improve the poor standard of housing and infrastructure and that we reduce overcrowding and homelessness in remote Indigenous communities. But logistics in these remote communities are indeed difficult. We know that no family can be expected to function normally in an overcrowded, dilapidated house where you cannot cook a meal, store perishable foods, have a shower or do a load of washing.

I have seen evidence of this on the ground in remote communities in my home state of Western Australia. At Ringer Soak, for example, I witnessed chronic overcrowding, with over 160 adults crowded into 24 mostly two-bedroom houses. At Balgo, a relatively large remote community, I saw massive overcrowding, with up to 10 people in each house, and I saw also distressing evidence of the associated problems of mental health and family breakdown. There are similar problems of overcrowding in the remote communities of Mulan and Mindibunga too, so I do not question the importance of this issue. I know that getting our housing right is critical to restoring positive social norms.

So it is no small thing that this government has committed an unprecedented $5.5 billion over 10 years to the National Partnership Agreement on Remote Indigenous Housing to improve housing and living conditions in remote Australia. We know that in remote communities housing has traditionally been managed in a very ad hoc and very unsustainable way. This partnership is a huge step towards addressing this, providing things like regular tenure arrangements, fair and consistent property management and tenant behaviours. It is also the single biggest outlay any government has made to address the living conditions across remote Indigenous Australia. It is on all counts an ambitious reform agenda, representing an unprecedented national commitment to tackling what were previously viewed as intractable problems.

It is no small or easy thing to undertake such significant levels of investment reform, and indeed they are not without their difficulties. In the case of the Northern Territory, there were concerns expressed at the early delays in the rollout of construction activity. But we took swift action in response to concerns about the slow progress in capital works. A specific Office of Remote Indigenous Housing was established within Minister Macklin’s department, and senior staff were deployed to key jurisdictions to oversee the rollout of the national partnership. In response to a comprehensive review process in the Northern Territory, we have established an independent expert quality assurance team to inspect and assess new houses and refurbishments.
The government is confident that these steps will streamline implementation and ensure high-quality outcomes are delivered. The transition to an entirely new model of delivering houses, including introduction of new governance arrangements and a new large-scale procurement model, is a major reform. In this context, I very firmly believe that our management of the SIHIP is not a failure. It is, Mr Acting Deputy President Bishop, a significant achievement.

Senator HUMPHRIES (Australian Capital Territory) (6.25 pm)—I rise to join this debate and say that, if this program is considered a significant success, I would like to ask the government to explain the basis upon which they make that claim. We have a program here which is supposed to cost, at this stage, over a billion dollars. It was supposed to have been originally a four-year program, yet even those opposite admit that to date, after almost four years of operation, only 93 houses have been built—93 houses out of a $1.12 billion program which began in one form back in the middle of 2007. If that is a success, you guys have redefined success to a very, very low standard.

The opposition is raising these concerns because if ever there were warning signals about a program they are applicable to the SIHIP running in the Northern Territory. We are concerned about the cost overruns. When Minister Macklin announced the revamping of this program in April 2008, she said it would cost $647 million. Recently that figure has been revised to $1.12 billion but without any significant increase in the scope of the project. We are still going to have 750 new houses, supposedly. We are still going to have 230 houses replaced rather than demolished and we are still going to have 2,500 housing upgrades, apparently with associated infrastructure. Nothing more is being provided, but the cost is almost doubling.

We are concerned about delays. This was supposed to be a program that began in July 2007. Now it is going to run for five years, rather than four years as originally planned, from April 2008. With a program which has already been underway for almost three years, to have had only 93 houses built out of the 750 promised you would have to say that it is not looking good, given those serious delays when it comes to delivering on the expected level of housing.

The third point that we are raising is about poor value for money. Senator Scullion and others in this debate have already spoken about the incredibly poor-value outcomes people are getting in remote communities for very substantial amounts of money spent. Just this week in the Northern Territory News we saw pictures of some of the houses which have had so-called renovations under the SIHIP, and they look absolutely disgusting. There are houses covered in graffiti, with very poor quality work done on them. What was supposed to be a full refit of these houses, costing $75,000 per house, has turned out to be just repairs to electrical wiring, bathroom plumbing and fixtures, and new stainless-steel benches installed instead of a proper kitchen.

Senator Scullion made reference to his being invited to view a house at Ali Curung where, after it had been renovated, there was not a single cupboard or shelf in the kitchen, just a sink and bench. There was nowhere to put food, nowhere to put plates and saucepans, not even a drawer for cutlery. The house had a hole in the lounge room wall with the edges of the hole neatly painted, and outside there was no lid on the septic tank. That was a house where children were expected to live and it was anything but safe. That was for, apparently, an average cost of $75,000. Anybody else anywhere in Australia who saw that kind of work being completed would complain and say it was not
acceptable, but, apparently, under this government it is perfectly acceptable.

The good intentions those opposite have to do something big in Indigenous housing and the commitment they have to close the gap are apparently adequate substitutes for actually delivering. If any program that this government is running has not delivered so far—and there are plenty of contenders for that title: home insulation, green loans et cetera—it is this program. The evidence is very clear that they are simply not bringing it together. There is clear evidence of concerns by individual contractors in individual communities, by individual tenants and by individuals all the way through to the Northern Territory government—one member of which felt so strongly about this mismanagement that he actually resigned not just from the government but from the Labor Party itself. This is a clear indication of the serious problems that everybody associated with this program has with it.

It is also not clear whether this program is providing the Indigenous employment which it is supposed to be providing. We have already heard that serious concerns are being expressed by contractors about people being employed not under full employment contracts but under Work for the Dole type arrangements or CDEP arrangements, which means they are not being paid at the appropriate rate. That comes from people actually working on the ground in Indigenous communities who are struggling to find the workers to employ and who are not employed at the appropriate rate. That is not an indication of a program in good health.

Senator Crossin pointed out that this is an unprecedented amount of money—the largest amount that any government has ever committed. Of course, when the costs are blowing out, it is not surprising it is a very large amount of money, and the amount will get bigger if the costs keep blowing out. If you want to deliver these sorts of outcomes but do not lift your sights with respect to what you are going to deliver and end up having to increase the costs because you cannot manage the programs competently, then of course the costs are going to be big. Big costs are no substitute for value for money for the Australian taxpayer and good outcomes for Indigenous people in these remote communities.

I acknowledge that this is not an easy problem to solve. I acknowledge that Indigenous communities have not had good outcomes under governments of all persuasions: territory, federal and probably many state governments as well. It is not easy to deliver in this area. We are simply saying to the government: pursuant to the principles of accountability which you signed up to under so-called Operation Sunlight, the warning signs for this program are very clear—things are going very badly. We are not getting value for money from this program, and the sooner the government accepts that and starts to act on these concerns rather than sweeping them away with the kinds of broad statements and glib comments we heard in today’s debate the better.

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

COMMITTEES
Scrutiny of Bills Committee
Report
Senator ADAMS (Western Australia) (6.32 pm)—On behalf of Senator Coonan, Chair of the Senate Standing Committee for the Scrutiny of Bills, I present the ninth report of 2010 and Alert Digest No. 9 of 2010.
Ordered that the report be printed.
Senator ADAMS—I move:
That the Senate take note of the report.
I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

In tabling the Committee’s Alert Digest No. 9 of 2010 and its Ninth Report of 2010 I draw the Senate’s attention to the Committee’s comments on:

• the Federal Financial Relations Amendment (National Health and Hospitals Network) Bill 2010; and
• the Radiocommunications Amendment Bill 2010.

The Federal Financial Relations Bill seeks to give effect to reforms to the financing of health and hospital services set out in the National Health and Hospitals Agreement endorsed by the States (except WA) on 20 April 2010.

Proposed section 15A establishes the NHHN Fund in the form of a standing appropriation to facilitate payment arrangements with the States. No justification for this approach is provided in the explanatory memorandum, though it is noted that the amounts to be credited will be based on an intergovernmental agreement.

The Committee is concerned that the proposed arrangement does not ensure sufficient parliamentary scrutiny and intends to seek the Minister’s advice as to whether funding for the proposal can be subject to the standard annual appropriations process.

The Committee commented on the content of this Bill in Digest No. 7 of 2010 and the Committee has since identified an error in its commentary. Inadvertently two items were treated as falling within an exemption under table item 41 of section 44 of the Legislative Instruments Act 2003, when in fact this is the case only for one of them.

I draw the Senate’s attention to new text the Committee has issued in relation to both of these items at pages 11 and 12 of Alert Digest No. 9.

In relation to its Ninth Report, the Committee acknowledges Ministers for the number of timely and comprehensive replies it has received to issues raised in earlier alert digests. This greatly assists the work of the Scrutiny Committee and improves the quality of bills brought before us for consideration.

Despite the very helpful information provided to the Committee, I draw the Senate’s attention to continuing concerns about provisions in the Crimes Legislation Amendment Bill 2010 and the Sex and Age Discrimination Legislation Amendment Bill 2010 discussed in the report.

I commend Alert Digest No. 9 of 2010 and the Ninth Report of 2010 to the Senate.

Question agreed to.

DOCUMENTS
Tabling

The ACTING DEPUTY PRESIDENT (Senator Moore)—I present correspondence relating to the Social Security Amendment (Income Support for Regional Students) Bill 2010.

Tabling

The Clerk—Documents are tabled in accordance with the list circulated to senators.

Details of the documents appear at the end of today’s Hansard.

COMMONWEALTH ELECTORAL AMENDMENT (POLITICAL DONATIONS AND OTHER MEASURES) BILL 2010

TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER SAFEGUARDS) BILL 2010

TERRITORIES LAW REFORM BILL 2010

First Reading

Bills received from the House of Representatives.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.36 pm)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to

CHAMBER
have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.36 pm)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

COMMONWEALTH ELECTORAL AMENDMENT (POLITICAL DONATIONS AND OTHER MEASURES) BILL 2010

I am pleased to present the Commonwealth Electoral Amendment (Political Donations and Other Measures) Bill 2010, implementing the Government’s recent commitment to the Australian Greens and the Independent Members, to seek immediate reform of donation, disclosure and funding laws for political parties and election campaigns. The Bill aims to improve our system of political donations disclosure and election funding, to help ensure that campaigning is fair and transparent.

The Bill introduces six measures in three key areas: increasing the transparency of political donations disclosure; more frequent and timely reporting of political donations and expenditure; and reforming the public funding of elections.

The measures contained in the Bill are not new. The Government has pursued reform to election funding and political donations since its early days of office, with the first Bill on these issues introduced in May 2008. The Joint Standing Committee on Electoral Matters (JSCEM) delivered an advisory report on that Bill in October 2008. In December 2008, the Government tabled amendments to the Bill, in response to the JSCEM report. That Bill was rejected by the Senate. In March 2009, the Government introduced another Bill, encompassing the Government amendments. That second Bill lapsed with the end of the 42nd Parliament. The Bill that I am presenting today is in substantially the same form as that introduced in March 2009.

The measures contained in this Bill increase transparency and add to administrative processes for political parties and candidates. It is not the intention of the Government to burden parties and candidates, but to increase the transparency and integrity of the electoral system.

The six measures in this Bill can be summarised as follows.

The first measure would set the donation disclosure threshold level to a flat rate of $1,000, lowering it from the current threshold of $11,500. This rate applies equally to all participants in the electoral process, including donors, registered political parties and candidates.

The second measure relates to anonymous donations. Under the Commonwealth Electoral Act, registered political parties, branches of parties, candidates, Senate groups and people acting on behalf of these categories, can receive anonymous donations below an indexed threshold—currently $11,500. This rate applies equally to all participants in the electoral process, including donors, registered political parties and candidates.

The second measure relates to anonymous donations. Under the Commonwealth Electoral Act, registered political parties, branches of parties, candidates, Senate groups and people acting on behalf of these categories, can receive anonymous donations below an indexed threshold—currently $11,500. Anonymous donations above this amount are prohibited.

The Bill extends this ban on anonymous donations to all anonymous donations except where the donation is $50 or less and has been received at a ‘general public activity’ (such as a fete where people may place money in a bucket) or at a ‘private event’ (such as a dinner, dance, or quiz night where people might donate small sums of money). These activities and events are defined in the Bill and specified records must be kept in order for the anonymous donations to be retained.

The use of anonymous donations by third parties for political expenditure currently is not restricted under the Commonwealth Electoral Act. The Bill will change this to prohibit the use of certain anonymous donations by third parties for political expenditure. The new prohibition applies to third parties which are required to lodge annual returns of their political expenditure above the current threshold of $11,500. The Bill also changes this threshold to $1,000.
Political expenditure, which is defined under section 314AEB of the Commonwealth Electoral Act, includes expenditure on the public expression of views on a political party, a candidate or a member of the House of Representatives or a Senator; the public expression of views on an issue in an election; the publication of material that requires authorisation under the Electoral Act; the broadcast of political matter; and opinion polls or other research on people’s voting intentions.

Only anonymous donations of $50 or less which have been received by third parties at a general public activity or at a private event will be able to be used for political expenditure by entities required to lodge returns under section 314AEB of the Commonwealth Electoral Act.

The Bill also provides for the Commonwealth to recover unlawful anonymous donations and an amount equal to the amount of unlawful political expenditure as a debt due to the Commonwealth.

Together, these two measures which reduce the disclosure threshold and limit anonymous donations enhance the transparency of political donations and the confidence that the public can have in the integrity of our political process. The Government believes the community has a right to know who is giving what to whom. We wish to end secrecy around donations.

The third measure would ban foreign donations. This helps remove a perception that foreign donors could exert influence over the Australian political process.

The fourth measure would prevent donation-splitting. Large donations may currently be hidden across state or territory branches of the same party, potentially circumventing the disclosure threshold. The Bill would see separate divisions of a political party no longer treated as separate entities, for the purposes of disclosing donations.

The fifth measure would aim to increase public scrutiny of political donations and expenditure by making information available to the Australian public, more quickly, and more frequently. The Bill reduces current timeframes for lodging returns from existing 15, 16 and 20 week periods, down to 8 weeks. More frequent disclosure of political donations and expenditure will also occur. Where returns were previously required every 12 months, they will now need to be lodged once every 6 months.

The sixth measure would reform public funding of elections by ensuring that election funding is tied to genuine election expenditure. This measure will prevent candidates, or any political party, from making a financial gain from the electoral public funding system. Public funding will continue to be paid to registered political parties, unendorsed candidates and unendorsed Senate groups who receive at least four per cent of formal first preference votes at an election. Under the Bill, they will receive the lesser amount of either the electoral expenditure that was actually incurred in an election period between the issuing of the writs and the end of polling day, or the amount awarded per vote. In a technical update from the 2009 Bill, the amount awarded per vote has been indexed for inflation.

As these six reforms are a priority for the Government, the commencement date for the Bill would allow them to operate from 1 July 2011.

The Government is committed to building a dialogue with the Coalition, the Australian Greens and Independent Members, to ensure that real progress can be made in reforming campaign financing.

More than ever, we should move Australia’s electoral laws and processes towards the world’s best practice, so that we can continue to be proud of the inclusive and transparent nature of our political process.

The measures in this Bill provide an important, immediate step that can be taken to maintain the integrity of our electoral system. I look forward to constructive negotiations with the crossbenchers and with the Opposition in delivering future reforms to the system. I urge all Members of Parliament to show their support for these reforms and enhance the transparency of political funding and donations in Australia.
TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER SAFEGUARDS) BILL 2010

Australian telecommunications is at a crossroads. The government has an ambitious program that will drive future growth, productivity and innovation across all sectors of the economy.

The national broadband network will fundamentally transform the competitive dynamics of the communications sector in this country. NBN Co is a wholesale only telecommunications provider with open access arrangements. The new network represents a nationally significant and long overdue micro-economic reform.

The government is committed to addressing the mistakes of the past and establishing a telecommunications regulatory framework in the interests of all Australians.

The government is therefore reintroducing this bill which will reshape regulation in the telecommunications sector to deliver outcomes which are in the interests of consumers, business and the economy more broadly.

The measures in the bill will position the industry to make a smooth transition to the National Broadband Network, increase competition and improve consumer safeguards.

Consistent with the reforms announced last year, the purpose of the Bill remains to:

• restructure the telecommunications market to promote greater competition and consumer benefits;

• strengthen the telecommunications-specific access regime to provide more certain and quicker outcomes for telecommunications companies;

• streamline the anti-competitive conduct regime by removing procedural impediments that in the past have restricted the effective operation of the regime; and

• strengthen consumer safeguard measures.

This bill has been the subject of a Senate Committee inquiry which involved detailed submissions from stakeholders.

Addressing Telstra’s vertical & horizontal integration

Some of the issues addressed in the bill have been discussed for two decades and are finally delivered in this bill.

In June 2010, Telstra entered into a financial heads of agreement with NBN Co to participate in the roll out of the National Broadband Network.

The agreement is a key milestone to achieve Telstra’s structural separation through the progressive migration of customer services from Telstra’s copper and subscription television cable networks to the new wholesale-only network.

Structural reform is clearly in the national interest. The bill includes provisions to authorise—

for the purposes of section 51 of the Competition and Consumer Act —conduct by Telstra and NBN Co relating to Telstra’s structural separation undertaking.

However, the Australian Competition and Consumer Commission will make the final decision on acceptance of Telstra’s undertaking to structurally separate.

The bill provides for Telstra’s structural separation undertaking to include a migration plan.

There will be significant consultation on the migration plan which will deal with the processes and timing of migrating Telstra’s customers from its copper network to the NBN.

The Bill now provides more legislative certainty for Telstra in the transition to a retail company.

The Bill sets out a clear process for Telstra to seek approval from its shareholders on a proposal to migrate its customer services to the NBN, with a high degree of certainty about the regulatory outcome.

Telstra will be allowed to acquire specified bands of spectrum, unless the Minister determines in a legislative instrument otherwise.

The bill clarifies the relationship between Telstra’s separation undertaking and the telecommunications access regime.

Other changes to the original Part 1 of the bill include:

• giving priority to a genuine structural separation process over functional separation;
clarifying that the ACCC cannot accept a structural separation undertaking unless it contains effective measures relating to the equivalent supply of regulated services to Telstra’s wholesale customers during the period Telstra is structurally separating; and

• making Telstra’s compliance with an in-force structural separation undertaking a condition of its carrier licence.

**Access & Anti-competitive Conduct**

The provisions under Part 2 of the bill, which relate to the telecommunications access regime, have also been reviewed in light of industry feedback.

The most notable change is that the transitional provisions will allow access seekers to have recourse to arbitral determinations which will prevail over access agreements until an access determination is made by the ACCC.

The bill clarifies that binding rules of conduct will only be used in circumstances where, for reasons of urgency, there is insufficient time to make or vary an access determination.

To give effect to the agreement reached between Telstra and NBN Co, Part 2 of the bill now contains changes to the facilities access regime.

The measures will ensure that Telstra can meet the requirements set out in its structural separation undertaking, migration plan, and other related agreements.

**Consumer Safeguards**

There have been changes to strengthen the consumer safeguards in the original bill. These broaden the ACMA’s record keeping powers to allow it to obtain regular reports about carriers’ and service providers’ compliance with their obligations.

Other changes will enable the Minister to direct the ACMA to determine an industry standard to enable a more effective regulatory response where industry codes do not adequately deal with consumer issues.

The strengthening of the consumer safeguards contained in this bill will ensure that consumers are protected and service standards are maintained at a high level during the transition to the NBN.

**Conclusion**

In closing, the government has listened closely to the feedback it has received.

The Government recognises the strong public interest in the proposed reforms and has been mindful to balance strong measures with appropriate safeguards and incentives.

The measures in this bill are ambitious, but the Government is determined to implement this long overdue reform to drive growth and productivity, regional development, social equity and innovation.

This bill is an important step on the road to an improved telecommunications industry structure, with better competitive outcomes and stronger safeguards for consumers.

**TERRITORIES LAW REFORM BILL 2010**

**Introduction**

The Territories Law Reform Bill will implement reforms to strengthen Norfolk Island’s governance arrangements.

The Bill will improve transparency and accountability in Norfolk Island’s governance and financial management, and will facilitate access to administrative law processes on Norfolk Island.

This is important for the future sustainability of Norfolk Island.

It is part of our commitment to improving the lives of Australians living in regional and remote locations.

It is important to note that the administrative arrangements of Norfolk Island have been subject to numerous Parliamentary inquiries, including the most recent Joint Standing Committee on the National Capital and External Territories.

These reports have overwhelmingly recommended the need for reforms to Norfolk Island’s administration, law, governance, electoral and financial structures.

We are now taking the leadership to ensure the people of Norfolk Island can start an effective program of economic and financial reform.

The Bill was passed by the House of Representatives in June 2010 but lapsed when the election was called.
I am aware that the Norfolk Island Government has concerns with this Bill, and I will address these concerns today.

It is important to note that this Bill does not remove responsibilities for the Norfolk Island Government but provides increased community confidence in the Norfolk Island’s governance and enable the community to better scrutinise the actions of the Norfolk Island Government.

Extended legislative authority is intended to be used as a last resort if the Norfolk Island Government does not undertake action.

The Bill will strengthen the accountability and transparency in these key areas.

The Bill will amend the Norfolk Island Act to:

- reform the voting system for the Norfolk Island Legislative Assembly and provide more certainty about when elections are held,
- introduce a range of reforms to ensure higher levels of accountability and transparency in the procedures and practices of the Norfolk Island Legislative Assembly, and
- allow the Governor-General and the Commonwealth Minister responsible for Territories to take a more active role in the introduction and passage of Norfolk Island legislation.

The Bill will also amend the Norfolk Island Act to implement a contemporary financial management framework that will assist that Government to meet the expectations of its community and to plan for the future.

The Bill will also improve the accountability and transparency of the Norfolk Island Government and Administration by implementing an administrative law regime equivalent to that available to residents on the mainland.

The Commonwealth has made a commitment to continue to work with the Norfolk Island Government and Administration to implement these reforms on Norfolk Island.

In addition to the Norfolk Island reforms, the Territories Law Reform Bill amends the Christmas Island Act and the Cocos (Keeling) Islands Act. These amendments provide a vesting mechanism for powers and functions under Western Australian laws applied in the territories.

Powers and functions are automatically vested in Western Australian officers and authorities where an agreement with the Australian government exists for those officers and authorities to act in the territories.

**Background to the Norfolk Island Reforms**

The Bill will implement the reforms announced by the Australian Government in May 2009. The Australian Parliament and the Norfolk Island Government have long been aware of the need for the reforms contained in this Bill.

The reforms implement a number of recommendations from the Joint Standing Committee on the National Capital and External Territories 2003 Report: Quis custodiet ipsos custodes? [Pronounced: Kee cuss toad-ee-eht ihp-sews cuhs-TOE-dehs]: Inquiry into Governance on Norfolk Island.

The report identified key features of good governance which have been adopted through the development of formal mechanisms by the Australian Government and other western democracies.

These include ensuring public accountability through finance and performance audits, access to an Ombudsman, protecting the disclosure of personal information to public agencies and the availability of merits review of decisions which affect rights and entitlements.

The Norfolk Island Government and Administration have implemented some informal mechanisms to facilitate good governance. However, the Report concluded ‘the absence of formal and effective mechanisms of accountability and transparency, seriously undermine the quality of governance on the Island’.

The Report recommended a wide range of reforms, many of which have been adapted and incorporated into the reforms package implemented by this Bill.

**Machinery of Government and Electoral Reforms**

Parts 1 and 2 of Schedule 1 of the Territories Law Reform Bill make general governance and electoral amendments to the Norfolk Island Act.

The Bill proposes key governance reforms including:
• prescribing a process for selecting and dismissing a Chief Minister and Ministers, as well as determining their roles and responsibilities
• establishing a no-confidence motion process for the Chief Minister, and
• allowing the Governor-General and the Minister responsible for Territories to take a more active role in the introduction and passage of Norfolk Island legislation.

The Bill also establishes the framework for the reform of the voting system for the Norfolk Island Legislative Assembly. These amendments will allow the Norfolk Island Chief Minister to enter into an arrangement with the Australian Electoral Commission in relation to general elections of members of the Legislative Assembly and the filling of a casual vacancy in the office of a member of the Legislative Assembly.

The amendments will also provide Norfolk Island residents with greater transparency in electoral processes and certainty about when elections are held. This is critical if we are to empower the residents of Norfolk Island and ensure their voices are heard.

The Bill establishes the foundations for such a process, which will be supplemented by regulations to be developed in consultation with Norfolk Island.

The amendments will extend the Australian Government’s oversight of Norfolk Island legislation to include Schedule 2 matters, as well as enable the Commonwealth Minister and Governor-General to introduce legislation into the Norfolk Island Legislative Assembly.

The proposed amendments do not restrict the Norfolk Island Legislative Assembly’s almost unlimited power to ‘make laws for the peace, order and good government of the Territory’.

The right of the Australian Government to intervene in Norfolk Island legislation is an existing part of the Island’s governance system.

The need for this amendment can be linked to the number of additional matters transferred to the Norfolk Island Government’s authority under Schedule 2 since 1979.

In the absence of this legislation, none of these reforms will be possible as the current legislation is inadequate.

The Bill will enable the Australian Government to carry out the checks and balances necessary to ensure that Norfolk Island legislation complies with Australian Government policy objectives and Australia’s national obligations under international law.

Amendments allowing the Minister to appoint the Deputy Administrator of Norfolk Island are consistent with the power already provided to me as the responsible Commonwealth Minister to appoint the Deputy Administrator of Christmas Island and the Cocos (Keeling) Islands.

The amendments allow for flexible and timely appointments to be made in the event that the Administrator is unable to perform one or all of the functions of the office. The position of Deputy Administrator is not intended to be a position involving remuneration.

Amendments in the Bill that provide for the Administrator to exercise certain powers in the event of the dissolution of the Legislative Assembly provide a practical and effective arrangement to ensure the continuity of business of government including the provision of services to the Norfolk Island community. The Administrator would be required to exercise these powers in accordance with any direction given by the Governor-General.

Financial Frameworks

Part 3 of Schedule 1 makes further amendments to the Norfolk Island Act to enable the implementation of a contemporary financial management framework.

The Bill establishes a customised and proportionate financial framework which provides for the responsible management of public money and public property, preparation of budgets, financial reporting, annual reports and procurement. The framework provided by the Bill will be supplemented by subordinate legislation which will ensure that the financial scheme is adapted to the unique requirements of Norfolk Island and can be effectively implemented.

The Commonwealth Government is committed to assisting Norfolk Island in implementing this
framework effectively and to this end the amendments also provide for the appointment by the Commonwealth of a Commonwealth Financial Officer for Norfolk Island should this be required.

The Commonwealth Financial Officer does not have any specific powers under the amendments proposed in the Bill. The Commonwealth Financial Officer’s functions are required to be flexible and adaptable, to enable the best possible assistance to be provided to the Norfolk Island Government and Administration in implementing the Bill.

Additionally, the Bill amends the Norfolk Island Act to provide for the appointment of the Commonwealth Auditor-General to conduct audits of the Norfolk Island Administration’s financial statements.

The Australian Government has agreed to fund the Commonwealth Auditor-General to provide financial statement audits for three years. Any further funding after this period will be subject to budget considerations. I note that other territories including the ACT and the Northern Territory have established their own Auditor-General and do not receive funding for these positions.

Administrative Law Reforms

The last key part of the Norfolk Island reform package implemented by the Bill is the application of Commonwealth administrative law accountability and oversight mechanisms to Norfolk Island.

Part 4 of the Bill proposes amendments to the Administrative Appeals Tribunal Act which will confer on the Administrative Appeals Tribunal merits review jurisdiction for specified decisions under Norfolk Island legislation. In essence the reforms will mean that where specified under regulations, administrative decisions which are made under Norfolk Island laws can be reviewed by the Administrative Appeals Tribunal on request by an affected party.

The amendments in the reform Bill will be supplemented by regulations. The regulations will specify which Norfolk Island laws may be subject to Administrative Appeals Tribunal merits review. This will enable a staged implementation of the reforms to be undertaken in consultation with the Administrative Appeals Tribunal and Norfolk Island.

Part 5 of the Bill proposes amendments to the Freedom of Information Act to apply that Act to Norfolk Island. The scope of the application of the Act to Norfolk Island will be consistent with its application to Commonwealth Government agencies. The amendments will give individuals on Norfolk Island the right to:

- seek access to documents held by the public sector and to official documents of Norfolk Island government ministers, and
- to ask for their personal information in such documents to be changed if it is incomplete, incorrect, out of date or misleading.

Part 6 of the Bill proposes minor amendments to the Norfolk Island Act and the Ombudsman Act. The amendments will enable the Commonwealth Ombudsman to assume the function of the Norfolk Island Ombudsman under Norfolk Island legislation.

Part 7 of the Bill proposes amendments to the Privacy Act to apply that Act to the Norfolk Island public sector. The Bill will provide that the Norfolk Island public sector will be required to adhere to the Information Privacy Principles in the same manner as Australian Government public sector agencies.

It is expected that relevant Australian Government agencies will play a significant and ongoing educative role about the rights and obligations established by the administrative law amendments in relation to the community of Norfolk Island and its public sector.

Much has been made of the different approach which has been taken in relation to the ombudsman reforms. I agree that these reforms are a positive example of what can be achieved through cooperation between the Commonwealth and Norfolk Island.

However, the approach taken in the ombudsman reforms should be distinguished from the remaining administrative reforms for a number of key reasons:

(i) there was existing precedent for this approach as the Commonwealth Ombudsman already un-
dertakes the role of ACT Ombudsman under ACT legislation, and
(ii) the Norfolk Island Government introduced ombudsman legislation into the Legislative Assembly in 2009.

The need for administrative law reform on Norfolk Island has been the subject of numerous reports and recommendations since 1991. However, to date, the Norfolk Island Government has failed to initiate Norfolk Island legislation in the area of FOI or privacy.

The approach taken in the Bill is specifically designed to take into account the ongoing concerns raised by the Norfolk Island Government about resourcing and capacity constraints on island.

The existing Commonwealth legislation is adaptable to Norfolk Island, and is currently applied across Commonwealth agencies of varying sizes, including those equivalent to the size of the Norfolk Island Administration.

The extension of Commonwealth administrative law mechanisms will enable the Norfolk Island Government and community to access the Commonwealth’s expert knowledge, experience and resources. Funding has already been allocated to Commonwealth agencies to assist in the implementation of these reforms on Norfolk Island.

The Bill will ensure that the standards of administrative law enjoyed by Australians on the mainland are extended to Norfolk Islanders.

**Christmas and Cocos (Keeling) Islands Reforms**

In addition to the Norfolk Island reforms, the Territories Law Reform Bill amends the Christmas Island Act and the Cocos (Keeling) Islands Act. These amendments provide a vesting mechanism for powers and functions under Western Australian laws applied in the Territories. Powers and functions are automatically vested in Western Australian officers and authorities where an agreement with the Australian Government exists for those officers and authorities to act in the Territories.

The automatic vesting mechanism will reduce administrative burden and improve efficiency under the service delivery agreements by enabling Western Australian officers to have faster access to newly created powers.

**Conclusion**

The Norfolk Island reforms included in this Bill are a first step towards improving transparency and accountability in Norfolk Island governance and financial frameworks, and in administrative decision making.

These reforms will increase community confidence and allow the community to better scrutinise the actions of the Norfolk Island Government and Administration. They will better empower the local community of Norfolk Island and give them a say in how their community is being governed.

It will extend to the people of Norfolk Island access to the Ombudsman, and the Administrative Appeals Tribunal—these are not special privileges but basic protections that provide citizens with greater transparency of government decisions.

This Bill will provide Norfolk Island with the tools necessary to ensure ongoing stability and to sustain strong and effective self-government under the Norfolk Island Act.

I have advocated for a better regional development framework which empowers local communities and gives them a greater say on how their local challenges can be met.

I also say that this is a two way street and local communities must find ways to develop strategic local plans.

We have to work in partnership to ensure we get the governance right and support the most effective solutions.

The Norfolk Island reforms, together with those related to the Indian Ocean Territories are positive changes which reflect the Australian Government’s responsibility to ensure an equitable and sustainable future for Australia’s regional communities, including our external territories.

I commend the Bill.

Debate (on motion by Senator Feeney) adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.
Ordered that the bills be listed on the Notice Paper as separate orders of the day.

**HIGHER EDUCATION SUPPORT AMENDMENT (FEE-HELP LOAN FEE) BILL 2010**

First Reading

Bill received from the House of Representatives.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.36 pm)—I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.37 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Higher Education Support Amendment (FEE-HELP Loan Fee) Bill 2010 amends the Higher Education Support Act 2003 (the Act) to implement the Government’s decision to increase the loan fee from 20 percent to 25 percent for undergraduate courses. This is a reintroduction of a previous bill with similar provisions passed by the House on 15 March 2010, which lapsed when Parliament was prorogued on 19 July 2010.

The amendment will give effect to the recommendation of the Bradley Review of Australian Higher Education to increase the loan fee for FEE-HELP for fee paying undergraduate students to 25 per cent.

An increase in the loan fee will enable the Government to recover more of the taxpayer subsidised cost of providing FEE-HELP loans.

Tuition fees for full fee-paying undergraduate courses can be substantially higher than for Commonwealth supported places, as the Government sets the maximum student contribution amount applying to Commonwealth supported places. When the level of HELP debt rises significantly, the taxpayer-funded subsidies for the loans also substantially increases.

Even with a five per cent increase in the loan fee, the conditions of the Government’s FEE-HELP scheme continue to provide an extremely favourable income contingent loan for students.

Commercial loan schemes charge interest rates, require security, and must be repaid according to the loan terms regardless of a person’s income. By contrast, students’ HELP debts to the Government are merely indexed annually to maintain their value in real terms and eligibility for the loan is not means tested nor does it require security. Further, students are not required to begin repayments until their income reaches the minimum repayment threshold of $44,912 (in 2010-11). If students do not repay their loan, the Government meets the cost.

The increase in the FEE-HELP loan fee will apply to FEE-HELP debts incurred on or after 1 January 2011 in relation to units of study whose census dates are on or after 1 January 2011.

The majority of students will not be affected by this change which will impact only on undergraduate students who choose to use FEE-HELP for their tuition fees in a fee paying place.

Debate (on motion by Senator Feeney) adjourned.

**INTERNATIONAL FINANCIAL INSTITUTIONS LEGISLATION AMENDMENT BILL 2010**

First Reading

Bill received from the House of Representatives.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.38 pm)—I move:

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

Question agreed to.

Bill read a first time.

CHAMBER
Second Reading

Senator FEENEY (Victoria— Parliamentary Secretary for Defence) (6.38 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This Bill has two purposes. One, to amend the International Monetary Agreements Act 1947 to authorise the subscription by Australia to additional shares in the capital stock of the International Bank for Reconstruction and Development (IBRD). Two, to amend the International Finance Corporation (IFC) Act 1955 to incorporate a proposed amendment to the Articles of Agreement of the IFC and to amend the Multilateral Investment Guarantee Agency (MIGA) Act 1997 to incorporate four amendments to the MIGA Convention which have recently been adopted by the MIGA Council of Governors.

The first purpose of the Bill is to obtain parliamentary approval for Australia to subscribe to additional shares in the capital stock at the IBRD as part of the general and selective capital increases recently agreed, at a cost of around US$51.6 million.

The International Monetary Agreements (IMA) Act 1947 established Australia’s membership of the International Monetary Fund (IMF) and the World Bank. The Bill proposes to amend the IMA Act 1947 to authorise the subscription by Australia to 7,128 additional shares in the capital stock at the IBRD, at a price of US$120,635 a share.

The World Bank, which was established in 1944, is the key multilateral development finance institution focused on fighting poverty throughout the world. As the original institution of the World Bank Group, the IBRD aims to reduce poverty in middle-income and creditworthy poorer countries by promoting sustainable development through loans, guarantees, risk management products, and analytical and advisory services.

Made up of 187 member countries, the IBRD (or the “Bank’s”) capital consists of two components: paid-in and uncalled. This general capital increase involves actual payment by members of the paid-in component, and a potential liability for the uncalled component. The Bank’s loans have been financed largely by funds borrowed from international financial markets. Since its inception, the Bank has never made a call on its uncalled capital. The Bank’s prudent financial policies make it unlikely that such a call will be made in the future.

The international financial institutions have been a central part of the global response to the financial crisis, with the multilateral development banks (MDBs) mobilising US$235 billion in financing. The G20 commitment to increasing MDB resourcing has helped ensure that the institutions have sufficient resources to address the impacts of the global financial crisis and the recovery, through US$350 billion in capital increases.

As part of this push to support the MDBs role in addressing development, in April 2010 the World Bank’s Development Committee agreed at the Spring Meetings to an increase of US$86.2 billion in capital for the IBRD, including US$5.1 billion in paid-in capital. The increase will enable the IBRD to provide the lending levels necessary to assist developing countries in their post-crisis recovery whilst maintaining appropriate prudential standards.

The proposed capital increase includes a selective capital increase of US$27.8 billion, with paid-in capital of US$1.6 billion, to implement the World Bank’s voice reform package, which increases the voting power of developing and transition countries. The long-term effectiveness and legitimacy of the World Bank Group will be strengthened by these reforms that move towards appropriate voice for all members – including the poorest.

The voice reforms begin the transition to a shareholding structure that is more reflective of economic weight in the world economy and each country’s contribution to achieving the World Bank’s development mission, breaking the historical reliance on IMF quotas.

Under the general capital increase, Australia is entitled to subscribe to an additional 6,661 shares.
Reflecting our historical contributions to the concessional arm of the Bank (the International Development Association), Australia is also entitled to purchase up to 467 additional shares as part of the selective capital increase. Taking the general and selective capital increases together, Australia's total subscription amounts to 7,128 shares at a price of US$120,635 each. Only six per cent of the value of these shares is required to be paid-in. As a result, the annual cost of the subscription will draw on a very small part of Australia's aid program over the five-year payment period.

The paid-in portion of these shares was included in the 2010-11 Budget as a capital measure of US$51.6 million (A$55.9 million, based on Budget exchange rates) to be paid-in over five years, commencing in 2011-12. The measure had no direct impact on the underlying cash or fiscal balances.

The Budget measure also stated that Australia would increase its uncalled capital subscription by US$808.3 million, which would only be drawn down in the unlikely event that the IBRD is unable to meet its financial obligations. The increase in the uncalled component of Australia's subscription appeared in the Statement of Risks as a contingent liability.

Timely passage of the legislation is necessary for Australia to meet the G20 Pittsburgh and Toronto Summit commitments of ensuring that international financial institutions have appropriate capital for their resourcing needs, ensuring developing countries increase their voting power and modernising the World Bank. It is important that Australia demonstrates its commitment to the G20 agenda by ensuring prompt implementation of these reforms.

In supporting the IBRD's capital increase, Australia recognises the significant contribution the Bank has made to developing countries, both in its long history of supporting poverty reduction and its response to the global financial crisis through new and innovative approaches to helping its clients.

The World Bank Group has embarked on fundamental governance reforms and developed a post-crisis directions strategy to sharpen its focus where it can add most value, emphasising, among other things, targeting the poor and vulnerable. In the drive to become more efficient, effective and accountable, the World Bank has committed to a long-term governance reform agenda, which includes steps already taken to decentralise decision-making and focus on results.

I believe the economic and political significance of the World Bank's important developmental role thoroughly justifies Australia's continued support of the Bank by taking up its full additional subscription of the Bank's capital increases.

Further details of the Bill are contained in the Explanatory Memorandum.

The second purpose of this Bill is to amend the IFC Act 1955 to allow Australia to incorporate a proposed amendment to the Articles of Agreement of the IFC and to amend the MIGA Act 1997 to adopt four amendments to the MIGA Convention. The Articles of Agreement of the IFC and the MIGA Convention form schedules to the IFC Act 1955 and the MIGA Act 1997 respectively.

The proposed amendment to the Articles of Agreement of the IFC aims to improve the voice and participation of developing and transition economies in the World Bank by increasing their basic votes, implementing the G20 commitment. This will increase the effectiveness and legitimacy of the World Bank as the leading global development institution and enhance the influence that developing and transition countries have over governance, policies and decision making in the World Bank. The proposed voice reform also allows shareholders to achieve voting power adjustments in both the IBRD and the IFC, taking into account different levels of shareholder interest in and support for the different institutions.

The four amendments to the MIGA Convention recently adopted by MIGA's Council of Governors will modernise MIGA's mandate and expand the Agency's scope, allowing a greater range of projects to be eligible for MIGA coverage. The amendments will permit the Agency to: provide coverage for stand-alone debt; broaden the process for investor registration; broaden the scope for coverage for existing assets; and eliminate the requirement of a joint application by the investor and the host country to authorise coverage for specific additional non-commercial risks.
The Treasurer, as Governor for Australia of the World Bank, voted in favour of each of these proposed amendments. Australia has significant interest in seeing these reforms implemented as they will enhance the effectiveness and legitimacy of both institutions.

The Agreement and Convention constitute international treaties for Australia and, as such, any amendments to the treaties will require tabling in Parliament and consideration by the Joint Standing Committee on Treaties. A National Interest Assessment will be tabled in Parliament as soon as possible outlining these proposed amendments.

I commend this Bill to the and present the Explanatory Memorandum.

Ordered that further consideration of the second reading of this bill be adjourned to the first sitting day of the next period of sittings, which commences in 2011, in accordance with standing order 111.

COMMITTEES
Cyber-Safety Committee
Resolution of Appointment

The ACTING DEPUTY PRESIDENT (Senator Moore)—The President has received a message from the House of Representatives informing the Senate of a resolution agreed to by the House varying the resolution of appointment of the Joint Select Committee on Cyber Safety. Copies of the message have been circulated to senators in the chamber.

The message read as follows—
Mr President,

The House of Representatives acquaints the Senate of the following resolution which has been agreed to by the House of Representatives, and requests the concurrence of the Senate therein:

That paragraph (2) of the resolution of appointment of the Joint Select Committee on Cyber-Safety be amended to read:

That the committee consist of 11 members, 4 Members of the House of Representatives to be nominated by the Government Whip or Whips, 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.

Harry Jenkins
Speaker
House of Representatives,
17 November 2010

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.39 pm)—by leave—I move:

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

Question agreed to.

Parliamentary Library Committee
Resolution of Appointment

The ACTING DEPUTY PRESIDENT (Senator Moore)—The President has received a message from the House of Representatives informing the Senate of a resolution agreed to by the House varying the resolution of appointment of the Joint Standing Committee on the Parliamentary Library. Copies of the message have been circulated to senators in the chamber.

The message read as follows—
Mr President,

The House of Representatives acquaints the Senate of the following resolution which has been agreed to by the House of Representatives, and requests the concurrence of the Senate therein:

That paragraph (6) of the resolution of appointment of the Joint Standing Committee on the Parliamentary Library be amended to read:

That the committee shall elect 2 of its members to be joint chairs, 1 being a Senator or Member who is a member of the government party or parties, and 1 being a Senator or Member who is a member of the non-government parties, provided that
the joint chairs may not be members of the same House. The joint chair nominated by the government party or parties shall chair meetings of the committee, and the joint chair nominated by the non-government parties shall take the chair whenever the other joint chair is not present.

Harry Jenkins
Speaker
House of Representatives,
17 November 2010

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.39 pm)—by leave—I move:

That the Senate concurs with the resolution of the House of Representatives varying the resolution of the appointment of the Joint Standing Committee on the Parliamentary Library.

Question agreed to.

Legislation Committees

Reports

Senator McEWEN (South Australia) (6.40 pm)—Pursuant to order and at the request of the chairs of the respective legislation committees, I present reports on the examination of annual reports tabled by 30 April 2010.

Ordered that the reports be printed.

Foreign Affairs, Defence and Trade Legislation Committee

Report

Senator McEWEN (South Australia) (6.41 pm)—Pursuant to order and at the request of the Chair of the Foreign Affairs, Defence and Trade Legislation Committee, Senator Bishop, I present the report of the committee on the provisions of the Australian Civilian Corps Bill 2010, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Legal and Constitutional Affairs Legislation Committee

Report

Senator McEWEN (South Australia) (6.41 pm)—Pursuant to order and at the request of the Chair of the Legal and Constitutional Affairs Legislation Committee, Senator Crossin, I present the report of the committee on the Crimes Legislation Amendment Bill 2010, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Environment and Communications Legislation Committee

Report

Senator McEWEN (South Australia) (6.41 pm)—Pursuant to order and at the request of the Chair of the Environment and Communications Legislation Committee, Senator Cameron, I present the report of the committee on the provisions of the Radiocommunications Amendment Bill 2010, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Environment and Communications Legislation Committee

Report

Senator McEWEN (South Australia) (6.41 pm)—Pursuant to order and at the request of the Chair of the Environment and Communications Legislation Committee, Senator Cameron, I present the report of the committee on the provisions of the National Broadcasting Legislation Amendment Bill 2010, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.
NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL BENEFITS SCHEME) BILL 2010

Second Reading

Debate resumed.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.41 pm)—I note that I am continuing remarks on the National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2010 that were commenced by Senator Sherry earlier today. The government’s reforms will ensure that Australian taxpayers should benefit from this discounting and the lower prices that result from it. The reforms will result in no extra costs for patients. In fact, patients will benefit from price reductions where the price of a medicine falls below the general co-payment amount. The direct saving to consumers from these new measures is independently estimated to be, on average, close to $3 per prescription for general patients.

The opposition’s threat to block or significantly delay $1.9 billion in PBS savings is another example of the Liberals’ irresponsible budget management. Right now, taxpayers are paying inflated prices for many medicines. These reforms will stop this waste and help support the funding of new and innovative life-saving medicines. But the Liberals’ threat to block this landmark measure has put in jeopardy the ongoing sustainability of the PBS. The opposition are effectively keeping taxpayers’ costs for medicines artificially high, threatening the listing of new and innovative life-saving drugs being added to the PBS. This is just another example of how Tony Abbott’s Liberals are economically irresponsible and do not have any serious credentials in reforming our Australian health system.

During the debate some senators raised the issue of consultation with industry on these reforms. The government negotiated collaboratively and closely with the pharmaceutical industry to develop these reforms. Both Medicines Australia, which represents about 50 companies, and the Generic Medicines Industry Association, the GMiA, which represents some five companies, were involved in discussions with the government and were asked to provide proposals to enhance the sustainability of the PBS. Discussions with Medicines Australia proved to be very fruitful, and the matters agreed between Medicines Australia and the government were ultimately given expression in a memorandum of understanding. On multiple occasions the GMiA was able to discuss options for reform to the PBS with the government, including with the minister in her office and with senior officials of the Department of Health and Ageing. GMiA had a good hearing, and the government has valued the exchange of views. However, GMiA’s key proposal to the government in these discussions was that patients should be made to pay some $5 more for off-patent medicines made by originator companies compared to the cost for the same drugs made by generics companies. This proposal would have resulted in concessional patients paying nearly twice as much as they currently do for some off-patent medicines. The government could not support this proposal.

I note that the position of the generics industry on these reforms is in fact very similar to the position they took on the original 2007 PBS reforms, which were introduced under the former, Howard government. At that time, the then Minister for Health and Ageing, Tony Abbott, had this to say on the matter, on 16 November 2006:

… the Generics Medicine Industry Association is not, as I understand it, especially happy with these changes. It believes that these changes will make it harder for them to maintain market share by removing the scope for them to offer discounts to pharmacists.
I point out that 70 per cent of the Australian generics market is occupied by companies which are not members of the Generic Medicines Industry Association, they are in fact members of Medicines Australia. They are the manufacturers and marketers of innovative patented drugs as well as of off-patented drugs.

... by removing the gross discounts from the system, we should ensure that domestic generic manufacturers are less at risk from predatory newcomers such as some of the Indian generic drug manufacturers.

Those were the words of Tony Abbott in 2006, but the opposition are now indicating that they will block the sensible extension of the 2007 PBS reforms which, in government, they introduced. I think it demonstrates the gross economic irresponsibility of the opposition that they are prepared to wreck $1.9 billion of savings for taxpayers, despite having supported precisely these types of changes when they were in government.

In summary, the government’s bill provides value for money for taxpayers while also providing stability and certainty for the pharmaceutical industry.

Debate (on motion by Senator Feeney) adjourned.

DOCUMENTS
Consideration

The government documents tabled today and general business order of the day relating to government documents were called on but no motion was moved.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Moore)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Cost of Living

Senator BERNARDI (South Australia) (6.48 pm)—Whilst we are waiting for some other senators to come down, I thank you for this opportunity to address the Senate. There are a number of concerns that the people of Australia are engaged in, and they want their politicians—the government and the opposition—to prioritise these concerns. Not least of all is the struggle that many families are finding themselves coming to terms with in day-to-day life regarding their financial and budgetary requirements. It is a genuine concern that many families today are struggling enormously with day-to-day living expenses—with rising electricity costs, with rising food prices, with the rise in everything that is necessary to them. A lot of the discretionary purchases that they can make are dropping in price but the necessities are going up in price.

There is concern amongst many people that some government policies are assisting in this. I make specific mention of the injection of capital into the money supply. I know the government argue that they need to prop up jobs and things of that nature. We do not dissent from that, because the coalition did endorse parts of the stimulus spending package. But, when you inject too much money into the economy, it fuels inflation and the people who suffer the most are those on regular wages. I note that the Australian Financial Review yesterday reported that the cost of living for a salaried employee has risen 60 per cent faster than the inflation rate. There are very real concerns for many families, and I would like the government, in its limited wisdom, to consider the real challenges that many families are facing. I sense that Senator Carol Brown is ready to give her speech. I thank the Senate, once again, for this brief opportunity to speak.
Parliamentary Friends of Parkinson’s

Senator CAROL BROWN (Tasmania) (6.50 pm)—I thank Senator Bernardi for saving the day, so to speak.

Senator Bernardi—Once again!

Senator CAROL BROWN—It is probably the first and only time! I, along with the member for Gilmore, Joanna Gash, convene the Parliamentary Friends of Parkinson’s. At our last meeting the parliamentary friends had the pleasure of meeting Dr Simon Lewis, Director of the Parkinson’s Disease Research Clinic at the Brain and Mind Research Institute at the University of Sydney, and Sister Marilia Pereira, a nurse specialist in clinical neurophysiology. We received an overview of what is called the Shoalhaven project. I want to share with you a few short facts about Parkinson’s before I talk about the Shoalhaven project.

Parkinson’s is a chronic, progressive, incurable, complex and disabling neurological condition that manifests when nerve cells in the brain die, leading to a shortage of dopamine. The condition can affect everything from physical movement and speech to an individual’s mood and mental health. Sufferers usually experience serious disabilities, including tremors—trembling in the hands, arms, legs, jaw and face—rigidity and stiffness of the limbs and trunk, sudden slowness and loss of spontaneous movement, and impaired balance and coordination.

Recent research suggests that sufferers of Parkinson’s disease are also more likely to develop dementia. Despite being the most common neuromuscular disorder in Australia, Parkinson’s is also the least understood in terms of its cause and management. There are around 80,000 Australians living with Parkinson’s disease and a further 25 are diagnosed with the disease every day. Contrary to commonly held assumptions about Parkinson’s being a disease which affects older Australians, the reality is that nearly one in five Parkinson’s sufferers is of working age. Four thousand people who are under 40 are currently living with the disease.

Despite the prevalence of Parkinson’s in the population, a 2007 Access Economics report revealed that 90 per cent of GPs in Australia need additional training in the diagnosis and management of Parkinson’s and other neurological conditions. The lack of awareness of the early symptoms of Parkinson’s often thwarts early diagnosis, and a typical diagnosis in Australia may take up to two years—even more, depending on what symptoms become apparent.

Treatment and management of the condition become more difficult the more the disease progresses. Parkinson’s sufferers living in rural and regional communities are at a further disadvantage when attempting to access the already limited treatment, often having to travel enormous distances just for consultations.

Whilst we hope that ongoing research into gene therapy and new drug technology may one day reverse the disease pathology or at least thwart its progression, it is clear that we need to improve existing treatment options and to promote awareness of Parkinson’s. We know that reports have revealed that Parkinson’s disease costs Australians over $6 billion per annum. Researchers and advocacy groups argue that the best response to Parkinson’s is to establish early intervention measures based on effective health interventions which will improve quality of life, slow any disability, reduce growth rate in the future costs of Parkinson’s and allow sufferers to continue to be productive in the workplace.

Dr Simon Lewis has argued that, to curb the escalating costs of the illness and its prevalence in Australia’s ageing population, we need to implement a community nursing
model. This model, Dr Lewis argues, is particularly important in addressing the needs of rural and regional communities who have little to no access to any specialist medical assistance for neurological conditions but will also be of enormous benefit across our health system. In the community nursing model, specialist neurological nurse educators are deployed across Australia to substitute for some of the specialist care. The nurses contribute to the better management of treatment and, through information and referrals, reduce the impact of symptoms and therefore hospital and aged-care admissions relating to neurological conditions.

To progress the community nursing model, Parkinson’s Australia and Dr Lewis at the Brain and Mind Research Institute secured a federal government grant from the Department of Health and Ageing to launch the Shoalhaven pilot project. The team received a grant of $220,000 to establish a community nursing pilot project in the Shoalhaven region on the New South Wales South Coast. To further assist the project, Bendigo Bank donated a car and the associated travel costs for the specialist nurse to drive around in for the duration of the project. The Shoalhaven pilot project commenced in January 2010 and will run for two years, finishing in January 2012. The pilot project embeds a nurse specialising in neurodegenerative conditions in the Shoalhaven region in New South Wales. That community nurse works with local doctors and healthcare professionals to gauge the impact of Parkinson’s disease on the local community.

Sister Marilia Pereira is the nurse specialist in clinical neurophysiology assigned to the project, based in the Nowra Community Health Centre on the New South Wales South Coast. Sister Pereira engages with patients by phone, internet, through the clinic and also through home visits. Her role is to treat the symptoms of the disease and also help alleviate the financial burden for those living with Parkinson’s and motor neurone disease, their carers, families and the community as a whole. Sister Pereira’s presence has already proven to be invaluable to the people in Shoalhaven living with Parkinson’s, and some sufferers are commuting from outside the region to access her support. In the past few months, Marilia has conducted 81 baseline assessments and 27 follow-up assessments; covered 13,796 kilometres; taken 1,562 calls; and responded to over 1,500 emails. This translates to over 220 hours with patients directly and the equivalent of 5.4 full days on the phone, to put it into context.

The feedback from the community and the data collected to date show improvements in the quality of life for patients and carers in health service provision and a reduction in the socioeconomic costs of the illness. The community response has been overwhelming. Stephen Dennett, a patient in New South Wales, said:

Our Parkinson’s community nurse is now an indispensible part of my ongoing care and support. Particularly as my disease progresses, I need more and more support from medical professionals. Having a local community nurse who specialises in Parkinson’s disease allows me to access home based practical medical care without having to wait months to see a neurologist. She (Marilia) clearly explains treatments and care to me and has often performed tests on me at home that normally require me to travel several hours to Sydney to have completed.

... Marilia substantially improves the quality of medical care and support that I need during this very debilitating disease. I congratulate those who have made it possible for the Shoalhaven to have a community nurse dedicated to Parkinson’s patients and I fully endorse the further expansion of this very valuable programme.

The project is based on a cost-neutral model, with no recorded increase in patients’ health-
care costs despite including the specialist nurse salary in the project. John Silk OAM, President, Parkinson’s New South Wales, said:

The Shoalhaven trial is showing every indication in its preliminary figures that Neurological nurses in rural and remote regions will achieve two major objectives:

1) The cost efficiencies of the nurse in saved Clinical, GP, and Specialist time will make the cost of the Nurse neutral to positive in real terms. Additionally, the availability of Nursing care can achieve additional savings by delaying entry to Nursing Homes; a kinder and better way to deliver cost effective Health services

2) The feeling of well being that comes from knowing there is a resource who understands the need of patients, such as those with Parkinson’s, will put a smile on the face of patients & their families with difficult life decisions in front of them.

Dr Simon Lewis said projects like this would serve to significantly decrease the costs of Parkinson’s disease to the community and help to prevent people living with Parkinson’s from entering hospitals and aged care facilities’. He also said:

The ‘Shoalhaven Project’ may represent the first step in the launch of a national network of specialist nurses serving regional and remote communities.

Dr Lewis presented a report on the progress of the Shoalhaven project at an afternoon tea here in Canberra on 26 October at which a number of you were present. I circulated his PowerPoint presentation to all members and senators earlier this month and I hope some of you have had the chance to have a read through it.

This model of innovation and personalised care embedded in the rural and regional communities is proving to be the way forward for dealing with these diseases in Australia. In my home state of Tasmania, the state government has started advertising for four specialist nurses to improve the treatment of people with Parkinson’s disease and other progressive neurological disorders. These specialist nurses will be embedded across the state and will greatly reduce the pressure on our hospitals, nurses, nursing homes and GPs, as well as greatly improving the quality of life for the over 2,500 sufferers and their families.

I want to commend the work of Dr Simon Lewis, Sister Marilia Pereira and Parkinson’s Australia for their tireless efforts in supporting those suffering from Parkinson’s and motor neurone disease. I also want to take this opportunity to pay tribute to Mr Norman Marshall, former CEO of Parkinson’s Australia. Norman has worked tirelessly to promote Parkinson’s Australia and to support those suffering from the disease. Joanna Gash MP, deputy convener of the Parliamentary Friends of Parkinson’s, and I have thoroughly enjoyed working with him and wish him the best. (Time expired)

Anti-Semitism

Senator RYAN (Victoria) (7.00 pm)—Tonight I rise to speak about a conference I attended in Canada last week, the second conference of the Inter-parliamentary Coalition for Combating Antisemitism. The second conference was held in Ottawa last week after the first conference was held in London last year. A coalition of members of parliaments from around the world, it is dedicated to combating the rise of anti-Semitism in our society. The London conference in 2009 did not have an Australian representative, but I was joined at the conference in Ottawa last week by the member for Melbourne Ports, Mr Michael Danby.

Anti-Semitism is the oldest and most insidious of hatreds. It is different from other forms of racism. I do not say it is worse, as I condemn all forms of racism, but it is different in that it is global in its nature, has sur-
vived throughout the various eras of humanity and, of course, has culminated in the horrors of the Holocaust, a constant reminder to all of us of the capacity of man to be truly evil and inhumane to others. It is founded on misunderstanding but also on lies, libels and a malicious intent to create the ‘other’ in our own community. It is tragically undergoing a resurgence in our world today. It falls upon us as leaders of our community to tackle this directly, not simply to turn our backs and hope it goes away or recedes into history, for the lessons of history are that it does not. This poison, if it is not eliminated, spreads.

Anti-Semitism today has taken on a new face, and technology has globalised it. Whereas anti-Semitism in the West was once founded on overt racism and bastardised science, it is now more covert and hidden. Sadly, it is also propagated by those who claim to be advocates of religion. For many centuries, the Christian church has provided a basis for it, just as today radical Islamism is reinvigorating this oldest of hatreds. While today in some nations of the Middle East it has taken on a new and virulent form, in the West it has become hidden behind a veil of allegedly respectable criticism of the state of Israel and various international organisations, government and non-government alike. I hasten to add that legitimate criticism of the state of Israel is not anti-Semitism, as the declaration from the Ottawa conference outlined last week. To say so is wrong. But the application of constant double standards to Israel alone and the demonisation and delegitimisation of Israel are, sadly, components of modern Western anti-Semitism.

The Ottawa conference was opened by the Prime Minister of Canada, the Rt Hon. Stephen Harper MP, with a particularly powerful speech from which I will quote this evening. He said:

But of course we must also combat antisemitism beyond our borders, an evolving, global phenomenon. And we must recognise, that while its substance is as crude as ever, its method is now more sophisticated.

Harnessing disparate anti-Semitic, anti-American and anti-Western ideologies, it targets the Jewish people by targeting the Jewish homeland, Israel, as the source of injustice and conflict in the world, and uses, perversely, the language of human rights to do so.

In another part of the statement he said:

... when Israel ... is consistently and conspicuously singled out for condemnation, I believe we are morally obligated to take a stand. Demonisation, double standards, delegitimisation, the three D’s, it is the responsibility of us all to stand up to them.

I also note that he outlined how, in his opinion, the Canadian government’s strong support for the state of Israel had cost them a number of votes and their bid for a UN Security Council seat, and I think there are lessons for all of us in that.

I have spoken in this place before about the poison being spread in the nations that surround Israel: the dramatisation of the blood libel into a TV series; the indoctrination of children with racial hatred that would make Australians cry; and the glorification of murderous terrorists who target civilians. But we must also stand guard in our own communities. When we see media outlets report on commercial disputes with the unnecessary labelling of someone as a Jewish businessman when we would never see other labels such as ‘Italian’ or ‘Irish’ used, we must stop and ask ourselves why. Indeed, we must ask them to cease doing so, for it is through such small steps that we begin to define the ‘other’ in our own communities. When we hear of anti-apartheid campaigns directed at Israel in an attempt to equate the fascist and racist apartheid South African state with the state of Israel, we need to take a stand and say, ‘Stop.’ For it is inch by inch, slur by slur
and lie by lie that the demonisation of Israel and the Jewish people takes hold once again.

At the first conference, in London last year, a declaration was agreed to by all the members of parliament participating, and I will read a short part of it tonight:

We are alarmed at the resurrection of the old language of prejudice and its modern manifestations—in rhetoric and political action—against Jews, Jewish belief and practice and the State of Israel.

We are alarmed by Government-backed antisemitism in general, and state-backed genocidal antisemitism, in particular.

We, as Parliamentarians, affirm our commitment to a comprehensive programme of action to meet this challenge.

This is a commitment to which we should all pledge ourselves.

I have also spoken before about the importance of education about the Holocaust, and this is a matter which I will continue to pursue in this place. It is something that I believe is lacking in the content of the current draft history curriculum, and I believe it is something on which we could learn from Britain and other countries in Europe.

I would also like to briefly speak about certain international organisations—in particular the United Nations Human Rights Council. Its unremitting and constant focus upon Israel and the alleged behaviour of Israel, coming from states that do not respect even the most basic of rights that we would expect of ourselves, is a sign of nothing less than this organisation’s anti-Semitic intent. It supports and provides a forum to use the language of human rights in a completely bastardised manner and in a way completely contrary to the organisation’s aims and what it was set up for.

In my view, those of us who are not Jewish Australians need to speak up. For too long the enemies of Israel and those who propagate these views have relied on the fact that only Jewish Australians speak up in attacking this oldest of racisms.

I would briefly like to thank a number of the organisers: the Hon. Irwin Cotler MP, a former Attorney-General of Canada and Representative Chris Smith of the United States House of Representatives were two people who organised this conference and who sit on the steering committee of this body; and, in particular, the Hon. Jason Kenney MP, the Canadian Minister for Immigration and Citizenship, who ensured the government of Canada was completely supportive of the organisation of this conference.

Israel

Senator FIFIELD (Victoria)—Manager of Opposition Business in the Senate (7.07 pm)—I rise this evening to reflect on several matters. Firstly, I want to acknowledge Dr Danny Lamm, who is stepping down as president of the Zionist Council of Victoria after an unprecedented eight years. For those colleagues who are not aware, the Zionist Council of Victoria leads and encourages Jewish and Zionist activity and expression within Victoria. It seeks to represent the Jewish community and to promote and communicate Israel’s interests within the broader Victorian community and to promote Victoria’s relationship with Israel. The Zionist Council is one of the great community organisations in Victoria, and Dr Lamm’s tenure as president has been an outstanding success.

I was very fortunate to be at the Zionist Council of Victoria annual general meeting the other week, at which more than 250 people paid tribute to Dr Lamm, including my colleague from the other place Christopher Pyne, the member for Sturt, who gave a terrific tribute to Dr Lamm. I would also like to acknowledge Leon Kempler OAM, who was awarded the Jerusalem Prize at the same
function in acknowledgement of his tireless efforts as national and Victorian chairman of the Australia Israel Chamber of Commerce.

With a number of senators and colleagues from the other place I am going to visit Israel in mid-December as part of the Australia Israel Leadership Forum. This is a body which has been established through the vision and initiative of Albert Dadon, who is a great individual seeking to help build and strengthen the bilateral relationship between Australia and Israel. Senator Ryan, who was just in the chamber, and Kelly O’Dwyer, the member for Higgins, will also be part of the delegation, which I understand will be the largest delegation of Australian parliamentarians to visit Israel.

It will be my fourth visit to Israel, and as I approach this visit it is timely to pause and reflect on my last visit to Israel in 2009, where I was very fortunate to spend the best part of two weeks in Israel as a nab Yachad Scholar. The nab Yachad Scholarship offers a pretty unique opportunity to be immersed in Israeli civil society and to be exposed to some of that nation’s innovative policy and thinking. It was a terrific opportunity to establish links and to bring back ideas in the disability and not-for-profit sectors that otherwise would not have been possible. This knowledge has been of significant assistance to me in my role as the shadow minister for disabilities, carers and the voluntary sector.

There were three particular areas of study for that scholarship. They were Israeli NGO programs and projects which seek to assist people with a disability, their families and carers; NGO programs for children at risk and the use of music, sport and other informal education to raise self-esteem and to promote normative behaviour; and women in the military—active duty and the glass ceiling—how the Israeli approach and attitude differs from Australia’s and how Australia can introduce attitudinal change.

In the area of disability it was very interesting to contrast the Australian approach to disability with that of Israel. As many in this chamber—Senator McLucas particularly—would appreciate, approximately 20 per cent of Australians have a disability and many of these people face significant challenges in participating in work, in family life and community life. Most Australians pay their taxes and they assume that because they do that people with a disability get the support they need. They do not. It is pretty much a lucky dip or lottery in Australia, where the manner in which you acquired your disability to a large extent determines the level of long-term care that you get.

Unlike Australia, Israel follows a national insurance model for health and social security support for all of their citizens, including those with a disability. This is overseen by the National Insurance Institute of Israel. The institute was founded under the National Insurance Law of 1953, making it one of the oldest pillars of Israeli social policy. Its charter is to ensure financial support for what are deemed—and perhaps this term for their charter does not translate from the Hebrew into English quite the way we might express it—weak populations and families. Eligibility for benefits is conditional on payment of a national insurance contribution according to income. For people with a disability, there is income support akin to the Australian disability support pension and a short-term accident-injury payment for non-traffic and non-work injuries of 75 per cent of income, for which there is probably not a ready Australian equivalent. Unlike Australia, there are also benefits, grants and rehabilitation for victims of hostilities, and there is also a benefit for children with disabilities up to 18 years of age. A mobility allowance is also payable, as is an attendance allowance.
equivalent to the Commonwealth carer allowance. Support for veterans with disability in Israel is handled separately, as is appropriate to the unique situations for that nation. So there are indeed some examples and lessons that we can look to Israel to learn from.

Also while in Israel, I looked at the area of children at risk. There are myriad reasons why children find themselves at risk in Israel: lack of appropriate education, lack of support at home, undiagnosed or unsupported disability and being part of migrant committees with difficulty in integrating. There were a number of organisations that I visited, such as Festival Beshekel, an organisation that goes into disadvantaged neighbourhoods in Jerusalem and supports local youth to produce their own rock concerts. It is a terrific initiative and it had some synergies, I think, with the Australian organisation The Song Room, which seeks to show schools in disadvantaged areas how to set up their own school music programs.

The third area of study during my visit was women in the military. In Australia we know that we have an increased operational tempo, and with a relatively strong labour market the ADF finds itself stretched as it seeks to retain and recruit personnel. In the ADF, over time, 87 per cent, possibly higher now, of occupational categories are open to women. There a few categories which are no longer available, and there are typical reasons we often hear put forward as to why women should not fulfil these roles. They are assumed to physically incapable of some roles, and it is also sometimes argued that combat operations could be jeopardised by men being overtly concerned about the welfare of their female colleagues.

The Israeli Defence Force, in the face of existential threats to the State of Israel, has had to adopt a much more practical approach. Women were a fully integrated component of the IDF at its inception in 1948 and in its predecessors. The Office of the Adviser to the Chief of the General Staff on Women’s Issues has been established as a sort of in-house lobbying post to further the utilisation of women and their skills in the IDF. The office also produces independent and provocative research papers. It is a very different situation in Israel for women: around 90 per cent of occupational categories are open to women, and the Security Service Law, since the year 2000, has stated that ‘every woman is entitled to the same rights as a man to fulfil whatever position in the military service’. It is a very different situation. There are things we can learn from Israel in relation to women in the military, and it is my intention to share some of these with the Chief of the Defence Force so that there might be greater opportunity for women in Australia to serve.

Senate adjourned at 7.17 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


Antarctic Treaty (Environment Protection) Act—Declaration of a Specially Protected Species, dated 26 October 2010 [F2010L03018].

Variation to Licence Area Plan for Mildura/Sunraysia Television and Radio – No. 1 of 2010 [F2010L03005].

Civil Aviation Act—
Civil Aviation Regulations—Civil Aviation Order 82.6 Amendment Order (No. 2) 2010 [F2010L03007].

Civil Aviation Safety Regulations—Airworthiness Directive—AD/ROBIN/40 Amdt 1—Nose Landing Gear Bracket [F2010L02994].

Customs Act—Tariff Concession Orders—
1019453 [F2010L02984].
1021348 [F2010L02959].
1023361 [F2010L02986].
1024524 [F2010L02988].
1024672 [F2010L02976].
1024804 [F2010L02985].
1025387 [F2010L02975].
1025686 [F2010L02983].
1026590 [F2010L02987].
1026618 [F2010L02965].
1027486 [F2010L02970].
1027548 [F2010L02972].
1027699 [F2010L02971].
1027814 [F2010L02966].
1028171 [F2010L02974].
1028533 [F2010L02968].
1028800 [F2010L02962].
1029022 [F2010L02973].
1029026 [F2010L02961].
1029102 [F2010L02963].
1029255 [F2010L02955].
1029333 [F2010L02958].
1029864 [F2010L02969].
1030521 [F2010L02964].
1030590 [F2010L02977].
1030674 [F2010L02980].
1030735 [F2010L02981].
1031202 [F2010L02982].
1031203 [F2010L02960].

Environment Protection and Biodiversity Conservation Act—Amendment of list of exempt native specimens—EPBC/303DC/SFS/2010/62 [F2010L03023].

Higher Education Support Act—
Commonwealth Scholarships Guidelines (Research) 2010 [F2010L03009].
Other Grants Guidelines (Research) 2010 [F2010L03010].
Revocation of Approval as a VET Provider—Alf Jacka Foundation Ltd [F2010L02998].

Tabling
The following government documents were tabled:
Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 600/10 to 610/10—Commonwealth Ombudsman’s reports. Government response to Ombudsman’s reports.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Tasmanian Forestry Industry Development Program
(Question No. 163)

Senator Milne asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 13 October 2010:

(1) Have evaluations of the Tasmanian Forestry Industry Development Program, the Tasmanian Softwood Industry Development Program and the Tasmanian Country Sawmills Assistance Program, auspiced under the Tasmanian Community Forest Agreement (TCFA) and foreshadowed by the department in response to a question taken on notice (CC 16) during the 2009 supplementary budget estimates hearing of the Rural and Regional Affairs and Transport Legislation Committee, been completed; if so: was the success criteria listed in Table 2.1 (p. 44) of the Australian National Audit Office report no. 26 of 2007–08, Tasmanian Forest Industry Development and Assistance Programs: Department of Agriculture, Fisheries and Forestry (the report), used for the evaluations.

(2) What performance indicators were used to assess whether these success criteria were achieved, both by individual grantees and each program as a whole.

(3) (a) If the success criteria referenced in (1) were not used, why not; and (b) what criteria were used to assess the success of the three programs.

(4) Regardless of the criteria used, can the full outcomes for each program identified by the evaluation be provided.

(5) Did the program evaluations use the available data sources to measure program effectiveness as listed in Appendix 2 of the report.

(6) If the data sources referenced in (5) were used in the program evaluations, what outcomes do these data sources demonstrate in relation to the success of each program in achieving:
   (a) continuing development of a sustainable, efficient and value adding forest and forest products industry; and
   (b) assistance to the forest industry to adjust to changes in the wood resource mix arising from the TCFA.

(7) In relation to each grantee assessed as part of program evaluations, what outcomes do these data sources demonstrate in terms of:
   (a) the increased efficiency of the grantee’s operations;
   (b) the increase in value adding to production of the grantee’s operations; and
   (c) the adjustment made to changes in the resource mix arising from the TCFA of the grantee’s operations.

(8) If the review by the department and Tasmanian officials of the three programs has not used the ‘available data sources to measure program effectiveness’ as listed in Appendix 2 of the report; why not.

(9) For each of the three programs, how many:
   (a) businesses were assisted;
   (b) jobs were maintained; and
   (c) jobs were created, and subsequently maintained.
(10) For each of the three programs:
   (a) what was the total value of the grant assistance provided; and
   (b) what was the monetary value of new investment in forestry industries leveraged by the grant assistance provided.

(11) For each business or organisation assisted in each program, how many jobs were maintained, and created and maintained, as a result of the grant assistance provided by the relevant program.

(12) If the review by the department and Tasmanian officials of the three programs has not yet been completed, when will it be completed and made publicly available.

**Senator Ludwig**—The answer to the honourable senator’s question is as follows:

(1) The evaluations are being undertaken by Ernst & Young and are scheduled to be completed during December 2010.

The success criteria listed in Table 2.1 (p. 44) of the Australian National Audit Office report no. 26 of 2007–08, Tasmanian Forest Industry Development and Assistance Programs: Department of Agriculture, Fisheries and Forestry have been enhanced in the framework for the evaluation.

The performance component of the evaluation is assessing how the Industry Development Program has impacted on:

- wood processing capacity
- sawlog recovery rates (including separate assessment of the level of use of old-growth logs, native forest regrowth, and hardwood and softwood plantation grown logs)
- timber processing efficiency
- harvesting and haulage
- production levels, by market segment
- introduction of new technologies
- the development of new forest products
- development of new markets
- direct and indirect investment in the industry
- direct and indirect employment
- export competitiveness
- safety and efficiency of harvesting and haulage operations
- environmental impacts of forest operations on sawmill operators
- silvicultural management
- cooperation, collaboration and strategic alliances among industry participants.

The audit component is examining the files of all projects funded under the Program, assessing the compliance of each project with the conditions of its grant deed and identifying any shortcomings.

(2) See answer to (1) above.

(3) (a) and (b) See answer to (1) above.

(4) The Australian and Tasmanian governments have agreed to publish the results of the evaluations.

(5) The evaluation will use available data sources as listed in Appendix 2.

(6) (a) and (b) See answer to (1) above.

(7) (a) to-(c) See answer to (1) above.

(8) See answer to (5) above.
(9) (a) to (c) See answer to (1) above.
(10) (a) and (b) See answer to (1) above.
(11) See answer to (1) above.
(12) The evaluation is scheduled to be completed during December 2010 and will be published early in 2011.

Agriculture, Fisheries and Forestry: Programs
(Question No. 164)

Senator Milne asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 13 October 2010:

With reference to the first three recommendations made on pp 29-30 in the Australian National Audit Office report no. 26 of 2007-08, Tasmanian Forest Industry Development and Assistance Programs: Department of Agriculture, Fisheries and Forestry (the report), which were agreed to by the department:

1. What strategies have been put in place by the department to implement these recommendations since the tabling of the report on 28 February 2008 and the completion of the three Tasmanian forest industry development and assistance programs on 30 June 2009.

2. Did the implemented strategies result in more stringent administrative procedures for the three programs; if so, how was this measured.

3. Did the department use the current standard funding Deed of Agreement, as recommended by the report for grants under these three programs between 28 February 2008 and 30 June 2009; if not, why not.

4. Upon accepting the recommendations of the report, did the department prior to the completion of the grants program in June 2009, change the method of payment to grantees and develop and implement operational guidelines for the payment of claims, compliance reporting and acquittal of grants; if not, why not.

5. In accordance with the report recommendation regarding ongoing performance evaluation for the three programs:

(a) what ongoing performance data was collected and how was it validated; and
(b) has the data been analysed; if so, what conclusions were drawn regarding the efficiency and effectiveness of the three programs and specifically, what evidence did the performance data provide to show that the three programs increased employment in the Tasmanian forestry industry, and in the businesses of grantees.

6. Did the relevant Deed of Agreement for grants disbursed under each of the three programs include requirements for the repayment or reclaiming of grant moneys in the event of a grantee entering into liquidation, receivership or administration; if so:

(a) what were these requirements; 
(b) did the department identify grantees under any of the three programs that ceased operation due to entering into liquidation, administration or receivership since receiving a grant; if so, how many grantees were identified under each program; 
(c) if the requirements included repayment of all or part of grant moneys received, how much money has been recovered, and from which grantees;
(d) for how long after the termination of the programs did the Deed of Agreement requirements on repayment relating to a grantee in financial administration, liquidation or receivership remain in effect; and
QUESTIONs ON NOTICE

(e) if the relevant Deed of Agreement does not require the repayment of part or all of grant mon-
ey received in the event of a grantee entering liquidation, receivership or administration, why
was such a condition not included.

(7) Did the relevant Deed of Agreement for grants disbursed under each of the three programs include
requirements for the repayment or reclaiming of grant moneys in the event of a grantee’s business
being taken over by other business; if so:

(a) what were these requirements:

(b) did the department identify grantees under any of the three programs that had their businesses
subsequently taken over by another business;

(c) how many such grantees were identified under each program;

(d) if the requirements included repayment of all or part of grant moneys received, how much
money has been recovered, and from which grantees;

(e) for how long after the termination of the programs did the Deed of Agreement requirements on
repayment relating to a business being taken over remain in effect; and

(f) if the relevant Deed of Agreement does not require the repayment of part or all of grant mon-
ey received in the event of a grantee being taken over by another business, why was such a
condition not included.

Senator Ludwig—The answer to the honourable senator’s question is as follows:

(1) Based on recommendations from the Australian National Audit Office report no. 26 of 2007-08,
Tasmanian Forest Industry Development and Assistance Programs: Department of Agriculture,
Fisheries and Forestry, the following has been implemented:

- Development of a standard template for grantees to complete their milestone and final reporting
requirements which relates specifically to the objectives and eligibility criteria for the program, to
assist reporting against the relevant Portfolio Budget Statement and annual reports.

- Completing on-site inspections on the majority of TCFA IDP funded projects.

- All new funding deeds since March 2008 have been developed using the department’s standard
funding deed, and includes a clause to account for equipment hire purchase arrangements or pur-
cases made under finance.

- Grant guidelines relating to the payment of grants and the expectations of the department, includ-
ing reporting requirements have been developed.

- The department has undertaken regular liaison by mail and phone with grantees to explain report-
ing requirements to improve the timeliness of their submission.

- Introduction of the Clarity grant management system and entering TCFA IDP project data into
this system. Program staff members have received Clarity grant management training.

(2) Yes, the Clarity grant management system ensures grant details are entered into a central reporting
system with reporting fields that are consistent across the department. The Clarity system allows
the Corporate Services division to monitor spending and allows program audits to be undertaken to
ensure program administration requirements are met.

(3) Yes, however sections were customised to account for equipment hire purchase arrangements or
purchases made under finance.

(4) Yes, see answer to (1) above.

(5) (a) Project milestone reports and final responses contained project performance information. Site
inspections were undertaken by departmental staff to evaluate the majority of projects and an
evaluation of the TCFA IDP is currently being conducted by an independent financial assessor. (b)
The independent financial assessor will take these factors into consideration when evaluating the
TCFA IDP. This will include assessing employment, efficiency improvements and analysing the effectiveness of the TCFA IDP from the program’s objectives.

(6) (a) Each deed contained an asset clause which provides for a proportion of the grant money to be paid to the Commonwealth if the TCFA IDP funded asset is disposed or sold or the grantee does not remain in a business substantially the same as that for which the grant was provided. This provision applied during the Term of the Deed of Agreement, or for a period of three years after the project completion date for the majority of projects. (b) Yes, two grantees have been identified through media reports that have ceased operations due to entering into liquidation, administration or receivership since receiving a grant. (c) The department has written to the administrator of a grantee notifying them of the asset provision in the grantee’s Deed of Agreement with the Commonwealth. The department lodged a proof of debt and the administrator advised the department that they would be considered an unsecured creditor. The department is awaiting the outcome of the administration process. The department is investigating the outcome of the liquidation of the other company. Grant money will be pursued where possible from this company by the department. (d) The majority of TCFA IDP projects’ asset clause remains in affect until three years after the project completion date. The remaining funding deeds do not have a time limit and the department will consider all relevant information when reaching a position on how long the asset clause will remain in effect for each project. (e) See answer to (6) (a) above.

(7) (a) As stated in question 6 (a) above, each deed contained an asset clause which provides for a proportion of the grant money to be paid to the Commonwealth if the TCFA IDP funded asset is disposed or sold or the grantee does not remain in a business substantially the same as that for which the grant was provided. This provision applied during the Term, or for a period of three years after the project completion date. (b) No grantees have been identified that have had their business taken over by another business. (c) No grantees have been identified. (d) No grantees have been identified. (e) See answer to (6) (a) above. (f) See answer to (7) (a) above.

Agriculture, Fisheries and Forestry: Programs
(Question No. 165)

Senator Milne asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 13 October 2010:

With reference to the financial accounting for the following three Tasmanian Forest Industry Development and Assistance Programs (the programs): the Tasmanian Forest Industry Development Program (TFIDP), the Tasmanian Country Sawmills Assistance Program (TCSAP) and the Tasmanian Softwood Industry Development Program (TSIDP), including the following:

- the total value of these three programs when they were introduced was:
  - TFIDP $42 million
  - TCSAP $4 million
  - TSIDP $10 million
  - TOTAL $56 million

(source: Australian National Audit Office report no. 26 of 2007-08, Tasmanian Forest Industry Development and Assistance Programs (the report), p. 12)

- in October 2007 all grants under each program were ‘increased by 30 per cent to assist applicants in offsetting the income tax liability’ of their grant so that the value of each program was:
  - TFIDP $54.6 million
  - TCSAP $5.2 million
TSIDP $13 million
TOTAL $72.8 million
(source: the report, p. 14)

• in October 2009 a full list of disbursements of funds under the three programs was provided in response to a question taken on notice (CC 10) during the 2009 supplementary budget estimates hearings of the Rural and Regional Affairs and Transport Legislation Committee, stating that the amounts disbursed in the three programs were:
  TFIDP $51,557,904.03
  TCSAP $3,696,441.00
  TSIDP $13,632,247.10
  TOTAL $68,886,592.13

• in October 2009 the funds remaining in the programs were provided in response to question taken on notice (CC 06) during the 2009 budget estimates hearings of the Rural and Regional Affairs and Transport Legislation Committee, stating that the amounts were:
  TFIDP $1,530,296
  TCSAP $1,579,701
  TSIDP $195,284
  TOTAL $2,914,713

• finally, if the funds remaining in each program are added to the funds expended, as detailed in the third dot point above, the total funds allocated to the programs are:

<table>
<thead>
<tr>
<th>Actual allocation†</th>
<th>$71,801,305.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFIDP</td>
<td>$54,088,200.03</td>
</tr>
<tr>
<td>TCSAP</td>
<td>$5,276,142.00</td>
</tr>
<tr>
<td>TSIDP</td>
<td>$13,436,963.10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$72.8 million</td>
</tr>
</tbody>
</table>

(†source: the report, p. 14)

(1) Why do the disbursements of each program, and of the total in (iii) above, vary from the values of the programs, and of the total in (ii) above.

(2) With regard to the answer to question CC 10 which stated that ‘in most cases, the final disbursements included an additional 30 per cent payment to compensate grantees for tax liabilities incurred in receiving their grants’:

(a) can the meaning of the phrase ‘in most cases’ in this statement be clarified;

(b) in which cases was the additional 30 per cent paid to grantees and in which cases was it not;

(c) what was the basis of the determination for which grantees would receive the additional 30 per cent funding; and

(d) does this variation in the payment of the additional 30 per cent to grantees account for the discrepancy in the figures quoted in (ii) and (iii); if not, what is the reason for the discrepancy.

(3) Why do the figures from the answers to question CC 10 and question CC 06 vary from the actual allocations to the programs.

(4) What happened to approximately $1 million from the total actual allocation of $72.8 million.

(5) Why did the TFIDP not expend its actual funding allocation.

(6) Why did the TCSAP and TSIDP exceed their actual funding allocation.
Senator Ludwig—The answer to the honourable senator’s question is as follows:

(1) During the program some funds were reallocated between program components and $1.0 million of funding was reallocated to support other priorities.

(2) (a) The 30 per cent additional payment was an elective payment and not all grantees choose to claim this payment. (b) See answer to (2) (a) above. (c) See answer to (2) (a) above. (d) No. See answer to (1) above. (3) See answer to (1) above.

(4) $1.0 million dollars of TCFA IDP funding was reallocated to support other priorities.

(5) Not all funding was expended under the TFIDP because funding could only be paid on a reimbursement basis. Some TFIDP projects made project savings, not all aspects of projects proceeded and not all projects claimed the of 30 per cent additional payment.

(6) Funds were reallocated between program components to respond to program demands.