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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SECOND 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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<th>State or Territory</th>
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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

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

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<td>Minister for the Arts</td>
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<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Minister for Privacy and Freedom of Information</td>
<td>Hon. Brendan O’Connor MP</td>
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<tr>
<td>Minister for Sport</td>
<td>Senator Hon. Mark Arbib</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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<tr>
<td>Minister for Employment Participation and Childcare</td>
<td>Hon. Kate Ellis MP</td>
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<tr>
<td>Minister for Indigenous Employment and Economic Development</td>
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<td>Hon. Jason Clare MP</td>
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<td>Hon. Kate Ellis MP</td>
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<td>Hon. Gary Gray AO, MP</td>
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<td>Minister for Home Affairs and Minister for Justice</td>
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<td>Minister for Human Services</td>
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<tr>
<td>Cabinet Secretary</td>
<td>Hon. Mark Dreyfus QC, MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator Hon. Kate Lundy</td>
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<td>Senator Hon. Stephen Conroy</td>
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<tr>
<td>Parliamentary Secretary for Trade</td>
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<td>Hon. Richard Marles MP</td>
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<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>Senator Hon. Jan McLucas</td>
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<td>Hon. Julie Collins MP</td>
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<td>Parliamentary Secretary for Sustainability and Urban Water</td>
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<td>Minister Assisting on Deregulation and Public Sector</td>
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<td>Senator Hon. Joe Ludwig</td>
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<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Senator Hon. Nick Sherry</td>
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<td>Hon. Mark Dreyfus QC, MP</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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Leader of the Opposition
Hon. Tony Abbott MP

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

Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Hon. Warren Truss MP

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

Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Senator Hon. George Brandis SC

Shadow Treasurer
Hon. Joe Hockey MP

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

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

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

Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Hon. Andrew Robb AO, MP

Shadow Minister for Energy and Resources
Hon. Ian Macfarlane MP

Shadow Minister for Defence
Senator Hon. David Johnston

Shadow Minister for Communications and Broadband
Hon. Malcolm Turnbull MP

Shadow Minister for Health and Ageing
Hon. Peter Dutton MP

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

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

Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship
Mr Scott Morrison MP

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

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

Shadow Minister for Small Business, Competition Policy and Consumer Affairs
Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
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<td>Hon. Sussan Ley MP</td>
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<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
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<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
<td>Senator Mathias Cormann</td>
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<td>Shadow Minister for Childcare and Early Childhood Learning</td>
<td>Hon. Sussan Ley MP</td>
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<td>Shadow Minister for Universities and Research</td>
<td>Senator Hon. Brett Mason</td>
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<td>Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House</td>
<td>Mr Luke Hartsuyker MP</td>
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<td>Shadow Minister for Regional Development</td>
<td>Hon. Bob Baldwin MP</td>
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<td>Shadow Special Minister of State</td>
<td>Hon. Bronwyn Bishop MP</td>
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<td>Shadow Minister for COAG</td>
<td>Senator Marise Payne</td>
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<td>Shadow Minister for Tourism</td>
<td>Hon. Bob Baldwin MP</td>
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<td>Shadow Minister for Defence Science, Technology and Personnel</td>
<td>Mr Stuart Robert MP</td>
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<td>Shadow Minister for Veterans’ Affairs</td>
<td>Senator Hon. Michael Ronaldson</td>
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<td>Shadow Minister for Regional Communications</td>
<td>Mr Luke Hartsuyker MP</td>
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<td>Shadow Minister for Ageing and Shadow Minister for Mental Health</td>
<td>Senator Concetta Fierravanti-Wells</td>
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<td>Shadow Minister for Seniors</td>
<td>Hon. Bronwyn Bishop MP</td>
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<td>Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate</td>
<td>Senator Mitch Fifield</td>
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<td>Shadow Minister for Housing</td>
<td>Senator Marise Payne</td>
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<td>Chairman, Scrutiny of Government Waste Committee</td>
<td>Mr Jamie Briggs MP</td>
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<td>Shadow Cabinet Secretary</td>
<td>Hon. Philip Ruddock MP</td>
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<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition</td>
<td>Senator Cory Bernardi</td>
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<td>Shadow Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Teresa Gambaro MP</td>
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<td>Shadow Parliamentary Secretary for Roads and Regional Transport</td>
<td>Mr Darren Chester MP</td>
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<td>Shadow Parliamentary Secretary to the Shadow Attorney-General</td>
<td>Senator Gary Humphries</td>
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<td>Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee</td>
<td>Hon. Tony Smith MP</td>
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<td>Shadow Parliamentary Secretary for Regional Education</td>
<td>Senator Fiona Nash</td>
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<td>Shadow Parliamentary Secretary for Northern and Remote Australia</td>
<td>Senator Hon. Ian Macdonald</td>
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<td>Shadow Parliamentary Secretary for Local Government</td>
<td>Mr Don Randall MP</td>
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<td>Shadow Parliamentary Secretary for the Murray-Darling Basin</td>
<td>Senator Simon Birmingham</td>
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<td>Shadow Parliamentary Secretary for Defence Materiel</td>
<td>Senator Gary Humphries</td>
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<td>Shadow Parliamentary Secretary for the Defence Force and Defence Support</td>
<td>Senator Hon. Ian Macdonald</td>
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<td>Shadow Parliamentary Secretary for Primary Healthcare</td>
<td>Dr Andrew Southcott MP</td>
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<td>Shadow Parliamentary Secretary for Regional Health</td>
<td>Mr Andrew Laming MP</td>
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<td>Shadow Parliamentary Secretary for Supporting Families</td>
<td>Senator Cory Bernardi</td>
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<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
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<td>Shadow Parliamentary Secretary for Environment</td>
<td>Senator Simon Birmingham</td>
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<td>Shadow Parliamentary Secretary for Citizenship and Settlement</td>
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<td>Shadow Parliamentary Secretary for Innovation, Industry, and Science</td>
<td>Senator Hon. Richard Colbeck</td>
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Wednesday, 9 February 2011

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

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

Debate resumed from 15 November 2010, on motion by Senator Pratt:

That the following address—in-reply be agreed to:

To Her Excellency the Governor-General

MAY IT PLEASE YOUR EXCELLENCY—

We, the Senate of the Commonwealth of Australia in Parliament assembled, desire to express our loyalty to our Most Gracious Sovereign and to thank Your Excellency for the speech which you have been pleased to address to Parliament.

upon which Senator Abetz moved by way of amendment:

“, but the Senate:

(a) regrets that the Gillard Government has already broken its promises to the Australian people by, among other things:

(i) announcing a carbon tax, contrary to the Prime Minister’s express assurances both during the election campaign and immediately afterward that there would be no carbon tax,

(ii) instead of seeking a consensus on measures to deal with climate change, instituting a committee, the conclusions of which are predetermined,

(iii) failing to announce any measures to deal with the influx of asylum seekers arriving by sea,

(iv) failing to provide for a dedicated Minister for Education,

(v) failing to provide for a dedicated Minister for Disability Services,

(vi) failing to clarify its position on the private health insurance rebate,

(vii) failing to announce economically responsible measures to deal with housing affordability, and

(viii) announcing to the Australian people that the Government would not be bound by the promises it made to voters during the election campaign; and

(b) further notes that the Government has outlined no credible plan to:

(i) bring the budget into surplus,

(ii) cut waste,

(iii) pay off the debt,

(iv) stop the boats, and

(v) stop new taxes, such as the mining tax”.

Senator Hurley (South Australia) (9.31 am)—The last time I spoke on the address-in-reply I was noting some of the changes that were made after the election. I was also talking about the South Australian result in the election. South Australia returned all House of Representative members with increased majorities, and a pleasing result it was indeed. Unfortunately, we have lost our third Senate spot, and that is Senator Dana Wortley. It is with great regret that we will lose Senator Wortley in due course.

We in the Labor government worked very closely with the Labor government in South Australia. It certainly is a tough time to be in government and the South Australian Labor government suffered some small losses in their last election. But that has not deterred the South Australian government working together with the federal government in a forward-looking agenda. That has resulted in a strong economy in South Australia in several areas—in particular, in mining, defence and education—and in continuing the focus on manufacturing in South Australia. South Australia has suffered by being seen as an old manufacturing economy. What the federal and state governments have done is work towards making sure that that manufacturing moves into the new century in a strong
position by using new technology, new techniques and finding niches in the export market so that manufacturing can continue to thrive in South Australia, albeit in an ever-changing form. I pay tribute to the Minister for Innovation, Industry, Science and Research, Senator Kim Carr, who as the responsible minister has put in place programs that have enabled manufacturing in South Australia to be strengthened and move forward.

In looking at the way South Australia has that strong forward-looking focus, while maintaining a strong economy, I want to pay tribute to Mr Kevin Foley, who has recently stepped down from the Treasury portfolio. He worked hard to deliver outcomes within a responsible economic framework and he imposed close discipline on the South Australian government while making money available for projects that would make sure South Australia moved forward into the future—for example, the mining exploration programs, the preparation work for defence manufacturing and the expansion of the education sector in South Australia. I worked with Kevin Foley when I was in opposition in the state parliament and I know how committed he is to responsible economic management and the future of South Australia. I wish him well in his new portfolios and I am very pleased that he has retained that key defence portfolio. It is certainly a very strong, although vulnerable, position in South Australia and I hope that we in South Australia can continue to work closely with the federal government.

On a national basis, Labor also suffered reversals in the last election and is now in a minority government, which of course adds many challenges to this parliament. Like the South Australian government, the federal Labor government is still committed to a reform agenda and will need to work very closely with all sides of politics to deliver that result, but that in itself is not a bad situation. It can be used, if used properly, to make sure that the checks and reviews are in place and that we can move forward with a strong consensus government. The Labor government can look on its record in the past government with some satisfaction. The government prevented Australia going into a recession during the global financial crisis. The initial short-term step was to boost consumer confidence through the $900 cash bonus, and that kept the economy boosted in that initial shock phase of the global financial crisis. The next step was to invest in medium-term infrastructure, which included the provision of new buildings and equipment in the education sector in particular. Now we are seeing the third phase, more the long-term phase, of building infrastructure for future productivity.

The measures that the Labor government put in place enabled the creation of jobs and kept many working families employed. In fact, in a 12-month period, the Labor government created 349,700 jobs, contributing towards a total of over 567,000 jobs having been created since Labor came to office in November 2007. This was very important, because it enabled skills retention. Now that we are looking at some kind of world recovery and at a recovery in Australia, we are seeing a skills shortage around the world. Governments around the world are facing this problem. We need to build up skills but we also need to make sure that we retain the skills that we have in our workforce. It is clear from past experience in recessions that skills loss happens rapidly, that once people are behind—once they are not in jobs or in education—they lose skills rapidly and find it very difficult to make up that deficit. So, quite apart from the knock-on effect to families and wider education, skills retention was very important. The business community must take some credit for that also, because
it was well recognised that business, rather than retrench people, introduced flexible employment arrangements. They might have had to take away or reduce overtime or put people on part-time work, but they did, in general, try hard to retain their employees.

The stimulus package was not solely about stimulating the economy; it was also about nation building—for example, with the Building the Education Revolution, community infrastructure, social housing, and roads and rail. Labor also invested in vital infrastructure, such as health centres, many of which are in our regional areas. I went to Wudinna in South Australia to open the health centre, for which the government provided $400,000 via the Rural Medical Infrastructure Fund, money which would otherwise have had to be raised by the local community. Work on the building was predominantly completed by local tradespeople, which was a testament to the skills and ability available within that community. I have now opened many Building the Education Revolution projects in schools across South Australia. It was very good to witness the joy of our communities, principals and parents when first accessing the buildings. But the real joy was in seeing the young students and knowing the significance of these buildings to their education advancement and student experience.

Now we are embarking on another major infrastructure program: the National Broadband Network. This signifies a major investment in productivity driven infrastructure, an investment of up to $43 billion delivered to 93 per cent of premises, with speeds of 100 megabits per second, if not beyond. This benefits business, the health sector and the education sector but it also provides regional Australia with the ability to be brought forward into the 21st century technologically. For small business, this is particularly crucial, especially when many of them are currently paying a high amount of money for a service that does not sufficiently allow for efficient use or for a greater capacity for growth.

People, either through ignorance or a wilful misunderstanding, talk about the NBN as being useful only for faster downloading of movies or playing of games. That is patently not the case, and businesses around Australia know that that is not true. People who talk about it in those terms have almost zero understanding of the dynamics of small business in particular, regional businesses in particular and the opportunity that fast national broadband makes for productivity increases around Australia, particularly in regional areas. It is sad to me that people who are against the details of the NBN take this kind of argument against this type of technology—that they argue against the technology rather than the details. I could tolerate an argument against the details or against the expenditure but not against the kind of technology, because that indicates a head in the sand attitude to the need for the Australian economy to be driven forward, to be made more productive and to create more jobs in this area, much less the benefits it will create in providing health and education services, which, again, we need for further productivity down the track. I do not want Australia to be lagging behind in broadband compared to many of those forward-looking economies in the world that will easily overtake us if we allow ourselves to be held back in this area. So I am very pleased that the Gillard Labor government will be continuing to press ahead with this very much needed productivity infrastructure.

What the Labor government also brought to the reform agenda prior to the election was a decrease in the company tax rate from 30 per cent to 29 per cent. This is a small step but one which will also drive competitiveness and investment in Australia, starting
us on a path to make Australia a more attractive opportunity for foreign direct investment as well as increased investment within Australia, with greater innovation and entrepreneurial activity. It will again drive productivity, as companies who have more capital will in turn be able to grow the economic pie.

This reform was underpinned by the proposed minerals resource rent tax—a fairer system, I think, to allow Australians to gain the right value on the resources that Australians own and that companies are exploiting. I have had a long association with the mining industry. I have strongly supported the mining industry and the way that they have returned some of their profits back into R&D and back into the community, but there is no question that the terms of trade that they are experiencing are greatly on the increase, that they are more profitable and that they can pay more in taxation to assist our country to go ahead and to make productivity improvements, such as the NBN, such as reducing company tax and such as increasing our superannuation guarantee. It has been recognised widely—even by the opposition now, who opposed it in the beginning—that the superannuation guarantee levy has meant that Australia is in a good economic position despite the expected increase in the number of older people in our community over the next 20 or so years.

I want to return to the development of skills and training and the commitment of Labor governments to skills and training. It has been high on the agenda and it will continue to be high on the agenda for the Labor government. I would like to go back to my home state of South Australia and talk about the advantages for South Australians that this represents, because we do have increasing job possibilities in areas like manufacturing, defence, vehicle manufacturing and the mining industry. I would again like to commend the work of individuals in the South Australian Labor government—in this case, Premier Mike Rann and Minister Jack Snelling—who announced:

— a $125 million Sustainable Industries Education Centre to be built on the former Mitsubishi site at Tonsley Park by TAFE SA in collaboration with SA universities and industry.

The new centre will specialise in training more than 8000 people a year in green technologies associated with the building and construction industry—including plumbers, bricklayers, designers and carpenters.

This was a great initiative by the South Australian government. The minister at the time, Jack Snelling, has now become Treasurer and so I look forward to seeing that initiative given continued priority.

I have very little time left but I would just mention that the Labor government continues to devote a lot of resources and efforts to finding a solution for the River Murray. I expect that South Australia will get much more rigorous and efficient irrigation infrastructure in the scheme and look forward to the resolution of that longstanding issue in Australia.

Finally, I want to talk further about the proposed carbon tax and what we are going to do about the climate change debate. I was very pleased to hear the Minister for Climate Change and Energy Efficiency, Greg Combet, talk this morning on television in very practical terms about reducing pollution and making our industries more carbon efficient. I just want to mention a quote by James Fallows in the *Atlantic*, December 2010, in an article entitled ‘Dirty coal, clean future’. He said:

Overall, coal-burning power plants provide nearly half (about 46 percent this year) of the electricity consumed in the United States. For the record: natural gas supplies another 23 percent, nuclear power about 20 percent, hydroelectric power about 7 percent, and everything else the remaining 4 or 5 percent. The small size of the “every-
thing else” total is worth noting; even if it doubles or triples, the solutions we often hear the most about won’t come close to meeting total demand. In China, coal-fired plants supply an even larger share of much faster-growing total electric demand: at least 70 percent …

In short, coal is here to stay. Although we will put a lot of effort into alternative power sources, we need to face the fact that we need baseload power. We need coal and we may well need nuclear power in the future. I think that, more and more, we should concentrate on how that is going to work—looking at not only other forms of renewable power but how coal and nuclear power are going to continue.

Senator IAN MACDONALD (Queensland) (9.49 am)—A lot has happened since the Governor-General delivered her speech, prepared by the government, a few short months ago. With no disrespect to the Governor-General, it was a speech that was more noted for what it did not say than for what it did say. In fact, I think most of us by now have really forgotten what the Governor-General’s speech indicated. I emphasise that is no disrespect to the Governor-General, but of course, as we all know, the Governor-General’s speech is written by the government of the day.

In spite of dire warnings by Senator Wong, the Labor Party and the Greens about these climatic catastrophes that were about to befall the world and Australia, did the Governor-General say in her speech anything about putting money aside for those expected catastrophes? The Rudd government came into power with a $20 billion asset in the form of savings the Howard government had made. Elsewhere there was $60 billion put aside. All of that $60 billion has been wasted in two short years by a government that is addicted to spending and taxing. As a result of that, when we have these calamities that are very normal in Australia and for which governments must expect to have to pick up the bill every year, we find ourselves with the coffers bare and the government, the Labor Party and Ms Gillard again talking in the only way they know about a supposed solution for these issues—and that is to impose another tax on the already overtaxed Australian public.

Her Excellency, in her speech, made no reference whatsoever to the failures of this government’s predecessors or to the lack of any mandate that this present government has for any program. This government in its previous iteration was well categorised as a government that was all spin and no action. It was a government that had been elected three years previously with a lot of goodwill, goodwill that had been dissipated by the brutal removal of an elected prime minister by a group of faceless men who control the Labor Party in this country. Mark my words, Madam Acting Deputy President: the same thing will happen to the current Prime Minister. You can see already that the Rudd loyalists, as Mr Toohey in his very perceptive article in the weekend paper noted, are out there campaigning to get rid of Ms Gillard. In spite of the fact that Ms Gillard has clearly watched closely the performance of the Queensland Premier in times of tragedy, nothing will save Ms Gillard from the faceless men who control the Labor Party. You see around the hall the Rudd loyalists, the anti-Gillard people, already gathering. It will not be long. Senator Arbib had better watch out, because he was one of the leaders of the push to get rid of Mr Rudd and install Ms Gillard. He must now be regretting very heavily that action.

Labor’s huge majority in the previous parliament was completely destroyed. There were huge swings away from Labor to the coalition in the resource rich states of Western Australia and Queensland, and we saw the unedifying spectacle after the election of
the Prime Minister, who had assumed office by the most deceitful and vicious action against her former leader, clinging to power by offering whatever it took to the Greens and the Independents. Cling to power the Labor Party did, by its fingernails. In the end, it became clear that the government had no program, no mandate, no authority and no vision. It did, however, have a very clear determination to cling to power because, in the end, for the Labor Party, power is what it is all about. The election campaign was full of promises by the Labor Party which it never intended to keep. The sort of duplicity that would have done credit to the former socialist governments of eastern Europe was replicated by the Labor Party in the election campaign. But, as bad as the Labor Party was during the election campaign, that negativity paled into insignificance against the dishonest and deceitful campaign by the Australian Greens.

The Labor Party’s campaign was full of mistruths and downright lies about the mining tax, the carbon tax and detention centres, for example. During the course of the campaign, we were told there would be no carbon tax. In fact, Ms Gillard promised the Australian public, the less than 50 per cent who voted for her, that she would not bring in a carbon tax—and they voted for her on that basis. Of course, as soon as she was in power, what was the first thing she did? She indicated that a carbon tax would be introduced. She said that a deal on the mining tax had been struck with the mining companies. We know that that announcement by Ms Gillard was also a downright mistruth: there had been no deal struck with the mining companies and that has become obvious now. We were told there would be no new detention centres. When the issue of a possible detention centre in Cape York at RAAF Base Scherger was mentioned it was denied by the Labor Party and its functionaries. We now know only too well how untrue that denial was.

The deceit and duplicity of the Labor Party in the national campaign was mirrored in the campaigns run by the Labor Party at local level. In the electorate of Dawson, up my way, we were told that the sitting member had retired from ill-health, but everyone knew that the real story was that he had been forced to retire by the faceless men of the Labor Party in favour of their selected candidate, the Mayor of Bowen—interestingly referred to locally as Moscow Mike. We know in the Townsville based seat of Herbert the wishes of the local Labor Party branch members were completely ignored when the national executive, the then Prime Minister Kevin Rudd and Julia Gillard, selected disgraced former Mayor of Townsville, Tony Mooney, as the candidate for what the party believed would be the easiest of electorates to win. In fact, it had become a notional Labor Party electorate following the redistribution and it was ripe for picking by the faceless men of the Labor Party. As the Labor Party do, they buy, sell, trade and will these seats to their mates, friends and families.

In the case of Herbert the local Labor people were absolutely shattered. This had the impact of local Labor Party branch members not supporting the campaign, which resulted in the head office having to pay people to man polling booths in the electorate of Herbert. I will just repeat that: the Labor Party national campaign had to pay people to campaign in the electorate of Herbert. Indeed, in one of the most extraordinarily deceitful aspects of the campaign, the Labor Party in Herbert handed out a deceptive counterfeit how-to-vote card indicating that those wishing to vote Green should follow this counterfeit how-to-vote card, which appeared to be a Green how-to-vote card, giving the Labor Party second preference. So
incensed were the local Green activists, who had made a deliberate decision in Herbert not to preference any party and not to hand out how-to-vote cards on polling day, they were running around the polling booths telling people who had received the fake Green cards that these cards were not Green how-to-vote cards but in fact bogus Labor cards.

I questioned some of the young people who were handing out fake Green how-to-vote cards at the booths, and so did colleagues of mine. There were some funny stories about them, I have to tell you, but it became clear from what I was told by these young people that they had answered an internet advertisement offering them a job at $25 an hour to hand out how-to-vote cards. Most of them told me they believed they were handing them out for the Greens political party and they were surprised when I showed them that the cards were actually authorised and produced by the Labor Party.

It was quite funny. A couple of the young people I saw giving out those cards were actually saying to the people they handed them out to, ‘Here is a how-to-vote card but we’re voting for Ewen Jones, the LNP candidate, and we urge you to do the same.’ Some of the people handing out how-to-vote cards did not even vote on election day, because they were New Zealanders looking for some cash during their backpacking tour around Australia. But can you believe it, Madam Acting Deputy President—the once great Labor Party having to pay people $25 an hour to hand out fake how-to-vote cards and to man their own booths? It was because Labor stalwarts in Townsville were so incensed at the faceless men who had destroyed their choice as the candidate and put in Tony Mooney. Of course, in both Dawson and Herbert we know the results of the Labor Party national executive putting in their favoured candidates. Both seats were won very comfortably by the LNP, and all credit to Ewen Jones and George Christensen.

Prior to the election, all the electorates north of the Tropic of Capricorn, numbering nine in all, were held by the Labor Party or Independents. When the dust settled after the election, the Labor Party had lost all but two seats in Northern Australia, and in Capricornia, for example, it had suffered an eight per cent swing against it. The result in Northern Australia was certainly a singing endorsement of the leadership of Tony Abbott, the policies of the Liberal and National parties and the organisational skill of the Liberal Party in Western Australia, the CLP in the Northern Territory and the LNP in Queensland.

The Governor-General’s speech talked about parliamentary reform. We know what the Labor Party think of democracy and parliamentary reform. Senator Cameron made it quite clear in his now well-publicised comment that Labor Party parliamentarians were just like zombies and had no say whatsoever. No-one knows why the people of Australia voted for individual candidates, because, according to Senator Cameron, all they do is act like zombies, sit there and get told what to do—although I expect the zombies will be rising, Senator Hutchins, looking at Ms Gillard and yearning for the days when Mr Rudd was leader. Let us hope Mr Rudd gets back as leader. I would look forward to the challenge of him being in charge again, but I guess it is six of one and half-a-dozen of the other.

The Governor-General spoke about a stronger economy. I have mentioned that the $60 billion the coalition had put aside in credit was frittered away in two short years by this government addicted to spending. Now, after the government promising no carbon tax, we are going to have a carbon tax. After the government saying the mining
tax had been fixed, we are going to have a new mining tax. And now we are going to a new tax to do the sorts of things that governments are expected to do—that is, look after infrastructure and look after Australians who have suffered from calamities.

The Governor-General also made reference to climate change and sustainability. I still cannot understand how Senator Wong, Ms Gillard and the Labor Party can go around saying that Australia has to lead in reducing carbon emissions. Australia produces less than 1.2 per cent of the world’s output of greenhouse gases. The Labor Party want to break Australian industry and Australian workers so that they can go to the world stage and say, ‘We’re leading the charge.’ If all of the programs that even the Greens have put forward were adopted, the impact on global output of greenhouse gas would be absolutely infinitesimal. I have always said that, when the rest of the world does it, so should Australia, but to try and lead in this area will just destroy our economy and the jobs of workers, which the Labor Party pretend they look after.

On regional Australia, the Governor-General’s speech contained a couple of half-columns. The only person the government could find to be appointed to the regional portfolio was a bloke who represents an inner city Melbourne seat. Mr Crean is a nice guy, and to become the ACTU boss and then fight his way through the Labor machine to get elected to parliament, he clearly has got some things going for him. But stuck down in one of our biggest cities, in the centre of Melbourne, is the guy that looks after regional Australia. I suppose it is better than the Rudd government, which had two ministers, one sitting each side of Sydney’s Kingsford Smith Airport, doing the portfolio work for regional Australia. The government pay lip-service to regional Australia. I am the shadow parliamentary secretary for northern and remote Australia. I am not quite sure who I am shadowing at the moment, because after the election and the very poor result that the Labor Party had in Northern Australia, they have completely dropped the title. They have dropped any interest they ever feigned in Northern Australia, and it will be left to the coalition to give proper recognition to the wealth, the energy and the enthusiasm that Northern Australia brings to our nation.

I want to make some comment about the Greens political party. Their members are more interested in outdated and discredited socialist policies more reminiscent of eastern Europe in the fifties and sixties than a modern democracy of today. The absolute stupidity of those comments by the Greens leaders on Australian coal companies being the cause of the floods and cyclones is just beyond comment. That is the sort of group that keeps this government in power. That is the sort of group that will direct the Labor Party, who are only interested in power, and will direct the policies—those left-wing, socialist, eastern European policies of the fifties and sixties. That is what this government has to rely on to stay in office. Stay in office it will, and that means it will roll over to the Greens.

I will seek leave at the end of my speech to table a list of climatic conditions which is going around the internet. I have had my staff check them with reliable sources. As best as we can tell, most of the conditions are accurately portrayed. It shows that cyclones, floods, droughts, storms and other weather calamities have been happening since European man first recorded these things in Australia. Practically every year since 1864 there have been major climatic events. As far as I am aware, Senator Bob Brown, the Australian coal companies were not pumping out greenhouse gases back in 1864 and in practically every year since. I raise this only to show up the sort of stupid comment—an
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absolutely gormless comment—made by the leader of the Australian Greens. This is the party that the Labor Party relies on to cling to government, and that is a disgrace. There will, I am sure, be more said about that over the next months. Senator Brown will no doubt be trying to wiggle out of his comments, but he and his colleagues are absolutely ridiculous on these sorts of things.

I will conclude as I started, having said that things have changed quite a bit since the Governor-General made her speech. I think yesterday most of us in this chamber indicated our empathy, our distress, our support and our condolences for those who have suffered as a result of the natural calamities that Australia expects and that we have had over many years. It is on a sombre note that the parliament starts this week. It is of regret to me, however, that this government is so incompetent that it has not put aside or at least saved some of the money the previous government allocated for the work that we all know will have to be done every year as a result of natural calamities. I urge the Senate to support Senator Abetz’s very perceptive amendment to this motion and urge that the motion be adopted.

Senator Ian Macdonald—I will show it to the minister at the table and perhaps seek later to have it tabled.

Senator Hutchins (New South Wales)

(10.10 am)—Senator Macdonald said a number of things in his contribution in this address-in-reply debate that I take issue with. One thing, of course, with which I would not take issue is his description of the Greens. While the major parties are often accused of being opportunistic and cynical, those of us who have observed the Greens in action here in the Senate and publicly, particularly in New South Wales, would have to say that the Greens are high up in both of those categories. Another point I want to make is the cynicism and the absolute political opportunism of the Green parties, but not at this stage because I do want to make sure that I do not miss them one bit. The one thing that I think we should remind Australians about is the day that Senator Hanson-Young brought her child in here, which caused a kerfuffle. You may recall that, Madam Acting Deputy President, because it was the same day, as I recall, that the Greens were being asked to explain a half-million-dollar donation—I think it was in cash—that they were having difficulty explaining. But only the major political parties get accused of being cynical, not the white knights in the Greens.

Senator Macdonald also talked about our Minister for Regional Australia, Regional Development and Local Government, Simon Crean. Senator Macdonald has been around a long time. He would recall that in the dying days of the Gorton government Billy McMahon was made Minister for Primary Industry. Billy McMahon was a member for an area around Sydney that covered Strathfield, Homebush, a bit of Ashfield and other places that I cannot recall at the moment. Prime Minister McMahon did not live in his electorate when he was a minister. He lived in the eastern suburbs of Sydney. He would
have been an elector of Malcolm Turnbull. So it is not without precedent that we have had people who have lived in the inner city. Your party, Senator Macdonald, set the precedent by making Billy McMahon the Minister for Primary Industry.

Senator Ian Macdonald—Yeah, but I think he had a farm.

Senator Hutchins—He might have had a farm, but it might have been a tax dodge. Being a solicitor, you might be able to assist us in finding out where that tax dodge could be best used.

In this address-in-reply I want to talk about a few things. The first is the last election. It must be galling to you, Madam Acting Deputy President Boyce, and members of the Liberal Party that your leader from New South Wales, Tony Abbott, a member of the New South Wales division, as you call it, performed so poorly in the last federal election. Labor lost one seat. We lost one person who was holding that seat, Maxine McKew. Some might say that is not a bad thing; I will not comment. We also did not pick up a seat that we had held, which was Macquarie. But there were seats that the coalition could have, should have and would have picked up if their New South Wales division and Tony Abbott, being one of the leaders of that division, had performed much better. In the seat of Macquarie there was Louise Markus, whose campaign in 2004 in Greenway was marked by racist and anti-religious comments by people who were against our candidate, a fellow called Eddie Husic, by background a Bosnian Muslim. He was subjected to a lot of racist and anti-religious mail, anonymous of course.

Louise Markus had won the seat of Greenway and when the redistribution occurred after the last election Mrs Markus decided to run for Macquarie. The Liberals endorsed in Greenway a young fellow who had very little connection with the area, who was not known and who was in fact more seen by the people in that area as a puppet of his father. He was selected as the Liberal candidate. If I recall, and maybe my coalition colleagues will correct me when they have an opportunity to make a contribution, we won that seat by a handful of votes. If you were a Liberal from other states, you might wonder why the Liberals did not ask Louise Markus to stay and contest Greenway. You might ask that. It was intriguing to us in the Labor Party that someone who had been the member for that area for nearly six years was so gutless that she moved on to another seat, which she won narrowly, but we won Greenway narrowly.

Then you go to Tony Abbott’s favourite seat, Lindsay, where the Liberal candidate was selected I think six weeks before the federal election. I am being generous here—I think it was four weeks but let us say it was six. Fiona Scott, whose family is involved in business in the area, I understand won the preselection from the Liberal Party preselectors because she said she would spend a quarter of a million dollars of her own money in winning the seat. As soon as Ms Scott became the candidate, they could not wheel her out anywhere because Ms Scott had not been trained to be a candidate. She had not been prepared for the job that she was going to do. The lady who was defeated in the preselection was in Toastmasters, was a very articulate woman and probably would have given us a run for our money. I know I speak on behalf of not only the New South Wales Labor Party but the government when I say I am grateful that the New South Wales Liberal division endorsed Fiona Scott, because we might not have held that seat. Lindsay was one of Tony Abbott’s signature seats. In fact, on election day he had his daughters handing out cards there and he spent a lot of time out there during the campaign. As you
In the time left to me I wanted to speak about the people who advocate the decriminalisation of drugs. I do not think I am going to have the opportunity to make the contribution that I want to at the moment and I will have to leave that for another time.

The ACTING DEPUTY PRESIDENT (Senator Boyce)—Senator Hutchins, for your information, the speaking list has been changed, so you have your full time available.

Senator HUTCHINS—I understand that, but what I need to say is going to take longer than eight minutes and 47 seconds. I feel passionate about the issue of people who advocate the decriminalisation of drugs. We have seen an instance of that very publicly in New South Wales where the Greens have immediately jumped on the bandwagon and said they should be decriminalised.

In the few minutes I have left I want to talk about two things. The first is that I want to compliment the retiring chief executive of the Australian Rail Track Corporation, David Marchant. I am not sure how many years David has been the chief executive of the Australian Rail Track Corporation but in that time thousands of kilometres of rail lines have been changed from having timber sleepers to having concrete sleepers. That does not get a tick in terms of how sexy things are in the national economy, but it has made trains able to travel the 50 or 60 kilometres and not worry about the heat as they previously had to. That has contributed magnificently to the economy of this country. This program was started under the Howard government and has been continued by Labor. David has now retired from that position. I am not sure what he is going to do, and I forget the name of the chap who is taking over. I think that we should acknowledge grand public servants of the nation who...
have made such a significant contribution. I am sure my colleague Senator Williams, affectionately known as ‘Wacka’, would have seen the amount of rail track that has been replaced with concrete sleepers and the impact that it has had on the economy of our state. So I want to make sure that in my contribution today Mr Marchant is suitably recognised for his contribution.

Finally, I want to compliment a young lady who made her maiden speech in the Victorian parliament last night—my wife. I was listening to Natalie Hutchins make her contribution to parliament, and in fact I voted in the national executive of the Labor Party for Natalie to be the candidate for Keilor. At a pub named Taylors Lakes Hotel, which is not far from where Nat lives and where I will also be living shortly—it is one of the few places in Victoria where you can get a schooner, and Steve, Ann and Jessie look after us there—Nat has been affectionately christened by the locals as ‘the sheila from Keilor’. In her contribution last night she made a very considered and passionate speech on behalf of her electorate of Keilor. I think it is important that we acknowledge the contribution of activists. My wife is a former union official and a former small business woman and she is now a member of the Victorian parliament. She is very dedicated to her electorate and she of course mentioned her husband in her maiden speech, which I thought was very important! One of the interesting things is that my wife decided to run under her married name, Hutchins, rather than under her maiden name, which was Sykes. The reason for that is that her brother said to her, ‘What would you rather be known as, ‘Hutcho’ or ‘Syko’? So she chose the former.

I have a significant contribution to make on opposition to the legalisation of drugs and I will have to do that at another time. But I do want to just reiterate in my final comments that we in the Labor Party do owe a great deal of debt to the New South Wales division of the Liberals. Without their assistance, we probably would not be in power today. Without Louise Markus running away from Greenway and running in Macquarie, we probably would not have won Greenway. Without their poor selection of candidates in Lindsay, we possibly would not have held Lindsay. So it is left to me, a former president of the New South Wales branch of the Labor Party, to make sure that the New South Wales division of the Liberal Party is suitably acknowledged for their woeful efforts in the last campaign. Look at the magnificent contribution that you, Senator Mason, and you, Madam Acting Deputy President Boyce, must feel that you made as Queenslanders to the coalition effort, and then look at the contribution of New South Wales Liberals. Again, all you have got is three New South Welshmen to choose from, and, again, Tony Abbott does run the New South Wales division. So once more on behalf of a grateful Labor government we thank the New South Wales division of the Liberals for their magnificent effort in making sure that we are on this side of the chamber and you are on that side.

Senator MASON (Queensland) (10.28 am)—In her speech on the opening of parliament, Her Excellency the Governor-General said:

… education lies at the heart of the government’s agenda to strengthen workforce participation and enhance our nation’s fairness and prosperity.

Putting aside for a second the fact that what was supposed to be at the heart of the Labor Party’s agenda was in fact forgotten in the naming of their ministry following the last election, this concentration on education—the so-called education revolution—echos what Mr Blair and New Labour were doing 15 years ago and, indeed, there are echos going back to President Johnson and the
‘Great Society’ in the 1960s. It is quite common in the social democratic project to have education at the core.

The question really is: how has the government gone over the last three years with its—to use its words—‘core project’? How has the government performed? Senators might remember it all started with Mr Rudd and the laptop computers. Do you remember that, Mr Acting Deputy President? He stood up one day—it looked great on television—and said, holding a laptop computer, ‘This is the toolbox of the 21st century.’ It was great TV graphics. He said there would be a computer for every student from year 9 to year 12. He sort of said that, but then he spoke about access to a computer. Indeed, we wondered what the promise meant. But in the end, the government came to the party and said, ‘All right, we’ll provide a million computers so that every student gets one.’ There is a ratio of one to one—one computer for every student. What happened on this first part of the core project? The Commonwealth underbudgeted by about $2 billion. Far worse than that, it was only talking about the capital cost of the hardware—the computers. What about the installation, the maintenance, the insurance, the licensing and the software; who is going to pay for that? Guess who had to pay? State governments, private schools and parents ended up paying billions because the federal government had not thought about that—it did not look cool on TV—and in fact it cost four times as much as the hardware. For every dollar you spend on hardware, you need to spend about another $4 on other costs. So state governments, nongovernment schools and parents had to come up with somewhere between $2 billion and $4 billion to cover the so-called ‘laptop computer oncosts’. This was right at the start of the Building the Education Revolution.

How is the implementation going? As of last October 2010—the last estimates—out of one million computers promised, how many had been delivered? Only 345,000. I can accurately say, 34.5 per cent, about one-third, had actually been delivered. At this rate of delivery, even on the government’s own figures—and laptop computers become redundant after four years—given only one-third have been delivered after three, they will become redundant before they are delivered. This is a fiasco. It has received a lot of airplay but this was, in a sense, a principal commitment in the core objective of this government.

The other important aspect of laptop computers was not just the provision and delivery of them, it was also the internet connection. The other part of the promise that Mr Rudd made was to connect all laptop computers to fibre internet with speeds of up to 100 megabytes a second. Remember, that was the promise from 2007. So let me ask: how many laptop computers have been connected by the Commonwealth to fibre? Pick any number between zero and one million. The answer is none—zero, or as Mr Rudd would have said, zip. None has been connected by the Commonwealth government to 100 megabytes per second broadband, not one. But I am told at every estimates meeting not to worry. ‘Don’t worry, Senator Mason, because Senator Conroy has it under control. When the NBN gets going everything will be OK and all the computers’—even if they are redundant—‘will be attached to fast-speed broadband.’ By the time the NBN rolls out, the students who are promised fast fibre connection will be as old as me. It has taken a long, long time.

You know how generous I am—very generous. In my former life as a university lecturer, I commonly gave out marks to students and I was always very generous and well known to be generous. So I will give a scorecard on the first part of the education revolution. In terms of the laptops I have
decided, after a lot of reflection, to give the government a fail mark—sorry, and that is being generous.

The next part of the education revolution was building school halls. Part of this was to provide stimulus to the economy, to answer the global financial crisis, and also because apparently new school halls meant better educational outcomes. We have never heard much about new school halls leading to better educational outcomes. That link has never been made conclusively. Putting that aside for the moment—as you know I am generous—we know that the building school halls project cost about $16 billion. It is the largest infrastructure project in our history.

The question really is: how could you spend $16 billion and have so many people unhappy? How could a government do that? There are several reasons. The first one is the lack of flexibility. These infamous design templates, which have a whiff of central planning, which I know my friend Senator Carr loves—the whiff of Stalinism; this soviet-era planning that he loves. Schools that wanted gymnasiums got libraries and schools that wanted libraries got gymnasiums. It was a shambles. The templates did not work.

Far more fundamentally, as the Commonwealth Auditor-General said, the problem with the entire project was this: the Commonwealth government did not have the technical expertise to adequately oversight state expenditure of Commonwealth money on schools. That is the heart of the problem—the Commonwealth government did not know whether they were getting good value for money or not. That, in a sentence, is the problem with the entire school halls project.

Senator Jacinta Collins—But what did Mr Orgill say about this?

Senator MASON—Let me get to Mr Orgill in a minute. That, fundamentally, is the problem—the government did not have the requisite nous, the requisite flexibility or the requisite expertise to ensure that Commonwealth taxpayers’ money was being well spent by state governments. The Auditor-General has said that. This has implications right across so-called cooperative federalism. It has enormous implications, not just in education but in health and elsewhere. This is an enormous administrative failure.

Let us look at the cost of school buildings built by state governments compared with nongovernment schools. We now know that costs have been inflated by price gouging and mismanagement, and that of course has cost billions. The building program is way behind, particularly in Victoria. We were told we had to wait because the market was overheating in Victoria, and now of course it has become inflationary. I always thought that stimulus projects were supposed to be timely, targeted and temporary. Remember that? That was the original test set by the government. Again, even on their own terms, they have failed.

The government dragged out poor old Mr Orgill, and what did he find in his first report? On page 22, schematic 4, we find that New South Wales government school projects cost $3,477 per square metre. For New South Wales Catholic schools the cost was $2,724 per square metre, and for New South Wales independent schools the cost was $2,148. The cost in New South Wales government schools is more than 60 per cent more per square metre than in New South Wales nongovernment schools. The independent schools are more than $1,300 a square metre cheaper. There is the same pattern in Victoria—government schools $2,850 per square metre; independent schools $1,841. That is a difference of $1,009 per square metre. In Queensland, government schools cost $2,743 per square metre; independent schools $1,736—a difference of
$1,007 per square metre. The government is building schools in both Queensland and Victoria that are 50 per cent more expensive per square metre than independent schools, and more than 60 per cent more expensive than independent schools in New South Wales. That is a disgrace.

Mr Orgill, in his own report, said it was not just about cost per square metre; it was about quality and timeliness. Even though the New South Wales government and some of its bureaucrats tried to say that the quality in the Catholic and independent schools was not as good, Mr Orgill found that the quality across all sectors was very similar—the same. So quality is not a relevant differentiating factor. The only factor is time. It is true that in New South Wales the average state government project took 500 days to build while in the independent sector it took 600 days. It took 20 per cent more time to build independent school projects—about 100 days more, or three months—but cost 60 per cent more. In Victoria, the government school projects cost 50 per cent more than in independent schools and they were slower to build than in the independent sector. In Queensland, the independent school projects were completed faster and were much cheaper to build. So timeliness does not even get Mr Orgill and the government off the hook.

The bottom line for about 70 per cent of the schools in Australia—the government schools in New South Wales, Victoria and Queensland—is absolutely disgraceful. How much did it cost? If those government school projects had been delivered at the cost delivered for independent schools, we would have saved the taxpayer, the community, about $2.6 billion. If they had been built at the same cost as Catholic school projects, the savings would have been about $1.8 million. I understand we are about to have a flood levy, and it is hoped to raise about $1.8 billion. If the government had secured the value for money that the Catholic and independent schools received from their school hall projects, there would be no need for this levy. The government did not have the oversight mechanisms in place to ensure that state governments secured value for money for their building projects, and that is an absolute disgrace. They knew about it, they were told about it, they were warned about it, but what did they do? Nothing. And, now we have spent about 75 per cent of the money, it is too late to secure value for money for these projects. It is an absolute and utter disgrace.

The other day poor old Mr Orgill had to fend me off in a committee meeting. He was uncomfortable, and I do not blame him—it is not his fault. It is the government’s fault, not Mr Orgill’s. I may have given the government a conceded pass on the building school halls program, but I have lost my generosity when I think that this crowd is about to impose a flood levy on the people of Australia that would not have been necessary if they had secured value for money for state school projects. They do not deserve any generosity in any way at all. All I can do is give the government a big F for fail there as well. It is absolutely disgraceful. It is perhaps the greatest financial mismanagement in the post-war era—and that is saying a lot. It has cost this country billions.

Let me go to the national curriculum—and I wish I had 50 minutes to speak and not just 20. Education is supposed to be the Prime Minister’s strong point, but everything she touches turns to sand. The national curriculum is not a bad idea. The government did well initiating it, and I accept that. It is a good idea because it can raise standards. It can mean world’s best practice. It can mean international benchmarking. I am not against the principle. But what has happened? It has been hijacked by the ideologues, and we
have these overarching themes: Asia, sustainability and indigeneity. They are the three overarching themes in our national curriculum. Mr Acting Deputy President Hutchins, you might ask why we don’t have an overarching theme about the importance of liberal democratic institutions. I would have thought that was an important overarching theme. What about the impact of Judaeo-Christian ethics on our life here in Australia? I would have thought that was an important overarching theme. What about the role of science and technology in the material progress of mankind? I would have thought that was an important overarching theme, but apparently not as important as Asia or sustainability or indigeneity. It shows just how out of touch I am, obviously, to possibly believe that the importance of liberal democratic institutions might trump even that. How wrong I am.

The trendies have got involved and the ideologues have got involved, and what has happened? Support for the national curriculum has started to fall. Some states now do not want to introduce it. I know that New South Wales always thought that they had the best system. People like former Premier Bob Carr, who was very strong on education, are concerned that the national curriculum will mean lower standards in New South Wales. I was going to give a pass mark on the national curriculum, but I am not sure I can. I am not sure we should be adopting it. Mr Pyne certainly is not sure we should be adopting it. It seems it is not a good idea—certainly based on its implementation.

The government talks about vocational education and training. Remember the trade training centres? Remember all that? They promised one for each school. With 2,700 schools, there should be 2,700 trade training centres—potentially with some clusters. After three years, how many are up and running? Does anyone want to have a guess? Of the 2,700 that were supposed to be created, how many trade training centres are up and running? After three years, 48 are up and running. We were promised 2,700—another implementation process in shambles. That is the problem.

Senator Jacinta Collins—That is not what the Auditor-General said.

Senator Mason—Oh, yes, it is an absolute shambles. We have 48 out of 2,700. I do not have time to touch on higher education, but in conclusion let me say this: laptops were a failure in the cost of implementation and internet connection. The Orgill report highlights the gross failure and outright gouging of expenditure in state schools that is costing this country literally billions of dollars. In vocational education and training, 48 out of 2,700 schools have one of those trade training centres. This government has failed in what is supposed to be its core business.

Senator Mark Bishop (Western Australia) (10.48 am)—In this address-in-reply, I want to respond to those matters in the Governor-General’s speech dealing with defence policy. In particular, I want to reflect on a number of matters relating to defence procurement in Australia, following the lengthy visit I made to the United States late last year. The Senate would be aware of my longstanding interest in defence policy matters, in particular the management of procurement. There are many relevant reasons for the importance of US defence procurement policy for Australia. Firstly, of course, the United States has long been a key source of defence materiel for the ADF and it is important that we keep abreast of new technology. Within the alliance there are matters of shared long-term strategies. There is also a growing degree of interoperability and a growing interdependence of our own defence industries. We do need to be sensitive to the
changes affecting United States industry not only strategically because of the direct flow-ons for the cost of purchases we might make but also because of the direct implications that they may have for our domestic defence industries where we need continuity and an assurance of skill retention and supply capability. The importance of this knowledge of the health of US defence industries cannot be overstated, especially in a rapidly changing international economic and military climate. It is important that we understand these applications and their context.

In response to the global financial crisis, we are now seeing dramatic reductions in defence budgets in those countries with high levels of sovereign debt—for example, countries such as the United Kingdom and France, whose public debt levels are such that their entire financial security is under threat. Public expenditure on defence procurement throughout Europe has also been slashed. The demand for defence items has accordingly reduced sharply. Defence industries will immediately feel the brunt. Defence capability will be reduced significantly and no doubt over time R&D will also decline. No doubt cooperation with the EU on defence capability might be accelerated, and the discussion between the United Kingdom and France on shared naval resources is a case in point. Hence, the United States is important. Equally, there is a huge amount of pressure for budgetary cuts for much the same reasons—not to mention the realisation that defence and all other public expenditure such as state grants and federal programs can no longer be financed so heavily from debt. That debt, as we know, was generated by two phases of the global financial crisis driven by the collapse of the subprime market. As well as that, we have the massive indebtedness to China through China’s trade surplus, principally with the United States, now being corrected by a reduction in the value of the US dollar.

Yet there are other circumstances in the US defence procurement environment which are different and these circumstances directly affect the state of the industry. The key element is simply the dramatic nature of the US military budget, which—notwithstanding the growth since the days of the Reagan presidency—has grown in real terms by 79 per cent since 9/11. In fact, 21 per cent of the current budget is spent on overseas deployments; therefore, the growth in demand for military hardware production over the last decade has been huge. It should be noted that this growth followed a long-term decline after the Cold War, which for a period saw capability reduced; however, during that period no other industry efficiencies were sought by government.

It was said to me by both industry and government representatives that opportunities in that period to restructure, close redundant bases, innovate and invest were not taken. Competitive discipline suffered as the emphasis was placed on production on a cost-plus—but not on a competitive—basis. Companies, through large production runs of increasing unit costs, accumulated large cash surpluses which were not returned to shareholders or invested. Productivity and R&D dropped away as sustainment was the driving force—not efficiency and certainly not cost. Importantly, a huge level of skill was also lost, especially from government, which was driven mostly by outsourcing.

No doubt as part of that obsessive concern with the size of government in the US, Defense lost enormous numbers of people specialising in contract tendering and project management. Lack of salary, flexibility and wage restrictions within government were also limiting factors, I was told. Companies, though, maintained their levels of expertise,
with the disparity then perhaps creating unevenness between the two negotiating parties. So complaints familiar to us in Australia began to emerge.

The United States government had no idea of how industry worked, communication was poor and tender specifications were inadequate. The symptoms were the same as they were in Australia: namely, tenders were regularly priced low and then increased as time passed under the cost-plus principle; budgetary evils such as spending limited to a financial year; limitation encouraged hollow logging and unmerited advances of payment; tender processes were cut short for reasons of expediency; product was poor and delivery times blew out significantly; there was lack of coordination across the three services; tender specifications were not met; and needless to say, costs just continued to go through the roof.

There was too much emphasis on partnership with industry, rather than on an objective, arm’s length relationship. There was constant pressure at the outset to underestimate costs to facilitate decisions, with costs not included and risks not evaluated or priced. There was poor articulation of the policy and the military strategies that supported purchasing. Supplementary funding was easy to acquire, especially where there was high constituency value in a particular contract. Prescribed processes were ignored. Payments were made on progress of process, not outcomes, and there was a chronic lack of knowledge or understanding of systems integration.

However, it must be said that the worm seems to have turned—or to at least be in the process of turning. Now, with some reduction in demand following the withdrawal from Iraq and faced with budget reductions, the US industry faces a double whammy, firstly, because demand is reduced post Iraq, and secondly, because efficiencies and productivity, which should have been achieved earlier, are now being demanded by government. In fact, action akin to that taken in Australia over the last decades following the reports of Kinnaird and Mortimer is now becoming the norm. The political climate is now demanding tax concessions and smaller government.

In the face of the need for added revenue and government investment, something has to give and US Defense is being directed to take a disproportionate share of that pain. Secretary Gates has been blunt about what the administration expects. Not only have programs for the production of aircraft and the naval fleet been cut but processes are being reformed. For example, plans are afoot to restore the level of procurement skill in Defense previously lost, and I was told this could mean the hiring of an additional 20,000 people. New competitive tendering processes are being put in place. It is important to note that the restrictive clauses of the US National Defense Act, which strictly limited the sale of equipment to allied nations such as Australia, are being removed and the United States is well advanced in that process.

While it may have added complexity, the US congress has weighed in as well. It is insisting on new levels of accountability from Defense and industry that were previously unknown. Industry did express some frustration at these reforms to me but it is also interesting to note how they have reacted otherwise. Many of the large prime manufacturers, for example, have moved to divest themselves of some of their own existing vertical integration. They say that this will provide added flexibility in a reduced market as well as reduced costs over time. At the middle level, however, there has also been a process of consolidation, which will no doubt lead to added efficiencies within
the supply chain. The risk is that competition may be reduced somewhat, though compared with our own limited market that is hard to comprehend.

So we must therefore ask this question: what does this all mean for Australia and our own defence industries? One thing is inevitable—that is, the defence expenditure in the United States will continue to be reduced for the foreseeable future. The pressure from the administration to improve competition and productivity will be unrelenting—notwithstanding the traditional demands from constituencies in the United States. Above all, the capacity of the United States to become involved around the world will most likely change considerably. I note that the recent visit of the Secretary of State and the Secretary of Defense is somewhat symptomatic of that change.

There are some negative views on this. Those views focus narrowly on the fear that unit costs must increase for Australian purchases. I would put a contrary view. First, there has been a significant decline in the value of the US dollar, which is quite intentional—that is, the Australian dollar can now buy more and so can other currencies where the GFC has only had a limited effect. Next, US companies are clearly shaping up under the restructuring, and new procedural disciplines are being exercised in order to be much more efficient. With the surety of their own domestic markets reduced, they are becoming much more active in new markets. As they told me, Australia is a shining light not only as a valued ally but also because of the long-term financial commitment inherent in the government’s white paper. This long-term plan has committed hundreds of billions of dollars to defence procurement and sustainment over the next 20 years. No doubt other financially secure nations in the world will be similarly targeted—for example, Canada, Norway and Germany.

I can only conclude that the US industry will present significant new opportunities for Australian companies in the procurement market. The linkages already built by some should be of great advantage. Most importantly, cost savings ought to be in the offing, not to mention improved access to previously restricted technology. None of this should be news to Defence or the DMO, whose relationships with US Defense and industry are deep and extensive.

I am aware that the exchange of information at government level and at the bureaucratic level is improving even though, in reform, we clearly commenced much earlier, although we still have a long way to go. Added to this is the seriousness with which our relationship with US has developed more recently under the Gillard government. Rather than being threatened by the rationalisation of procurement in the US, I can only say to Australian companies that they should be eager to avail themselves of opportunities as they arise. Australia’s defence industry has the ball at its feet as the result of the government’s defence capital investment program. Never has there been such an opportunity as in the current relationship with the US government, a relationship which proffers such levels of cooperation. I must say that, during my briefing by US officials and company executives at the most senior levels, I was impressed by their understanding and appreciation of both sides of the relationship with Australia.

We might ask: what does all of this mean? Will there be any real change or will we just continue to plod on incrementally? The cynics might say, of course, that the more things change, the more they remain the same. My concern is that, within Defence in general, this could well be fair comment. Despite all of the reforming zeal which has been directed at procurement and military justice, for example, we are still seeing significant
evidence of repeats of old behaviour. I refer in particular to the very disturbing evidence emerging from the HMAS Success inquiry, referred to publicly by Minister Smith. Although we were given all the assurances that the initial allegations were not true, it seems they are likely to be proven otherwise—or indeed even worse. Given the work done by the Senate in this area, this is quite disappointing, especially the cultural attitude of denial which seems to continue and the regular failure of internal inquiries to reveal the absolute truth.

It is likewise, of course, with procurement. Last week’s revelation of difficulties with the MRH helicopter purchase so soon after the Seasprite disaster is very concerning and so is the revelation that the procurement of landing craft has been cancelled, having commenced back in 1997—more waste and incompetence, especially if it is correct that the original design was wrong, not to mention the faulty manufacture. Even more concerning is how this project slipped under the radar. Why did we not know about it as a project of concern? How many other failed projects are there which fall below the financial reporting threshold? The report of faulty keel laying for the first of the AWD’s in Melbourne suggests that, despite all the government’s pressure for reform, procurement processes remain, at best, problematic. This is depressing considering the strong intent of government. There has been a regular failure, or an apparent continuing failure, of Defence to make the necessary changes demanded and requested by successive ministers. The extent to which governments and ministers can manage Defence is therefore a matter of ongoing interest, especially when it comes to accountability for such a massive bureaucracy. This matter of accountability through the bureaucracy is a matter I will return to at another time.

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Senator Boyce, Queensland.

Senator BOYCE (Queensland) (11.03 am)—Thank you, Mr Acting Deputy President, for acknowledging the state which I am so proud to represent. Whilst responding in general to the Governor-General’s address to this house, I will firstly just touch on a couple of issues that have been raised by senators already. I thank Senator Hurley for her suggestion that nuclear energy is an issue that must be addressed and properly assessed and properly debated by this house. This is not a view that is shared, I know, by a lot of her colleagues but, if we are to go to a low emissions, energy efficient future, nuclear energy must be on the list. More and more of the research that is becoming available suggests that this can now be done, given rising power prices, at comparable cost to the ongoing use of coal. Of course the coal industry will continue to be a core part of Australia and Australia’s prosperity, not just internally but externally, for many years to come. But it is only sensible to now put nuclear energy on the agenda and I was pleased to hear Senator Hurley mention this as something that should happen.

I will also comment, Mr Acting Deputy President, on some of the remarks that you made during your contribution to this debate. I can understand perfectly that you would want to comment on New South Wales—that you would not want to mention Queensland. Yet I would suggest that, if you had perhaps listened more carefully to the contribution of Senator Macdonald, you would have noticed, in his forensic analysis of what was wrong with Queensland Labor, that the attempts, over and over, to parachute people into seats where they were not known by the locals were one of the reasons for the complete slaughter of the federal Labor Party in the election in Queensland. As Senator Mac-
Donald pointed out, there had been no Northern Queensland LNP members of the House of Representatives before the last election. There are now no Labor representatives in that area. It has been a clean sweep.

Moving further south to the seat of Longman, for which I was the patron senator, we were delighted to have a young man—in fact the youngest person ever elected to this parliament—Mr Wyatt Roy, win the election very convincingly. He is a local young man whose family has lived for generations in the electorate and who knows the voters of the electorate and the issues of the electorate. It is that sort of care taken when selecting candidates that is responsible—in part, along with very strong campaigning skills—for the success in Queensland.

So I certainly understand that Senator Hutchins would not want to reflect on the national result for Labor and would want to stick very carefully to his own state, which is one of the very few states in which Labor almost survived. Certainly there is nothing for Labor to be proud of in the election result that they achieved at the last election.

As many people have pointed out, it does seem a long time ago—and like a different world—that the Governor-General made her address to this place. As Senator Macdonald pointed out earlier, the Governor-General delivered a speech that had been written for her by the government, and I think if we look through that speech we will see that one of the biggest problems with it was its lack of a ‘vision thing’. There were very few real, practical suggestions for a way forward other than to continue some of the proposals that had been put up by Mr Rudd. As we know, most of those proposals have since been trashed completely. They have disappeared from the face of the earth.

It is interesting right now to reflect on the brave new world that Mr Rudd and Ms Gillard were supposed to be creating, where the blame game with the states would end and COAG would become a hotbed of collegial, fraternal and sisterly love. I do not know that we have seen any of this actually happen yet. I had the pleasure yesterday of attending the national conference of the Australian Health Care Reform Alliance. The alliance brings together 40 national and state organisations of health professionals, health consumers and health services. In the sense that it represents those three constituencies, it is unique. It has advocated actively for many years for a more equitable, efficient, robust, sustainable and accountable healthcare system and has put forward a lot of policies and principles that it believes will lead to a healthcare system that seamlessly and efficiently focuses on the needs of the individual and meets those needs. Can I say that the mood in the room at the conference yesterday was sombre at the very least. There was, in my view, a quiet sense of desperation. There was a sense of: ‘Why are we bothering to be here to talk about health care reform when sitting on our shoulder is the likelihood that the big, shiny hospitals and healthcare reform agenda of Mr Rudd and, allegedly, Ms Gillard is likely now to go down the drain, leading to even more inefficiencies in the system than we currently have?’

As an example, there was a session yesterday that talked about mental health. I have spoken in this place a number of times on mental health and the future of mental health. Labor has continued some of the Howard-Costello reforms, such as the introduction of PHaMS, the personal helpers and mentors scheme—after initially getting a bit confused around alternative therapy programs and better access to medical health, Ms Roxon yet again backed down on what she had initially thought was reform, put the program back pretty much as it was when the Howard government established it and put
some more funding in—and the Labor government got ticks for that, but that is all they got ticks for.

Yesterday Senator Colbeck, from Tasmania, moved a motion in the Senate regarding the end of funding to a Tasmanian mental healthcare service. He characterised this as an organisation that is designed to stop people slipping through the cracks itself slipping through the cracks. I would also mention the Cairns Mental Health Carers Support Hub. This organisation was set up by professionals, consumers and carers in North Queensland, where there is a dearth of services. Wherever you go in Australia there is a dearth of services, but the further you get from the capital cities, the fewer are the services. This service in Cairns had been set up and was functioning well; it meant that for the first time in a very long time the parents and carers of adults with schizophrenia were somewhat more comfortable about the safety and care that was being offered to their adult children. Their funding is about to lapse, although it appears no-one can quite be bothered telling them whether or not it has lapsed. So, once again, we have a group designed to stop people slipping through the cracks that is itself slipping through the cracks. This is apparently the brave new world of the Labor government in the area of mental health.

I should mention that I know there were some people in the room at the Australian Health Care Reform Alliance conference yesterday and there are many others in the health area who are bitterly disappointed in this government. They listened to the talk that was talked by Mr Rudd, Ms Gillard and others and they thought there was going to be change; they thought there was going to be improvement. They are bitterly disappointed not only that this government has done almost nothing in this field but also that this government has betrayed them by talking about doing wonderful things and then doing less than nothing.

I would like to also mention the vision that could have been developed in the speech provided to the Governor-General by the government as to the development of Australia long term. If you look at many of the reports that are now being made, you see we finally seem to be getting people talking about a two-speed economy. Anybody in Queensland last year could have told you that there was a two-speed economy. If you were involved in the mining industry or supplied the mining industry, you were probably going okay. If you were not involved in the mining industry, you were in trouble as your business was in trouble. There were people talking about their turnovers being down 30 per cent or more. This was all happening last year whilst the government congratulated itself on full employment and whatever else. In some sectors, yes, there is a lack of skilled people to take jobs but this is masking the lack of turnover, the lack of production and the lack of jobs in other sectors of the community. This is particularly felt in a state that is not as reliant as, for example, Western Australia on the mining industry.

This was happening before the floods and cyclones. It has just been exacerbated, magnified dozens of times, by the floods and cyclones. Yet it appears the government continues to be interested in flood damaged businesses, homes and individuals—and it is the same with cyclones—without any concept that you do not have to be flood or cyclone damaged to be flood or cyclone affected. I do not know one individual who has not been so affected and I do not know one business in any part of Queensland, whether it is an agribusiness or whether it is a small business or a large business, that has not been affected in some way by the floods or cyclones. This might be a company where a major customer has gone broke because of
the floods and cyclones. It might be a company where a major supplier cannot supply because of the cyclones and floods. It might be a company such as those in Kingaroy that could not actually get products sent to them because there was not an economically efficient route by which to send the products in. Trucking companies have had problems too with lost trucks, roads that they cannot use and customers that have not got anything for them to put on the trucks to send somewhere. It goes on and on and it affects every corner of Queensland but, in my view, this has not been acknowledged.

Nor is there any sort of basic plan underneath, other than to help now, to further build Queensland or Northern Australia or the Australian economy. I would like to look briefly at an organisation that I think deserves support in this place. It is called Australians for Northern Development & Economic Vision. You might recall, Mr Acting Deputy President, a report from what was initially an inquiry, one that was started under Senator Heffernan and finished under the Rudd Labor government, into development in Northern Australia. Perhaps not surprisingly, the focus of that inquiry seemed to change radically. What we ended up with was a report that emphasised—and I do not think any of us needed to be told this—the environmental fragility of Northern Australia. It emphasised the need to develop small-scale Indigenous businesses in Northern Australia. It emphasised the need to develop small-scale Indigenous businesses in Northern Australia. No-one has any problems with those aims, but that is not where Australia’s economic future lies, nor are these things incompatible with real economic development in Australia. Australia’s economic future, as ANDEV point out, is as ‘a regional provider of seaborne minerals and coals and various other commodities’. They believe that without a vision and without input from the government Australia’s resource industry itself is at risk.

So where were the comments in the Governor-General’s address on things like the high rates of taxation in Australia compared to those of our competitors? In fact, if you look at personal tax and company tax, you see we are now looking at a carbon tax; we are now looking at an income tax allegedly to save the government and save the flood-prone and cyclone-prone areas. We have high wages compared with those of other countries. Great, and I think that’s fabulous, but we do need to acknowledge it and we do need to work out how we are going to develop a competitive system if we are to maintain that standard of living. There is absolutely no point in having high wage rates for people who are not employed. I do not think we should be changing the wage rates but we certainly need to acknowledge that we have an issue and a competition problem there.

Slow approval procedures are a very, very serious issue here. So much for the government that was going to reduce all the red tape. We get little reports on how many changes have been made or not made to legislation and yet the government fails to tell us that for every one that has been taken away there are currently about 15 that have been put in place. So the lack of red tape is just not happening.

The other concern is the current development of very large ore carriers by countries that compete with us to sell ore. The Asian ports are being modified to allow for these very large ore carriers. The Asian ports are being modified to allow for these very large ore carriers. One of the ways we have been able to get over the fact that we have high taxation and high labour rates is that we are close to the markets that want the ore. When other countries in South America, South Africa and Canada can transport huge amounts of ore at competitive freight rates, we have nothing left to make us competitive with the others. So could I please beg this government to think just a little about the
future of the country, not just how on earth it is going to stay in power and how it is going to meet the next interest rate bill in the very sad economic situation it has brought us to.

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (11.23 am)—I seek to make some remarks in the address-in-reply and pick up a point that Senator Boyce made. There is a very good reason there was nothing in the Governor-General’s address-in-reply about the flood situation in Queensland. That is because it had not happened then. If Senator Boyce were really serious about helping not only the flood victims in Queensland but also the people whose livelihoods have been affected not directly by the flood but by the consequences of the flood, she would be lobbying in her own party to support the proposed flood levy of the federal government. That is really the only serious way that the people of Queensland who have been affected by these dreadful natural disasters are going to be assisted. That is what this federal government is seeking to do.

I would like to dwell upon some of the things that the federal government has done in the water area. As you would be aware, Mr Acting Deputy President, it has been four months since I took over the job as Parliamentary Secretary for Sustainability and Urban Water.

Senator Jacinta Collins interjecting—

Senator FARRELL—Thank you, Senator.

Senator Fierravanti-Wells—You mean you found time out of your factional activities to attend to it.

Senator FARRELL—Look, I prefer my factional activities to yours.

Senator Fierravanti-Wells interjecting—

The ACTING DEPUTY PRESIDENT (Senator Hutchins)—Carry on, Senator Farrell. Ignore the interjections.

Senator FARRELL—Thank you for that protection, Mr Acting Deputy President. I certainly need it. What I have done in those four months is travel widely across Australia, meeting with communities who are all interested in the future of our water supplies and the best ways in which we can manage them. I have been particularly struck by the adaptability of these communities on the back of prolonged drought and many are now facing extraordinary flooding. That is the ancient cycle in Australia—drought, flood, drought, flood—but I continue to be amazed by the extremes we encounter in Australia and the likelihood that those extremes might increase over the years ahead.

Our thoughts and prayers are with those people in Queensland who have suffered the worst flooding in living memory and also those in Victoria, New South Wales and other areas who have been hit by floods. We extend our sympathies also to those who have felt the catastrophic impact of tropical Cyclone Yasi. Now the residents of Perth, who have experienced record dry weather, were dealt another blow over the weekend with devastating bushfires.

This dramatic variability emphasises the importance of the commitment of the Gillard government to a sustainable Australia. It reinforces our commitment to invest significant funds in a range of alternative water supplies such as desalination, water recycling, stormwater harvesting and reuse, and other water efficiency projects. Diversifying our water sources enables communities to manage water supplies across the wide range of weather and climatic events that Australia experiences. While much of the eastern part of the country has been suffering from...
floods, history has taught us that droughts will return.

The recent investment of the Gillard government in alternative water sources will save or supply significant volumes of water and will help us be better prepared to get through the next drought. We are working closely with local and state government partners who are responding to the demands of urban development and growing population. We are supporting projects that will use treated stormwater in major cities across Australia and regions such as Dubbo. Since I took on the role of parliamentary secretary, I have launched stormwater-harvesting projects worth $7.6 million—$4.5 million being for the Dubbo City Council stormwater-harvesting and reuse project under the $904 million National Urban Water and Desalination Plan. The Dubbo project will capture, treat and distribute about 42 million litres of stormwater each year to be used on the Apex Oval in the town and in the East Dubbo Sporting Complex. I went up there with a person whom I think you might know, Mr Acting Deputy President, Mayor Allan Smith, a very good mayor of Dubbo and a very fine fellow.

In October, I announced $3.1 million in funding for five stormwater-harvesting schemes to be constructed in the city of Hobsons Bay in Victoria. Looking forward, the Australian government’s stormwater-harvesting grants program will soon open for its $100 million third round, as committed by the government in the 2010 election. Underpinning the investments is the establishment of the national centres of excellence in desalination and water recycling and the National Centre for Groundwater Research and Training. These centres are bringing together national and international researchers to address the complexity of securing urban water supplies in a practical way.

In December I announced the National Centre of Excellence in Desalination’s second round of funding. Through the second round the centre is providing nearly $3 million in funding for research projects investing in ways to advance desalination technology. One of those projects—and I am sure Senator Bernardi will be interested in this—is being conducted by researchers at Flinders University in his home state of South Australia, which is also my home state. And a great state it is, isn’t it, Senator Bernardi?

Senator Bernardi—I agree with that.

Senator FARRELL—We can agree on something. The project, which I visited in December, is developing coatings that will reduce biofouling of the reverse osmosis membranes—that is not easy to say—used to take the salt out of the water. Biofouling can reduce the performance of the membranes which, in turn, can increase the cost. So, by reducing the extent of the problem, the costs of desalination can be brought down.

In November last year I was proud to announce the opening of a pioneering groundwater replenishment trial in Perth—even drinking some recycled water on that occasion—that received more than $19 million in Australian government funding. This important project has the potential to substantially offset the impact of the decline in inflows to Perth’s dams that has occurred over the last 30 years. It is interesting to note that, if you drew a line from, say, Geraldton to Adelaide, there was rainfall everywhere east of that line, but in the remaining portion, particularly around Perth, they continued to have very severe drought conditions. This project that I am speaking about will trial the world’s best, state-of-the-art managed aquifer recharge technology and will test the impact of the groundwater replenishment on aquifer water quality.
The Gillard government is also delivering more than $11 million in funding to a landmark water recycling project in West Werribee in Victoria. As you would probably know, West Werribee is a dramatically expanding part of Melbourne. I can see Senator Ryan nodding in agreement with that because he has probably been there as well. This project will take recycled water from Melbourne Water’s Western Treatment Plant and further process it to reduce salt and then inject it into the underground aquifer for storage. The water will then be available for use in home gardens, for toilet flushing and in public open spaces through the West Werribee Dual Supply project. Research efforts and projects like these will help future water managers to manage our water supplies through the peaks and troughs of increasing climate variation. The Gillard government is delivering on its commitment to sustainable urban water management across the nation through projects that help consumers better manage their water use.

In December I travelled to Senator Carol Brown’s home state and visited Hobart to launch the Water Metering Tasmania project. The Gillard government is providing $10 million to Tasmania’s three water corporations to install water meters to unmetered properties and to upgrade meters that do not meet required standards in regional Tasmania. The project is expected to save more than eight billion litres of water a year through improved detection and repair of leaks. The smart meters will make it very clear if you have a leak on your property, which you will be able to act on rather than wait until an expensive bill comes through. The meters will also enable consumers to make informed choices to better manage their water usage.

A few days later I was in Maryborough in Queensland where, unfortunately, the impacts of that state’s flood crisis have since been felt. While in Maryborough I was very impressed by the town’s Proud Mary: Modernising Maryborough’s Water Systems project. The Gillard government has committed $5.7 million to the project, which involves an integrated suite of activities that will improve the efficiency of the town’s water supply system. One of those activities will be the rollout of more than 9,000 smart water meters which can be read remotely using a receiver. This system was demonstrated to me in nearby Hervey Bay where hundreds of meters are read in minutes using the technology, and where consumers have access to detailed information about their water use.

Water resource management is supported by our authorities: the Bureau of Meteorology and the National Water Commission. In October last year I was very pleased to officially launch the first national water storage information website hosted by the Bureau of Meteorology. I know that, if Senator Bernardi has an iPad, he can download a map that will now give him that updated information. This new product is an important step in providing the Australian community with a consistent and comprehensive national picture of Australia’s water resources, pretty much in real time.

I was also very happy, in December, to visit the picturesque town of Esperance, not that far from Yorke Peninsula, on the southern coast of Western Australia, to open a purpose-built new Bureau of Meteorology observation office. The office features a new 14-metre-high radar tower, which is double the height of the one it replaced, which will provide higher resolution weather surveillance at a greater range.

In terms of sustainability, in November, it was my great pleasure to attend the switch-on event for Sydney Theatre Company’s Greening the Wharf project. The project, which is supported by the government with
$1.2 million in funding through our Green Precincts Fund, features the second largest rooftop photovoltaic array in the country. Senator Bernardi would be interested to know that the largest one, of course, is at the Adelaide Showground. It is expected to produce up to 70 per cent of Sydney Theatre Company’s energy requirements, while an innovative rainwater harvesting, storage and reticulation system will supply 100 per cent of the company’s non-potable water.

But Green Precincts projects are not just about energy and water savings. The Greening the Wharf project will create a showcase green precinct at a well-recognised harbourside wharf. Its value includes the demonstration of sustainable practices to the very large number of people, more than 300,000 each year, who attend the Sydney Theatre Company. It also demonstrates that significant sustainability practices can be undertaken at important heritage sites.

Sustainability and water security continue to be vitally important issues for Australia now and in the future. The extreme and tragic weather events we have seen across Australia in the past few weeks—floods, cyclones and fire—illustrate the unpredictable nature of our nation. While much of the country in the east is now experiencing flood, it is not so long ago that much of Australia was besieged by drought. As we, the Gillard government, work together with state and local governments to rebuild those areas hardest hit in recent times we will not be distracted from the importance of urban water reform and securing Australia’s water supplies for the future, whatever the weather may bring.

Senator RYAN (Victoria) (11.38 am)—It is a pleasure to join the debate on the address-in-reply and support the amendment moved by Senator Abetz. The address-in-reply is a rare opportunity to address the entirety of the government rather than any single measure or, in this case, any single failure of a government. Indeed, this is my first opportunity to do so, given that I arrived in this place many months after the 2007 election.

This government provides a wide array of material to work with, but today I would like to skip over many of the specific examples that have been covered in such depth by my colleagues because I want to outline and debate what I consider to be a flaw at the core of this government. All of its failings—its waste, its massive deficit and debt, its raiding of various capital funds put in place by the previous government for future generations of Australia and even its political failures—reflect a weakness at its core. This government suffers from several fatal conceits. It suffers from the conceit that its core functions can be taken for granted as it relentlessly expands the scope of its own activities to suit the desires of its members. It suffers from the fatal conceit that it can tax relentlessly not only to feed its own voracious spending and debt but also to covertly limit the choices of individuals in our society and guide them to what its own members deem to be appropriate behaviour.

This government has no sense of its own limitations, it has no sense of the limitations of the state and it especially lacks a sense of the limitations of the personnel that comprise it. When it is warned about the flaws in its programs it reacts by simply playing the man, to use the football vernacular. History tells us, however, that it was warned about the blow-outs in the school halls and the waste with the pink batts. But this government ignored the warnings and, despite the efforts of the Prime Minister, these failures will follow her in office, whether she is the real Julia or not. This government’s profligate spending has driven our budget into record deficit and, despite all its claims and
all its spin, there is one simple economic truth about this matter: debt is simply deferred taxation; it is taxation upon future generations of Australia. As the government seeks to raise taxes now in a desperate attempt to manufacture a tiny surplus for an election several years hence, the Australian people do not trust its motives nor do they trust its management.

One of the major issues of last year, and one of the issues listed by the current Prime Minister as a reason for the removal of the former Prime Minister, was the mining tax. What was a resource super profits tax became a mineral resource rent tax. None of the constitutional or administrative issues have been addressed in either. It was right that this became the subject of debate, despite the verballing of some of the proponents of that debate by members of the government. Thousands of Australians work in this industry and its associated industries. Some work in information technology. Some work in construction equipment. The money flows right through the economy, even to my home city of Melbourne, which is a long way from many of the mining centres. The government justified the tax simply by attacking the profits of those who mine. At a particular low point in the debate, some people also went as far as to attack the nationality of the shareholders or the companies of those who mine, in an appalling, retrograde reminder of economic Hansonism in this country. But only in the world of academic economists, or the Canberra bureaucracy, would a government try to determine what an appropriate profit would be and use that definition to levy nothing short of a punitive tax.

Underlying the whole tax problem in this is a flawed economic assumption about economic rent with respect to iron ore and coal. The truth about these products is that, unlike oil or a precious metal, coal and iron ore are not rare. The capital to get them to market is rare, even though that in itself is being applied dramatically all around the world as we speak. What is rare temporarily is the access to markets of mass quantities of those commodities, and Australia is in a position to benefit from that at the moment. Yet all around the world, in Africa, in South America and in Russia, what we are seeing is a dramatic expansion in the facilities that will bring those products to market. This is only a temporary spike, even though it will probably lead to a long-term increase in our terms of trade.

Ironically, the Labor government of the 1980s introduced the Petroleum Resource Rent Tax. One of the ministers involved was a former senator, Peter Walsh, and it was Peter Walsh who said in his memoirs: ‘There is rarely any economic rent in iron ore.’ That did not come from this side; it came from the person who helped set up the PRRT. Unlike this government, Peter Walsh, who I respect, had a basic understanding of economic principles. Peter Walsh was one of the ministers who took difficult decisions, and later I will go to more of what Peter Walsh did which this government has ignored. That is an important point. When the PRRT, which this government tried to compare the MRRT and the RSPT to, was set up, one of the people involved wrote: ‘There is rarely any economic rent in iron ore.’ But this government would not take notice of such a Labor luminary, and not just because he was one of the first to warn the nation about the rise of green fanaticism and green rent seeking, which this government has been such a part of; he also warned the ALP about the risk the green movement would pose to their political future. But that is not my concern here today.

This government, through taxes like this, seeks to plan our economy by defining what an appropriate profit is. If anyone thinks that the mining industry will be the only industry subject to such a definition then they are
foolish. We heard the promise before the election that there would not be a price on carbon, the euphemism used to try and avoid saying what it actually is: a tax. Only days after the election, the Prime Minister not only back-flipped but tried to justify this as some far-reaching economic reform. In 1998 when this side of politics took tax reform to the Australian people we outlined exactly what was involved in that tax reform. It is a cowardly government and Prime Minister that says one thing two days before an election and then tries to hide in the cloak of reform only days after in a desperate attempt to stay sitting on the right of the Speaker in the other place.

But that is only the start. We have the carbon tax. Very soon, despite promises to the contrary, we will probably have a junk food tax of some variety as the government seeks to tell people what they can and cannot eat. In all the papers from all the so-called health experts who seek to tell people in Australia what they can eat and how to live their lives, I am fascinated that the taxes always seem to land on Big Macs rather than on foie gras. But that might be a reflection of the tastes of the people writing the reports.

We have in the Henry review theflagging of a congestion tax. For the first time we are going to try and tax the movement of people in this country. Through the creation of a false market by the effective granting of licences to use roads paved by our grandparents, our parents and people today the government will seek to institute what 30 years ago was a parody in movies from Hollywood. The government will determine where you are allowed to travel. They may deny it now but they have said that the Henry review on tax was merely an attempt to stake out territory for future government efforts. This side of the chamber will not allow such a regressive expansion of the role of government. This government seeks to make respectable what was once inconceivable. I put to you that, if we went back in time 20 years, the idea that there could be a tax on the movement of people in our cities would have been laughed at.

Like with many others things—such as poker machines—this government seeks to use technology as it was used in 1984. The only thing that George Orwell got wrong was the timing of technological development. The motive of those people opposite is still present. And this government seeks to clothe its intentions in the language of reform. Because of its desperate need to find a purpose, it harks back to the 1980s. But let us measure and compare the differences between the people that sit opposite me today and the people in this parliament in the 1980s and the 1990s who dramatically changed this country for the better.

Senator Bernardi—Senator Farrell was a candidate in the 1980s.

Senator RYAN—I had forgotten about that, Senator Bernardi. The 1980s and 1990s were about governments saying no. The government and political leaders in this country on both sides of politics—at least until 1996—said then that they could not stand between the people of Australia and the rest of the world. They said that they could no longer protect a dying car industry that was making cars that no-one wanted to buy. Let me use a simple example: who in Australia today wishes that they could go down to their local Retravision store and pick up an $800 19-inch colour television set? No-one does. We are dramatically better off for having opened trade barriers. We are dramatically better off due to having freed our economy up and having given people the choice to spend their money in the way that they choose, not in the way that the government chooses.
The difference between this government and the governments from the 1980s and the 1990s is clear. For 70 or 80 years in this country, the government tried to tell you what you could buy through punitive tariffs and quotas, which made alternatives expensive. It penalised primary producers and miners for decade after decade to protect people in the cities. This government might not want to reinstitute those same trade barriers but it still wants to tell you what to buy. It wants to say, ‘Don’t use your air conditioner on a hot day.’ I recall, Acting Deputy President Fisher, the Premier of your home state, and sadly he is still the Premier, on a particularly hot day—it was 45 degrees—in February 2009 in the weeks leading up to the tragedy of Black Saturday in my home state and that heatwave saying something along the lines of, ‘People should seriously reconsider whether they need to use their air conditioners today.’ Can we consider the absurdity of that statement? No-one buys an air conditioner for a 25-degree day. The idea that we should tell people, many of them mothers with children, senior Australians and retirees, that that day is the kind of day that they should reconsider using their air conditioner when it was going to hit 45 degrees is laughable. It is like us going back 50 years and telling people not to turn the fridge on.

The people opposite, along with their Green allies, are seeking to determine personal, private and individual choices. They constrained the development of technology and measures like generation capacity for decades to somehow justify the contrived market that they seek to create. They talk about electricity prices, but they will not allow supply to be added to. They talk about prices on carbon, and yet do not understand that their ability to measure and police it is virtually nil.

The 1980s was an era of deregulation. It was an era of privatisation. It was a lot easier before 1996, when we were sitting on this side of the chamber. That era involved the government telling people that it cannot solve their problems and asking people to take more responsibility. As I said in my maiden speech in this place, this government is throwing away the legacy of the 1980s and the thousands of people who lost their jobs and careers, particularly in manufacturing, and made legitimate sacrifices for future generations. This government is seeking to institute other forms of control over the economy, all of which have a dramatic cost, not the least of which is their idea that somehow a profit is super and the government should be able to take extra from it.

I have noticed that this government has lately compared the carbon tax to the floating of the dollar. I do not understand how they cannot see the irony. They cannot see that not having the scientific or testing means to measure or set a carbon limit that is enforceable is the opposite of the government nearly 30 years ago saying that they were unable to set the level of the dollar. This government thinks that it is omnipotent and that it can set all things in the economy. Paul Keating used to say that he could pull the levers. These people think that the economy is a keyboard that they can jump on. All of this government’s alleged reforms involve it doing more, taxing more and telling Australians how to live and what to choose a lot more. That is something to which this opposition is committed to keeping at the forefront of Australians’ minds. This government wants to tell you what to eat. It wants to tell you where and when you can drive. They want to tell you where you can use an air conditioner. They have overweening hubris and no sense of their own limitations.

This government has capitalised on what one could call ‘expressive politics’. It does not matter what you actually do. It does not matter that, tragically, people died in the
home insulation bungle. It does not matter that billions were wasted on the school halls fiasco. It only matters what you ‘care’ about. Platitudes and ‘caring’ are the easiest things for politicians to do. Actually sitting down and doing things and making sure they work, that they respect the needs of the community and that they represent value for money for taxpayers is the hard bit, and that is what this government has been an abject failure in. In the address we heard last year there was no indication that the government had learnt that lesson whatsoever. This is a government that seeks to define itself purely by its aspirations, where what it aspires to is more important than the actual outcomes. It seeks to defer, delay and obfuscate any sense of measurement of what it has actually achieved.

But, as well as eventually bringing about the end of this Labor government—about which I am confident—there is something more concerning about this: this is actually reducing public faith in the political process. This government said that, if you argued against the BER school halls waste, somehow you were against education. Who in the Australian community did not think there was a better way to invest $13 billion in our education system than putting school halls over schoolyards, in some places that were ill-fitting and overpriced? I could think of some. My mother is a teacher; my uncle is a teacher. I am particularly passionate about this. To think what we could have got for that money, which can never be regained: it is a tragedy for every Australian child that will go through those schools.

When it comes to the environment, despite its vilification of those sitting on this side of the chamber, I do recall that it was not those sitting over there to your right, Madam Acting Deputy President, who had a policy on climate change going into the election—other than a citizens assembly, which we tend to force people to go and vote for. That was rightly ridiculed. It still even shocks me that someone who was Prime Minister, or someone who works in a Prime Minister’s office—or whoever came up with the idea—would even conceive that, during a campaign for an election to the national parliament, we should randomly pick a focus group and play with the agenda to contrive a particular outcome. That is the real danger: as slogans become more important than outcomes, it reduces faith in the political process. This side of politics is committed to outcomes, and we will stand against the contrived slogans of this government as well as its long-term threat to the wellbeing of the Australian economy and the liberty of the Australian people.

Senator FERGUSON (South Australia) (11.55 am)—As I rise to speak to this address-in-reply I am reminded of the first Governor-General’s speech that I listened to almost 18 years ago. It seems that, no matter how much things change, the more they stay the same. We had a Labor government back then. The Keating government had just been re-elected, full of promises. There was one difference, of course: the Keating government was elected with a blaze of promises—and, as soon as it was re-elected, just like the Gillard government, it started to break those promises. I can still remember L-A-W tax cuts! Who can’t? The Labor government went to the election promising ‘It’s in law: L-A-W’, and the minute that government was re-elected that promise was broken. And here we have, after the 2010 election, the same trail of broken promises already, when this government has only been in place for barely six months. We have the
same trail of broken promises, which are highlighted in the amendment that has been moved by Senator Abetz, as Leader of the Opposition in the Senate. That amendment details the promises that were broken immediately, once they were able to cobble together a government—and I call it ‘cobbling together’.

I cannot think of a worse combination than a national government that is held to ransom by the Greens. I cannot think of a worse combination. For those who will be here after 1 July, I say: I do not envy your task, as we see the Greens put pressure on this government, which relies on their support to stay in power. I am fearful of the outcomes that might pass this Senate following 1 July, when the Greens hold the balance of power in this place.

I came in here for a short time during this debate and listened to Senator Hurley extolling the virtues of this government. Not only that but she managed to mention the virtues of the South Australian government as well, another government which got less than 50 per cent of the popular vote yet still managed to hang onto government. I heard Senator Hurley talking about the wonderful assistance to the car industry. I can only assume she was referring to the cash for clunkers! I cannot think what else she would have been talking about when she talked about assistance to the car industry in South Australia. She then went on to extoll the virtues of the former Treasurer of South Australia, Mr Kevin Foley, a man the Labor Party factions decided to kick out from his job only last week, so that he lost the deputy premiership and lost the Treasury. And here she is extolling the virtues of Mr Foley and what he had done for South Australia! I am quite amazed when I hear someone, I guess for party purposes, coming in here and talking about someone working in a state government and what a wonderful job they have done.

Senator Ryan, in speaking just before me, highlighted the issue of waste. I think that, if there is anything that typifies this government—the Labor government since 2007, both the Rudd government and the Gillard government—it is the waste of taxpayers’ money.

The one thing that has not changed in the nearly 18 years that I have been in this place is that people still think that, if the government is providing them with something, it is not costing them anything, it is somebody else’s money. They forget that it is their money, it is the taxpayers’ money—and we in this place should be ever-vigilant to ensure that the taxpayers’ money is not being wasted. The government is spending the money on their behalf. And if it cannot get value for money then in fact the government of the day is not performing its function properly, it is not doing its job, it is leaving the taxpayers short changed. This government, over the past three years, both the Rudd government and the Gillard government, has short-changed the Australian people by spending their taxes in a reckless manner: the second phase of the stimulus package, the school halls, the pink batts—you could go on and on. I see Senator Conroy is here. We might even add the NBN. Is that a proper function of the spending of taxpayers’ money? Could it be done in a cheaper way? The United States are not putting out a National Broadband Network in the same way. They certainly would not do that, as Senator Conroy well knows. We do not have any cost-benefit analysis or anything like that, which any government worth its salt—

Senator Ryan—It might give the wrong answer.

Senator FERGUSON—You are right, Senator Ryan. If they get the wrong answer, they might find they have something to ex-
plain to the taxpayers of Australia who are being short-changed by this government. We have a situation where in government there is a total responsibility to make sure that, in the spending of every taxpayer’s dollars, there is some accountability and some justification for that expenditure.

I want to talk about another matter which is particular to my state just at present and it deals with minerals exploration and mining. I am a great supporter of mining exploration and the minerals industry in Australia and the tremendous work that they do. The resources that we have in Australia contribute largely to allowing us to have the lifestyle that we currently lead. But I am not a supporter of exploration for mining at all costs. We have a situation in South Australia right now in which the state Labor government has just reactivated a minerals exploration licence for Marathon Resources in the Arkaroola sanctuary in the northern Flinders Ranges of South Australia. I have been to Arkaroola and seen this unique sanctuary. It is only a small area. We almost have more uranium resources in Australia than we know what to do with—some of it unexplored yet.

**Senator Ryan**—They are not allowed to use it, though.

**Senator FERGUSON**—We are not allowed to use it, that is right. We can sell it to other people but they do not like us using it. Arkaroola, where Doug and Marg Sprigg have continued the work of their parents in the Arkaroola Wilderness Sanctuary, is quite a unique part of South Australia. Only two years ago Marathon Resources were found to have breached the requirements of their exploration licence and had allowed waste products to be left there in a manner in which they were not entitled to. They have now had their exploration licence reactivated. I am totally opposed to the exploration of minerals, particularly uranium and maybe rare earths, in the Arkaroola Wilderness Sanctuary because it is such a unique part of Australia.

I hope that the state government in South Australia will come to its senses. It says that exploration does not mean that it would allow a mining licence. If you are not going to allow people to mine minerals, why on earth would you allow them to explore for minerals within that area? My support goes to those people particularly in the Liberal Party and many of my state colleagues who are opposed to exploration in the Arkaroola Wilderness Sanctuary. I hope that at some stage in the future there will be some sensible decisions taken which will allow Arkaroola to remain that wonderful wilderness sanctuary that it is and that the tremendous tourist operation and environmental protection that has been put in place by the Sprigg family will remain.

I could go on about many of the broken promises and the waste of this government, but I am not going to because it is all highlighted in the amendment that has been moved by Senator Abetz. However, I particularly refer to the carbon tax. Specifically at election time, the Prime Minister said that there would be ‘no carbon tax in Australia’. She gave an assurance during the campaign that there would be no carbon tax. So what happens when you cobble together an agreement with some Independents and the Greens as soon as the election is over and the government has been cobbled together? That promise is immediately broken and we now have the intention to introduce a carbon tax. My views on this issue are well known and I am not going to expand on them now. But that just highlights what we can expect from this current government—a party of higher taxation, a party that would wish to control our daily lives.
We have only to look at the current issue of restrictions on gambling that Independents, who wield considerable power in the lower House, are trying to put in place. I do not want to be living in an Australia where the government controls every action of our daily lives. We are all individual citizens. Anything that is done in regard to gambling or all the other things that this government would wish to control is a matter for the individual to decide and it should be left to individuals to make their own way in society.

This is the last time that I will speak in an address-in-reply debate. I look forward to the day when some of the issues that were raised by the Governor-General in her speech on behalf of the government are not issues of conflict between both sides of parliament and that we get to the stage where we will have a government of a different political persuasion that will govern in the interests of all Australians, that will allow for the individual freedoms that we stand for, and have always stood for, and that does not want to control the day-to-day activities of Australians in the way that this government does. I commend the amendment that has been moved by Senator Abetz to the address-in-reply and I urge senators to give it their support.

Question put:

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

The Senate divided. [12.11 pm]

(The President—Senator the Hon. JJ Hogg)

Ayes............. 29
Noes............. 32
Majority......... 3

AYES
Adams, J. Back, C.J.
Barnett, G. Bernardi, C.
Boyce, S. Brandis, G.H.

NOES
Bushby, D.C. Cash, M.C.
Colbeck, R. Cormann, M.H.P.
Ferguson, A.B. Fifield, M.P.
Fisher, M.J. Humphries, G.
Johnston, D. Joyce, B.
Kroger, H. Macdonald, I.
Mason, B.J. McGauran, J.J.
Parry, S. Nash, F.
Ryan, S.M. Ronaldson, M.
Troeth, J.M. Scullion, N.G.
Williams, J.R. * Trood, R.B.

PAIRS
Abetz, E. Evans, C.V.
Birmingham, S. Bilyk, C.L.
Boswell, R.L.D. Collins, J.
Cooman, H.L. Crossin, P.M.
Fierravanti-Wells, C. Feeney, D.
Heffernan, W. Ludwig, J.W.
Payne, M.A. Wong, P.
* denotes teller

Question negatived.

Original question agreed to.

FAMILY ASSISTANCE LEGISLATION
AMENDMENT (CHILD CARE BUDGET MEASURES) BILL 2010
Second Reading

Debate resumed from 24 November 2010, on motion by Senator Feeney:

That this bill be now read a second time.
Senator NASH (New South Wales) (12.15 pm)—I rise to make some remarks on the Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010. I am very pleased to speak on this today because it is important that we place very clearly on the record that the coalition are opposed to this legislation. This bill sets the cap for the childcare rebate at $7,500 per annum and completely suspends the indexation of that rebate until 2014. Currently, the cap is set at $7,778. Not only will there be a reduction in the cap; there will also be the associated suspension of the indexation.

As a mother of two children, who are now 18 and 16, of course I remember when they were much younger and when I needed to avail myself of childcare services. What is extraordinary about this legislation is that the government are making it harder, not easier, for families to access child care and to get assistance for childcare fees. To me, that is the antithesis of what this government should be doing for families, particularly families in regional areas. It is quite extraordinary that the government should do this for a savings measure—I think it is predicted to save $86 million over four years. Since when did the working families of this country become the cash cow for this government? We should be assisting families with their childcare expenses not making it harder, as Julia Gillard and this government are proposing. Aren’t we supposed to make sure that the future of this country is in the best possible hands and that families have the best possible assistance to bring up their children from day one, from when they are babies? Extraordinarily, this government seem to be turning their backs on the working families whom they purport to assist.

This childcare rebate is so important to so many families. Many of the people I speak to, particularly in the regional areas, say to me how important it is that they have this financial assistance to assist them with their childcare expenses. But around 20,700 families will be affected by this legislation. Over 20,000 families will face this cap on their childcare rebate, with no chance of any increase whatsoever over the next four years. That is simply wrong. I do not know if the Prime Minister has had a brain snap but that will not assist working families with the costs of child care no matter which way you look at it. It will do exactly the opposite.

It is yet another example of this government saying one thing and doing another thing. It is all about the words. It all about spin. It is all about the political spin for the next day’s media cycle and getting the words out. It is not about the reality of delivering for the Australian people, particularly working families who need the assistance. The government seem to be completely at a loss to come up with any sort of substantive policy or any vision for the future for this country. If part of their vision for the future is to make things tougher for working families and to make it harder with childcare expenses, are they on the right track! Sorry for the sarcasm. They are completely inept. They have absolutely no understanding of what families need out there in our communities, particularly our regional communities. That is very obvious given this legislation before us today. It is quite extraordinary.

They have no ability to think about anything other than getting re-elected. What good is that to the Australian people? Every single day, every waking thought for the Prime Minister and her band of merry men and women is, ‘Gee, what are we going to do today to make sure we get re-elected?’ As my very good colleague Senator Ferguson said earlier, we see an extraordinary arrangement in government at the moment. But that is a conversation for another day. It is all about getting re-elected; it is not about doing the right thing by this country. Colleagues, when
did you last hear the word ‘vision’ used by the government? When did you last hear the government talk about their plan for the future of this country? When did you ever hear anything at all from the government about how it wants the country to look in 10 years time, 20 years time or 30 years time? You will not hear any of that, colleagues, because they are a vacuum. This Labor government have absolutely no idea how to govern. They have no idea how to set a path for the Australian people. It is all about spin. It is all about getting the words out. It is all about making sure they get re-elected next time—which might be a little tougher given the current arrangements.

The Australian people are rightly disappointed with this Prime Minister. A lot of them are telling me that she has not been up to scratch. They had much higher expectations of what this Prime Minister would deliver for this country. They are quite rightly very disappointed that the Prime Minister of the country appears to have no vision or ideas for where this country is going to go. It is all just reactionary. It is all just spin. It is all just words. Interestingly enough, I have an intern in my office, Nawaaz Khalfan, who is a very bright young boy about to start his university career, and he said to me: ‘Where is the country going? Where are we headed under this government?’

Senator Conroy—I am sure he appreciated being called a young boy.

Senator NASH—I see that Senator Conroy has woken up. That is very exciting. Perhaps you could wake up enough to have a discussion with your Prime Minister about how making things harder for families when it comes to child care is probably not the best way forward. Perhaps if you took a little bit of time to have that discussion with your leader, Senator Conroy, maybe you can enlighten her about how this is a shocking bit of legislation.

All of those parents out there who are struggling and working hard to make ends meet and need to use childcare facilities are now going to do it that much harder because of Julia Gillard and this Labor government. It is as simple as that. Because of this Labor government families are going to do it tougher than they otherwise would have. I do not think that that is something that the people of Australia want to hear. Yet that is what they are stuck with.

How important is it to this government that we are able to support our children and access childcare facilities and have that financial assistance, recognising how important it is for families? No, not this government, ‘We will just make it a bit tougher.’ There is a really good idea. Like the independent youth allowance, ‘Let’s make that a bit tougher for students as well.’ There is another really good idea! It is anything but a good idea. Again, that is a conversation for a later time.

One has to wonder how much this government really does care about families and the future of Australia. You would have to say, for all intents and purposes, ‘Not very much.’ What have we seen it do? Firstly, and the real biggie, we have seen it completely mismanage the finances of this country. We only have to look at the billions of dollars of waste in the pink batts program and the billions of dollars right across the board. There was the mismanagement of the school halls program.

Let us not forget the $900 cheques—that was a really good idea. I heard a story from north-west New South Wales about the $900 cheques. A farmer up there had a backpacker on his place for a while. I remember when all that happened and the backpacker called him up and said, ‘Can you thank your Prime Min-
ister for me for my $900 cheque?’ while he was sitting in a pub in London. The Australian people deserve better. They deserve a government that has their best interests at heart.

I will move to slightly more recent times. Let us have a look at the flood tax. This government has proposed a tax on the Australian people that will make it even tougher for them to manage. We have rising costs of living and rising electricity prices. Thank you very much, Kristina Keneally, for the great management of the electricity situation in New South Wales.

Senator Bernardi—And John Brumby.

Senator NASH—And John Brumby. It is just extraordinary that the government is now looking to place another tax—the flood tax—on the Australian people. It is interesting that, if the government had not wasted billions and billions of dollars, there would be absolutely no need for the tax. This is a point that the Australian people need to recognise very clearly: this Labor government under Julia Gillard is putting forward a flood tax only because it mismanaged the economy so badly that it simply has no choice but to try to gain some money in any way, shape or form. So it came up with a tax.

If the government had not wasted those billions of dollars on those programs—because it simply cannot manage money—we would not even need to be talking about a tax. As my good colleague in the other place the member for Riverina said recently, ‘The best management for natural disasters is for a government to have a surplus.’ He is absolutely spot-on and that is what we left this government—a $20 billion surplus. The government got rid of that pretty darn quickly, didn’t it? It is true to form. Successive Labor governments have had no understanding of how to manage money or an economy. They just keep spending.

Senator Polley interjecting—

Senator NASH—Senator Polley, I would like to hear your plan for the economic management of the country. I would be happy to hear from you on that. We have a situation now where we are borrowing around $100 million a day. This government is completely inept. The government borrowed $4 billion just last week.

Imagine if we said this to our kids, ‘Okay, we have completely mismanaged the household budget. The debt has racked up to a huge limit. We are completely out of control. By the way, we are going to hop into your little piggy bank for a flood tax, kids. Give us that as well because we have been so bad at managing the money.’ That is the analogy: you are going into the piggy banks of the Australian people because you are so inept and you have not got a single clue about how to manage an economy. That is not fair to the Australian people. When we have a budget of more than $350 billion, it is simply not on for this government to not be able to find savings of $1.8 billion but instead choose to tax the Australian people. They cannot possibly think outside of the box: ‘We are in a bit of a financial situation, what do we do?’ ‘I know, a tax will be the go because that is what we always do and that is what we’re comfortable with. Taxing the Australian people is a really good idea.’

Senator Joyce—That is how we are going to cool the planet.

Senator NASH—Yes, Senator Joyce. Apparently, we are going to cool the planet by yet another one of the government’s taxes—a carbon tax. That is a good idea!

On the flood tax, I could not help but be rather intrigued by the Prime Minister, in the commentary box at one of the cricket games, talking about matching the Australian people’s donations dollar for dollar. Well, guess what: that dollar for dollar matching is still
the Australian people’s money. The Prime Minister does not have a bucket of money neatly tied up underneath Parliament House. She was only committing more of the Australian people’s money and what really concerns me is that Australian people are so generous. They are so generous, and they have donated so much through these very difficult times. Now that the government is talking about a flood tax these people are coming to me and saying: ‘Hang on, but I have donated. I was very happy to donate. I really want to help the people around the country who are dealing with such difficult times following these natural disasters. I really want to help them, but now the government is going to whack a tax on me. Why on earth did I bother donating in the first place?’ By all accounts the charities are saying that those generous donations have dried up since the announcement of the flood tax—a tax that we only need because of this government’s bad management and bad decision making.

Senator Williams—A mining tax, a car tax.

Senator NASH—Thank you, I will take that interjection, Senator Williams—the mining tax, the car tax. We did notice that they managed to get rid of the cash for clunkers though, didn’t they, in amongst all of this tax business? Cash for clunkers—there was another brilliant policy idea from the government! All this ties into the bad management and bad policy decisions that are being made by this government. The bill that we are talking about today, the Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010, is yet another bad policy decision being made by this government. In simple terms, to anybody listening around the country, to anybody that is paying attention right now, this childcare bill is going to make things tougher for working families in Australia, not easier. It is this Labor government that is going to make things tougher for Australian families through this bill. That is just unacceptable. The very people the government should be helping by assisting them with their childcare costs, by helping them with a rebate, have had this government turn its back on them. This government is making it harder.

I would pretty much bet, and I think I am pretty safe in betting this one, that every single family that has children, or a child, in child care is going to look at this legislation and say: ‘What on earth is the government doing? Why are they making it tougher for me?’ It is hard enough with the rising costs of living—electricity prices, fuel costs and the cost of education—particularly in regional areas, where things are much tougher for people in terms of accessing services and where costs are much higher than in the cities. They are going to look at this government and say: ‘What are they doing? Why are they making it harder for us? I need to have my children,’ or my child, ‘in child care. Why are they coming up with this piece of legislation to make it even harder for me?’ Now that is just not on. This government has no idea about the needs of families in this country and this piece of legislation proves it. How can they possibly say with any credibility that they are for working families when a piece of legislation like this is going to hurt those very working families that they say they support? It is just ridiculous. It is yet another case of this government having absolutely no idea of the needs of Australian families. It is about time they started listening to the Australian people, started paying attention. Maybe one-day, colleagues, they could come up with a substantive bit of policy that is not going to hurt Australian families like this piece of legislation is going to do. We do not agree with it. We oppose it. This Labor government should be making
things easier for working families and not harder.

Senator POLLEY (Tasmania) (12.34 pm)—I rise to make some remarks in relation to the Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010. At the beginning of a new year it is a shame that Senator Nash is still as confused as she was last year and is still using the same old lines that she used last year. With her attack on the Prime Minister about her lack of vision for the future, which was totally unfounded, I think the Australian people have actually seen the vision of the Leader of the Opposition. They certainly have not been silent in coming to my office and bringing to my attention their view about the Leader of the Opposition, his vision and his lack of commitment to the people that have been suffering in Queensland. So I think the priorities are very different and they certainly are different on this side.

But I do not want to be distracted from talking about a very important bill. Let us be very clear. This is a very important topic and I do acknowledge that the Labor government appreciates the importance of quality child care and education in this country and of supporting Australian families. We intend to provide Australian families with access to affordable, accessible and quality early education and child care. The Labor government has committed $18.2 billion over the next four years to achieve this. That is about $11 billion more than the Howard government spent in these critical areas over the last four years of its government. Senator Nash did not reflect on that, I note. Eight hundred thousand Australian families have benefited from the government’s funding, from its 2007 commitments to assist with covering 50 per cent of out-of-pocket expenses for child care. That compares with the Howard government’s covering of only 30 per cent of those out-of-pocket expenses. As an example, in 2004 the out-of-pocket expenses after subsidies for a family with one child in long day care, and earning $55,000 a year, were 13 per cent of disposable income. In 2010, this proportion had declined to seven per cent. That is a significant change, approaching a 50 per cent reduction in the out-of-pocket expenses.

When I speak about child care, I speak about it from a long time ago when my children were in child care and family day care, but now, in more recent times, my beautiful grandchildren are in occasional care and one has spent a significant amount of time in child care. As well as that, I have a daughter who worked in the industry. So I speak with some knowledge on this important area.

In addition to the childcare rebates, $8.4 billion is provided to low- and middle-income earners in childcare benefits. Unlike the Howard government, who forced parents to wait until the end of each financial year to recover their rebates—after it had no doubt pocketed the interest from that—we have already moved to pay benefits quarterly, and from 1 July 2011 parents will be able to choose to receive their childcare rebates fortnightly. That is when the costs are incurred. Parents will not have to bear that cost for 12 months, with the associated stress that comes with that. This is a benefit for all Australian families. The childcare rebate has risen to a maximum of $7,500 per year or more than $145 per week. The maximum under the previous coalition government was $4,354, which is a difference of $3,146 per year or more than $60 a week—in other words, 72 per cent less than is now available.

The message should be starting to become very clear: child care and early childcare education is something that this government is taking very seriously. Adequate funding is only part of the picture. Parents need to have peace of mind that their children are safe,
happy and in a simulating environment. There are numerous international studies that confirm the link: if you invest early in high-quality education and child care, children have better outcomes at school and in the rest of their lives. International studies include the Perry Preschool Project, a longitudinal study which commenced in 1962. For many years we have seen evidence that confirms these links. Another example is the Chicago child-parent centres study, which shows significant benefits:

... the effects of the Child-Parent Center and Expansion (CPC) Program on scholastic development up to age 14 were reported for a large sample of economically disadvantaged children ... participation in extended childhood intervention to second and third grade yielded significantly better school performance than participation ending in kindergarten, and ... longer-term effects of the program were largely explained by cognitive-advantage and family-support factors ...

In England the Effective Provision of Pre-School Education, EPPE, project investigated the effects of preschool education and care on children’s development for children aged three to seven years. Three thousand children were tracked between 1997 and 2004. A sample of home based children, who had no or minimal preschool experience, was recruited to the study at entry to school for comparison with the preschool group. Again, the study confirmed the enormous benefit of early childhood intervention. These benefits have also been identified with disabled children—the earlier the intervention, the better the outcome is likely to be. It is not just international studies that show us this. Australians such as Fiona Stanley and Alison Elliott have been telling us that the early years shape the future happiness, future health and future wellbeing of children.

Many childcare centres across Australia are doing well. However, the National Childcare Accreditation Council’s latest report shows that, sadly, too many childcare centres are failing to meet basic safety, hygiene, educational and wellbeing standards. The report shows us that, of the 1,129 centres that received an accreditation decision between 1 January and 30 June, 30 per cent failed to ensure that toileting and nappy-changing procedures were consistent with advice from recognised health authorities; 26 per cent failed to ensure each child’s learning was documented and used in a planning program; 34 per cent failed to ensure that staff members supported each child’s needs for rest, sleep, comfort and sun protection; and 32 per cent failed to ensure that potentially dangerous products, plants and objects were inaccessible to children. This must be improved, and the Labor government, the Gillard government, is determined to do this. We are going to lift the standard of child care across Australia.

In conjunction with the state and territory governments through the National Quality Standard, we will improve staff-child ratios so that every child gets more individual care and attention; raise staff qualifications to ensure staff are better able to lead activities that help children learn and develop; introduce a quality ratings system for all childcare services so that parents know the quality of care on offer and can make more informed choices; and reduce red tape related to services so that providers only have to deal with one regulator and can spend less time on paperwork and more time with the kids in their care. This essential work will be achieved by pausing the indexation of the childcare rebate. The cap of $7,500 will remain in place until 30 June 2014. Remember the Howard government’s cap of $4,353. Today, a family earning $80,000 per year with a child in full-time care will receive $2,239 more in childcare rebates than under the previous government. This will provide $86.3 million that
will be directly re-invested in lifting the quality of care for our children.

In the 2010-2011 budget we announced $273.7 million to support the introduction of the National Quality Framework for Early Childhood Education and Care. In particular, $59.4 million will be invested in 142 budget based, funded early childhood services predominantly located in rural and remote Australia, which will provide care for some of our most vulnerable children. I am sure Senator Nash will make note of that. This budget provision means that less than three per cent of families will be affected by the deferral of indexation and less than one per cent, in fact 0.67 per cent, of families whose income is less than $100,000 will be affected. For this level of childcare rebate to be reached, families would need to have their child accessing care for at least 10 hours per day at the average cost levels. The average childcare rebate is estimated to be $2,300 per year, well below the $7,500.

The Australian Early Development Index suggests that 23.5 per cent of all Australian children are vulnerable in at least one of the domains assessed by this index. The index looks at issues such as physical health and wellbeing, social competence, emotional maturity, language and cognitive skills—

Debate interrupted.

MATTERS OF PUBLIC INTEREST

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

Middle East

Senator CAMERON (New South Wales) (12.45 pm)—I rise on a matter of public interest at a time when Palestinians are still being denied their fundamental human rights, including the right of self-determination. The need for justice and self-determination in Palestine is important not only for Palestinians but for global security and all peace-loving Australians. Recent events in Tunisia and Egypt serve to remind us that people’s desire for democracy, justice and self-determination is universal. There can never be a case for the oppression of a people on the basis that it is simply their destiny to be oppressed and thus they should accept it as their fate. Yet this is essentially the position of those—and there are many—who attempt to justify the status quo in relations between Israel and the Palestinians.

The Palestinian people are well within their rights to advocate their cause far and wide, whether that is at the United Nations, in the offices of members and senators of this parliament or in public halls and meeting rooms around the world. The injustices inflicted on Palestinians in the occupied territories are constant, persistent and degrading beyond the tolerance of any decent person.

This is not a right versus left political issue. For too long the protagonists in the Middle East conflict have corralled everyone else into opposing camps according to an imagined world where the political right reflexively supports Israel and the political left reflexively supports the Palestinians. While this approach has served the shallow ends of those who have an interest in perpetuating the conflict, the need for a lasting Middle East peace demands that we defy those who have an interest in perpetuating conflict and instead focus on the humanitarian and security benefits of peace.

Among recent documentation of the plight of Palestinians in Gaza is the report by the British-Palestine All Party Parliamentary Group entitled The world’s largest prison camp: a report on access to Gaza. A delegation comprising Conservative, Labour and Liberal Democrat MPs from the group visited Gaza in October 2010 and was hosted by the United Nations Relief and Works
Agency. The delegation notes that the 2008 invasion by Israeli forces under the code-named Operation Cast Lead resulted in widespread attacks upon the civilian infrastructure of Gaza. Hospitals, schools, mosques, civilian homes and the UN compound were severely damaged or destroyed. Thirteen hundred Palestinians were killed, the majority of them civilians, including 352 children—an appalling loss of innocent lives. Another 5,000 were wounded.

The United Nations Relief and Works Agency reports that 3,540 houses were destroyed during Operation Cast Lead, with a further 2,866 sustaining major damage, while 52,900 homes sustained minor damage. The UN report into the operation concluded that both Israeli and Palestinian combatants had committed war crimes in the course of the fighting. The report found that Israel used disproportionate force and that the object of the operation was to inflict collective punishment against the civilian population of Gaza.

Two years on, reconstruction of the Gaza strip is prevented by Israel’s blockade of the territory. In May 2010, Israel announced it was easing the blockade of Gaza. While previously banned food supplies are now permitted to enter Gaza, the quantity of food available is still insufficient and remains well below pre-blockade levels. Construction materials and fuel remain barred for private use and only since September 2010 has the United Nations Relief and Works Agency received approval to import materials for reconstruction projects. These projects include four schools, 16 classrooms, two health centres, 21 housing units and a kindergarten. The construction sector is critical to restarting the economy of Gaza. Prior to the blockade, there were over 35,000 people employed in the construction sector in Gaza. Late last year the figure was estimated at 6,000. Reconstruction is central to alleviating the crippling high levels of unemployment in Gaza. Around 20 per cent of the budget of the Palestinian Ministry of Health goes towards paying the bills of Palestinians being treated abroad because of the unavailability of many treatments in the Palestinian territory.

It is perhaps not well understood but residents of Gaza are required to apply to the Israeli authorities for a permit to leave Gaza, even when the applicant does not wish to travel to Israel. It is no wonder that Gaza is referred to as the world’s largest prison camp. Israel’s justification for this policy is that it will weaken Hamas. That it has failed to do so and has merely served to inflict illegal collective punishment on Palestinian civilians has escaped their attention. Between January 2008 and June 2009, the Israeli authorities either refused or delayed 40 per cent of the applications for permits to leave Gaza for medical treatment. Palestinian doctors told the British parliamentary delegation of a systematic ‘de-development’ of the healthcare system in Gaza resulting from restrictions Israel had imposed on drugs, medical equipment and training of medical personnel overseas.

Construction materials necessary for reconstruction in Gaza must be allowed into the territory. Claims by Israel that Hamas would use the materials entering Gaza for military purposes are false. Hamas is able to obtain all the materials it wants through the network of smuggling tunnels under the Egyptian border. What is more, Hamas is able to bolster its own standing with Palestinians by launching building projects with smuggled materials while projects funded by the UN stand idle.

The British parliamentary delegation reported that, in their discussions with Fatah and Hamas, the factions indicated that agreement had been reached on the voting
system for new elections to the Palestinian Legislative Council. While agreement on a range of other crucial matters has not been reached there appears to be an acceptance on both sides, including among elements of Hamas, that factional division is undermining the Palestinian cause. Israel has a clear responsibility to contribute to restoring stability and dignity to Gaza and dignity for the aspirations of the Palestinian people. The borders of Gaza must be reopened and the remaining elements of the Israeli blockade lifted. Exports and the free movement of Palestinian people must be allowed to resume. Engagement between all Palestinian factions must continue and Fatah and Hamas must reach a unity agreement, because to fail to do so will have consequences for the Palestinian people too dire to contemplate.

In view of the capacity of Iran to take any opportunity to advance its own rank interests in the Middle East, coupled with similar aspirations of extremist groups scattered throughout the region, it is more urgent than ever to bring the Middle East peace negotiations to a successful conclusion. I endorse the sentiments the Minister for Foreign Affairs expressed in a recent speech in Athens, in which he reiterated the importance of a two-state solution: ‘an independent and secure Israeli state and an independent and secure Palestinian state’.

The elements of peace should include the 1967 borders, resolution of the question of the right of return of Palestinian refugees, settlement of the conflict over Jerusalem and all necessary security guarantees. I think it is essential that Australian politicians who are interested in peace in the Middle East should be calling for these things to be done. The need to achieve a just peace in Palestine and to neutralise the rallying points for extremists who bolster their standing on the back of the suffering of the Palestinian people far outweighs the false political divisions that have arisen over this conflict. Even the former Israeli Prime Minister Ehud Barak has said: ‘I imagine that if I were a Palestinian of the right age, I would, at some stage, have joined one of the terror organisations.’

In December last year at a forum in Israel, US Secretary of State Hillary Clinton said:

The conflict between Israel and the Palestinians and between Israel and Arab neighbors is a source of tension and an obstacle to prosperity and opportunity for all the people of the region. It denies the legitimate aspirations of the Palestinian people and it poses a threat to Israel’s future security. It is at odds also with the interests of the United States.

Secretary Clinton also said at the forum:

The lack of peace and the occupation that began in 1967 continue to deprive the Palestinian people of dignity and self-determination. This is unacceptable, and, ultimately, it too is unsustainable.

And in June 2009, in his Cairo address, President Obama said:

… Israelis must acknowledge that just as Israel’s right to exist cannot be denied, neither can Palestine’s.

The only resolution is for the aspirations of both sides to be met through two states, where Israelis and Palestinians each live in peace and security.

That is in Israel’s interest, Palestine’s interest, America’s interest, and the world’s interest.

So let there be no doubt: The situation for the Palestinian people is intolerable. And America will not turn our backs on the legitimate Palestinian aspiration for dignity, opportunity, and a state of their own.

These are not the words of left-wing radicals. These are the words of leaders whose daily job involves grappling with the complexities of conflict in the Middle East. Faced with the realities of the conflict and its implications for the perpetuation of international terrorism and for global stability, they have concluded that the conflict must end. And it must end in...
justice for the Palestinian people and security for Israel. It is the only conclusion open to us; it is the only conclusion open to Australians. We must continue to play a role in bringing peace and justice to the Middle East because peace and justice in the Middle East means peace and justice worldwide. It means a diminution of terrorism, it means hope and dignity for Palestinians, who have been denied that hope and dignity, and it means security for Israelis, who have been denied security in the past. It is absolutely essential that the Australian parliament, Australian politicians and the Australian public play their part in bringing peace to the Middle East.

Local Government

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (12.59 pm)—I rise today to speak on local government, part of my shadow portfolio. It was very interesting during the last election: Australia saw a rise in the prominence of the role of local government, with people such as Campbell Newman, who did an incredible job in Brisbane; Donna Stewart, in my area; and Mayor Taylor, in Toowoomba. Local government has become one of the most prominent mechanisms for delivery of services, with local knowledge back to local people. It is the representation of people on the ground. It is the form of government closest to the people. It is the greatest reflection of where our nation has moved to and how it has developed that now we have certain geographic interests that are entirely different to the interests that were present in 1901. The people of North Queensland feel a great affinity for North Queensland. If you want to get on the wrong side of the people of the Gold Coast, talk about Brisbane. It is likewise with the people of western Queensland. New England wanted their own state in 1967, and Newcastle was included in the referendum to try and knock it out. In the Riverina the situation is similar. There are greater numbers of people living in the northern part of Western Australia, the Kimberley, than there were before. There are real distinct geographical relationships between areas that, in some instances, are more closely tied to their association with local government than they are tied to a state capital many, many miles away.

As shadow minister for regional development, local government and water, I would like to take this opportunity to talk about a few issues pertaining to local government and to recognise the importance of this particular level of government. Local government in Australia is a dynamic and exceptionally diverse sector. There are over 500 councils throughout Australia, which range in size from Brisbane City Council, which is one of the largest in the world, with a population of around a million people, to the Jerilderie Shire Council in New South Wales, which has much smaller population of around 2,000. Local government is an exceptionally important level of government within Australia. It is local government that provides and maintains many of the essential services to our communities, through waste management, infrastructure maintenance and regional development, to name a few. The coalition is committed to building a new partnership between federal and local government across Australia. This partnership will recognise local government’s role as the jurisdiction closest to and most engaged with our local communities. The coalition is also dedicated to enhancing the Commonwealth’s direct financial relationship with local government. The coalition believes in continuing Commonwealth support to keep local government on a more sustainable financial footing and ensuring the states abide by their promise to avoid cost-shifting.

Financing for local government has been and will remain one of the principal challenges. If you do not have the resources, you
will not be able to fix the transport, infrastructure and housing issues. It is always local government that can find you the cheapest way to do it, because of their knowledge on the ground of what they want, how to deliver it and how to get a good price for it. One of the other benefits of local government is, even if you have got a bad one, it does not operate the whole state; it just operates the section you are with—and you have a better chance of meeting local government members on the street and expressing your views clearly to them. A major challenge for local government is that the costs of maintaining what they are responsible for are increasing exponentially. For example, construction costs have been increasing at 10 per cent over the past three years. The rateable base for local government is clearly not going to match this pace. We need to make sure that we find alternative ways of maintaining the resources of local government.

The coalition remains a strong supporter of Commonwealth direct funding of local governments, and we will examine ways of strengthening the support that the Commonwealth can deliver to local governments. Since 2007 the federal Labor government has been strong on promises and weak on delivery to local government. Labor has no interest in genuine reform of federal-local relations. After the June 2010 meeting of the Australian Council of Local Government, which was really a talkfest between the Labor government and councils from across Australia, the Labor government failed to take action on key issues of concern that were raised by local government. The Labor Party has also failed to stop the erosion of local government planning powers by its state Labor colleagues. As a result, community involvement in development decisions continues to decline. This has resulted in increasing the development costs, with more oversight and more bureaucracy as people in state governments try to find themselves a job by putting more regulations on people they have never met before nor are likely to meet again in their lives.

The Labor Party has also failed to display long-term planning in its hasty school hall/flat screen/ceiling insulation stimulus package to local government. The Labor government has funded community assets with little thought as to how they will be maintained after stimulus payments are concluded. The Labor Party has also failed to stop its state Labor colleagues from cost-shifting at the expense of local government. The coalition successfully developed the intergovernmental agreement on cost-shifting that was signed in April 2006. Unfortunately, state governments continue to withdraw services, expecting local government to fill the gap, or to transfer state assets such as regional roads to local government and expect them to pick up the tab to manage them.

The coalition is committed to building a new partnership between federal and local government across Australia that recognises local government’s role as the jurisdiction closest to and most engaged with our local communities; enhances the Commonwealth’s direct financial relationships with local government; continues Commonwealth support to keep local government on a more sustainable financial footing and ensure the states abide by their promise to avoid cost-shifting; encourages improved professionalism in local government in such areas as governance, project delivery, financial and asset management and workforce planning as part of greater certainty in funding arrangements; supports the role of local government in the Council of Australian Governments, ministerial councils and cooperative planning with state and federal jurisdictions; recognises the capacity of local councils to be an alternative way to deliver Commonwealth funded initia-
tives; and supports efforts by local government to secure constitutional recognition and provide certainty regarding the powers of the Commonwealth to enter into direct financial relationships with local governments.

The coalition has a strong and impressive record of support for the delivery of services through local government. This includes direct federal funding to local government, now running at $2 billion per annum; establishment of infrastructure programs directly assisting the delivery of responsibilities partly or fully held by councils, such as Roads to Recovery and restoring the Black Spot Program; supporting local government communities with specific infrastructure initiatives such as the Sustainable Regions Program and the Regional Partnerships program, the latter funding more than 800 community projects across Australia; taking a stand against cost-shifting by the states and territories onto local government, commissioning the Hawker review and developing a new intergovernmental agreement; presenting a resolution in both houses of parliament to recognise local government’s integral role in the governance of Australia; and initiating a Productivity Commission study into local government’s revenue-raising capacity, providing a clearer understanding of the means by which local governments can raise their own revenue. If in power, the coalition will protect local government from cost-shifting by state governments, help councils deliver more efficient services and provide greater transparency in the use of taxpayer funds.

I would also like to take this opportunity to speak specifically, in more detail, about the goal of local government to gain constitutional recognition. As you may be aware, the Australian Local Government Association is currently working to achieve the inclusion of local government in the Australian Constitution. I praise the Australian Local Government Association for its hard work and persistence with regard to constitutional reform. Local government is currently not mentioned in the Australian Constitution. In general terms, state governments have sole responsibility for and authority over local government. Australia is yet to follow the lead of many other nations and recognise the roles and functions of local governments in our national Constitution.

The recent High Court decision in Pape v the Commissioner of Taxation 2009—and I have to admit that Pape, a member of my party, the National Party, certainly made things slightly more difficult with this one—has also put the need for constitutional change into sharper focus. The High Court decision in that case underlined the limitations of and uncertainties about the Commonwealth’s relationship with local government. The Commonwealth cannot spend money on whatever activities and objectives it likes. The judges’ commentary on the decision places some uncertainty over the basis for direct funding by the Commonwealth to local governments, such as Roads to Recovery, which is widely supported throughout so many areas of Australia. We know that people would want that program to be maintained. Another example is Labor’s Regional and Local Community Infrastructure Program. Constitutional reform will remove this uncertainty and protect these vital local government funding sources.

The coalition supports the direct Commonwealth funding of local government and proposed to expand Commonwealth funding through a $300 million investment in bridges at the last election. The coalition therefore supports the appropriate constitutional recognition of local government to remove uncertainty about the constitutionality of direct Commonwealth funding to local government. At times we hear that 45 per cent of funding that goes from the Commonwealth to local government is taken by the states as
administrative charges. This cannot go on. We cannot have a leach between us and where the funding needs to be spent.

The Constitution can be changed only in the following manner. A bill must pass through the House of Representatives and the Senate by an absolute majority—that is, 50 per cent of all members of the House of Representatives and the Senate must approve the proposed constitutional amendment. Practically, this means that there can be no constitutional change without the support of the government of the day. The question must then go to a referendum. The Australian Labor Party went into the election with a platform commitment to constitutional recognition of local government. It promised:

An important aspect of reform of the federation is to recognise and make more efficient the work of the third tier: local government. Labor has committed to a Council of Australian Local Governments to assist local government representatives to have a more effective voice at COAG. One of the first tasks of the new Council will be to develop a plan for a national referendum on the constitutional recognition of local government. It promised:

It appears that there is bipartisan support for this reform. We need to develop a proposal for constitutional change that has broad support from government and the community, but it could involve as little a change as adding the words ‘and local government’ to section 96 of the Constitution so that it will read: ‘During a period of 10 years after the establishment of the Commonwealth and thereafter until the parliament otherwise provides, the parliament may grant financial assistance to any state and local government on such terms and conditions as the parliament thinks fit.’

As the closest form of government to the people, local government is a crucial element of Australia’s government structure. Many government programs could be delivered better if politicians listened more to the local knowledge and expertise that resides in local government. Recognition is essential to ensure that local governments can continue to deliver their vital services to each and every community across Australia. Therefore, the coalition is supportive of constitutional recognition of local government. Nonetheless, I note that a referendum on local government has failed twice already. It is important that the local government sector develop a detailed proposal which has widespread support. Ultimately, it does not matter what I say or what the coalition says. We need the people to support it for the referendum to succeed.

In the past 15 years we have seen more and more government responsibilities centralised in Canberra. This has been an understandable response to the failures of state governments, but Canberra cannot make all the decisions. If we do not make this change to recognise local government, we will just see the continuation of powers going from the states to Canberra, never to be seen again. We must start working on the diminution of this power and the movement of power back to the people, back to local government. For that to be able to happen, there must be a capacity for a conduit of funds from the federal government to local government.

Where local governments are such an important conduit is the on-the-ground concerns of everyday Australians. We need to respond to these concerns. We also need to understand that this is something they always talk about. Even this morning, they talked about issues in which they can look for bipartisan support. It was interesting to hear Mr Hawke and Mr Howard in a seminar that they gave after they had both left parliament. They were asked, ‘Is there one thing you
could agree on?’ and this was something they could both agree on. Something they both said was, ‘If we had our time again, we would not be putting the lines on the map where we put them.’

This is a reality of where Australia is. The people of North Queensland want a greater association with Townsville, and we should be allowing them to do that. The people of the far north want a greater association with Cairns, and we should be allowing them to do that. The people of the Gold Coast want a greater association with the Gold Coast that does not necessarily come via Brisbane, and we should be allowing them to do that. The people of Tamworth want an association with Tamworth that does not come via Sydney, and the people of Wagga want an association with the Riverina that does not come via Sydney. I imagine it is the same in so many other areas. It is not a matter of removing the states; it is a matter of recognising that certain areas in the north of Queensland—such as Townsville, where there are 180,000 people, and Cairns, where there are 130,000-plus people—are completely different places than they were in 1901. For us to give those people this liberty and a capacity to express their desires in the form of government closest to them, we have to allow that form of government access to the funds to do it.

Timor Sea Oil Spill

Senator SIEWERT (Western Australia) (1.14 pm)—I rise to speak about the fallout from the oil spill in the Timor Sea—the PTTEP and Montara spill—the need for ongoing improvement in our oil and gas regulations and concerns I have around the granting of further leases before the improvements that have been promised by the government to our regulations have been made. In November last year the government released the commission of inquiry report into the Montara oil spill of the year before. They also released the government response to the commission of inquiry. Many of the recommendations the government have picked up and they have made a number of commitments. One of those was that they would ensure that there was an independent review of PTTEP Australasia’s action plan about how they would improve their operations and the management of their operations in Australian waters. The government said that they would commission an independent review of that action plan. This was in response to the recommendation of the commission of inquiry report that in fact PTTEP should be forced by the government to show cause as to why their leases should not be resumed. The government undertook to release that independent review within seven days of receiving it and they anticipated that would be before the end of the year or early in the new year. In fact the government released the review, as I understand it, within seven days of them having received it just at the end of last week, last Friday.

The report of the independent review is quite a comprehensive document. It makes some very strong statements on the significant and sweeping changes in governance and oilfield practice that PTTEP needs to make to reach the kind of safety and risk management standards that the community expects if it is to operate in Australian waters. In doing so it has reinforced the findings of the Montara commission of inquiry, which found conclusively that the widespread and systemic shortcomings in PTTEP’s governance and procedures were a direct cause of the Montara disaster. The report suggests that if PTTEP complies precisely with the Montara action plan then it can meet industry best practice standards in all of its Australian and Australasian operations. But that is a big if, and the report was really clear on that. The report concludes that the success of this program of cultural and practice change will
depend entirely on the quality of its execution, and it bolded that statement in its report.

The government in response to this said that they would put in place an 18-month monitoring plan to ensure that the plan was being implemented. As I understand it, they are saying that that monitoring plan will be comprehensive. It is critical that this monitoring plan is done properly and it is critical that it is intensive and comprehensive. The reporting from the monitoring plan we believe needs to be made publicly available and if PTTEP is not sticking to its action plan the government should not wait 18 months to take any action necessary to resume those leases.

I continue to have reservations about PTTEP being allowed to operate in Australian waters given the findings of the Montara inquiry. We will continue to pursue this issue. We will continue to pursue the monitoring plan and in fact I will be putting to government that the monitoring needs to be done at least once a month and that those monitoring plans must be released through parliament and tabled in parliament so that the public can be absolutely assured that this company is meeting every requirement of its action plan. We note that the independent review concludes that until the action plan is completed and fully implemented questions remain about whether PTTEP will be effective in meeting industry standards for good governance and good oilfield practice. This means it has to complete the action plan before it is operating at the kind of standard the Australian community rightfully expects for it to be able to tap our shared oil and gas resources. This is why the report stresses that ongoing government oversight will be critical to ensure PTTEP’s compliance with the action plan.

We believe that until PTTEP has fully complied with and completed the action plan and very clearly demonstrated it has achieved industry best practice in governance and oilfield practice it should not be granted any additional licences to establish any new operations in Australian waters. What this independent review says is that PTTEP is not there yet; it has to implement its action plan. In other words, it has not yet met industry best practice. It has not demonstrated it can meet that. It has now demonstrated it can write an action plan but not that it has been implemented yet. So we question why the government thinks it would be acceptable to grant this company more licences in Australian waters when it is yet to demonstrate it can meet industry best practice.

We note in the independent review report that was released last Friday that it took PTTEP two goes to develop an appropriate action plan. Its first action plan focused entirely on technical issues without addressing the many systemic and governance issues that led directly to the Montara disaster, which is clearly pointed out in the review. We are concerned that that again highlights the fact that PTTEP needs to demonstrate it can improve both its technical performance and its governance performance in a sustained manner. We note that PTTEP will be required to sign a binding agreement to implement the action plan if it is not asked to show cause as to why it should not have its leases taken off it, enabling it to continue in Australian waters. We believe that the minister should be able to issue a show cause notice at any time if this company fails to meet the milestones in its action plan.

The independent review also makes a number of important recommendations concerning the offshore petroleum industry as a whole. One message that came through to me during this entire Montara disaster and the subsequent inquiry was that PTTEP was
unlikely to be the only offshore operator which was cutting corners on good governance, environmental risk and worker safety, that there have been a number of near misses in the past and that stronger regulation to achieve better governance and oilfield practices is required right across the industry. I note this has been acknowledged by government. To this end, we will continue to pursue this better regulatory practice to put in place a world-class regulatory regime to ensure that all companies operating off our shores comply with the highest standards of safety and risk management. We believe that there is a significant cultural change required across the offshore oil and gas industry to ensure the safety of our workers and the protection of our precious environment.

That brings me to the issue of the granting of new licences during January—licences that were granted to BP, the company that was responsible for the disastrous oil spill in the Gulf of Mexico from the Deepwater Horizon well. That incident was eerily the same as the Montara disaster. This company has been granted four leases in the frontier area in the Ceduna Sub-basin, which is within the Great Australian Bight, off the South Australian coast. It has been granted leases over 24,000 kilometres of the Great Australian Bight in water that is three times deeper than the Deepwater Horizon well—4,500 metres. No matter what safety measures are put in place, deep-sea drilling is incredibly risky. I will go into that in a bit more detail later and provide some findings of the inquiry into that particular disaster.

This area is a key feeding, breeding and migratory site for a number of threatened species. It also happens to cover a large area of the Great Australian Bight Marine Park. These are important areas for the southern right whale, the humpback whale, the great white shark and the southern bluefin tuna, to mention but a few. And the minister says, ‘It’s okay—we’ve put some extra conditions on BP.’ But BP have not clearly demonstrated that they have addressed the very significant issues that were raised by that gigantic disaster in the Gulf of Mexico.

When you look at the findings of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling report it makes very scary reading. I will say again that many of the findings and recommendations of the US inquiry mirror many of the findings of the Montara inquiry. The following is a conclusion in chapter 4 of the very extensive commission of inquiry findings on the Deepwater Horizon spill; it relates to deepwater drilling:

… it is an inherently risky business given the enormous pressures and geologic uncertainties present in the formations where oil and gas are found—thousands of feet below the ocean floor. Notwithstanding those inherent risks, the accident of April 20 was avoidable. It resulted from clear mistakes made in the first instance by BP, Halliburton—
as an aside, I understand that Halliburton does around 50 per cent of the cementing-in of wells in Australia, so they are a significant player in our industry here in Australia—and Transocean, and by government officials who, relying too much on industry’s assertions of the safety of their operations, failed to create and apply a program of regulatory oversight that would have properly minimized the risks of deepwater drilling. It is now clear that both industry and government need to reassess and change business practices to minimize the risks of such drilling.

William Reilly, who was the chair of that inquiry, also made a number of very significant comments, one of which was:

To my shock it quickly became clear that while the industry has devoted billions to the technologies required for deepwater drilling it has devoted essentially nothing to creating a plan B to deal with the utterly foreseeable consequences of a major spill. Neither has the government.
Mr Reilly has also been quoted on a number of occasions outlining his concerns about what happened in the lead-up to that spill. He is quoted as saying:

They have uncovered a culture of complacency, cost-cutting and systematic failures and companies were unprepared to deal with accidents and their consequences.

The report outlines the systemic failures that occurred not only in industry but in government. Those failings need to be addressed. The failings by BP need to be addressed. Where has it been demonstrated to the Australian community—in fact to the world community, because this company is an international one—that this company has addressed the major failings that have been identified in its operations in the Gulf of Mexico? We have to bear in mind that these new wells in Australian waters will be three times the depth of that well in the Gulf of Mexico.

The minister has put some additional conditions on the company, but we are yet to see how they are overcoming these systemic failures. At least PTTEP has been required to develop a comprehensive action plan, which the government is going to be monitoring for an 18-month period of time to ensure that the company can manage its existing operations. Here we have a company whose actions and systemic failures have led to the biggest oil spill, with disastrous consequences. It has taken lives and its social, economic and environmental impacts are untold. That company has been granted leases in our waters before it has been required to demonstrate it can meet industry standards in the same way that PTTEP has been required to demonstrate that it can now meet those standards, and it will be monitored for the next 18 months. BP has not done that.

Nor do we have the government’s promised amendments to oil and gas regulation. We do not yet have in place the single national regulator. At the same time, we have the Western Australian government saying it will not sign up to it; it does not support it. So how can we be granting a company that has not yet demonstrated that it can manage its operations in deep water four leases in Australian waters? That is not adequate management of our oil and gas industry. It is not industry best practice. We expect better from this government in protecting our marine environment. (Time expired)

Commemoration of Bombing of Darwin

Senator CROSSIN (Northern Territory) (1.29 pm)—On 19 February 1942, Darwin was bombed, culminating in the death of 251 people. Although it remains one of the largest losses of life arising from a single event in Australia’s history, we still fail each year to acknowledge this catastrophic loss on a national scale. This event deserves its own national day of recognition and acknowledgement and today I am calling on the federal government and respective governments around this nation to finally acknowledge and commemorate what happened to Darwin and to this country on that day. Unlike Anzac Day and Remembrance Day, which form important parts of our yearly military commemorations, the Darwin bombings remain an equally important yet forgotten date on our nation’s calendar.

As the largest Japanese attack after Pearl Harbor, the bombing of Darwin marks an important part of Australia’s character. It signifies many of the values we find in the Anzac spirit, such as mateship and camaraderie. But, unlike Anzac Day, the Darwin bombings mark a time when the very remote possibility of war on Australian soil became a horrifying reality. Rather than hearing reports of Australians fighting abroad, Australians at the time of the Darwin bombings witnessed the devastating realities of war on
our home soil. With the arrival of aircraft in battle, Australia’s defences were no longer concerned with maritime protection. The age of aircraft had arrived and the final and stark reality that we could be bombed from the air became a poignant point at that time in this nation’s history.

Suddenly, Australia was fighting for her life. Too often commentators point out problems with the defence but, contrary to what they say, our people, together with their American counterparts, fought bravely and well as anti-aircraft sites, machine guns and ships managed to withstand the wave upon wave of Japanese aircraft. The people who lost their lives that day helped fight off a totalitarian regime keen to expand its imperial march from Papua New Guinea. Since early European settlement, this was the first time Australia had been attacked by a foreign enemy, emphasising just how significant these attacks were within the context of the war in the Pacific. It helped strengthen Australia’s national character and underpinned our important relationship with the United States and between the servicemen from both nations—those who worked together to defend the city on that day.

As is the case with so many of these tragedies, the resulting personal stories are often the most powerful aspect. So it was with much interest that I read about the doctor who, in the midst of his efforts to help injured military personnel at the Darwin Hospital, noticed the Japanese bombers on the horizon. Darwin Hospital was one of the sites bombed by the Japanese that day. The doctor immediately alerted all he could in the hospital and tried to defend it as best he could against the incoming raid. Because some Royal Australian Air Force planes had recently left Darwin, it was assumed that those planes on the horizon were the same planes returning to base. Since the doctor had had extensive work at sea with the Royal Australian Navy, he immediately recognised that the planes were not friendly at all but rather Japanese imperial bombers. All too recently, there was an eloquent and accurate reconstruction of the early scenes of the bombing of Darwin, as seen by the Catholic priests and the Indigenous communities of the Tiwi islands, in the film Australia in which Nicole Kidman and Hugh Jackman starred.

In an attack that bore all the hallmarks of the attack on Pearl Harbor only two months earlier, no adequate warning was received throughout Darwin. The city was not in any position to defend itself significantly and its citizens were not in any meaningful position to respond at such short notice. Despite this incredibly short notice, however, the nursing staff scrambled to help the sick and the dying as best they could. Medical staff continued to render assistance while the Japanese continued to bomb not only naval and merchant ships in the harbour but also vital civic institutions such as the hospital. This included the now famous bombing of the Darwin Post Office, parts of which—a wall—have been reconstructed in the Northern Territory Parliament House. When civilian institutions such as these were bombed in the devastating raids on Darwin, we were reminded of the proximity of World War II and how it had not only come to the Pacific but had finally reached Australian soil. It served as a stark reminder to us all that warfare, as early as the 1940s, was no longer a vague concept that somehow implicated us remotely through our Commonwealth membership and the Anzac alliance. Suddenly, Australia was actually experiencing firsthand the cost, the shock and the tragedy of war.

Once the dust had settled and the city could take stock of the bombings, it provided some opportunity for the city to renew and transform itself into what the administrator of the time, Mr Charles Aubrey Abbott,
called a ‘modern tropical city’. Unlike the Leader of the Opposition, this Mr Abbott had a vision for his city and country. He commenced reconstruction work without delay and provided some real, meaningful leadership towards the reconstruction efforts of Darwin. To this very day, Darwin remains a multicultural, dynamic and modern tropical city. Every year, the Darwin City Council and the Northern Territory government, together with the Australian Defence Force, make a significant effort to commemorate the bombings with flyovers, ceremonies and speeches. Every effort is made to welcome back the veterans from those bombings and to ensure that their stories are treasured and retold and become part of the curriculum, at least in the Northern Territory.

I am pleased also to note that, thanks to the lobbying efforts of the Northern Territory government and in particular Paul Henderson, the Chief Minister, the bombing of Darwin will now become part of the new national curriculum. But I think there is a need to take it one step further. Within Darwin there is significant media coverage of the event, but I continue to be disappointed by the lack of coverage undertaken in the rest of the country. The Darwin bombings mark a significant moment in our nation’s history, particularly our military history. They were the first time in our nation’s history that Australian soil was under attack. The bombings serve as a reminder to us all that not only does warfare know no bounds but Australia is subject to attack just like any other island nation. The bombings remind us of our relationship with the United States, which is as longstanding as it is strong. They mark a moment in time when Australia came of age as a country and defended itself independently of the United Kingdom.

It is also true that during that time members of the maritime workers union, who were on the wharf that day, were the subject of these bombing attacks, and every year on the anniversary of the bombing of Darwin the Maritime Union of Australia take the opportunity to commemorate their members and workers who lost their lives on that day.

Today I am advocating that, commencing this year, on Saturday week, we have a national day of recognition of the bombings of Darwin—a national day when we all stop for one minute, just like on Anzac Day and Remembrance Day, and remember the efforts of people in Darwin, the lives that were lost and the significance for our country if that attack had not been stopped. I believe a moment of silence across the nation will increase public awareness of the attacks and heighten Australians’ awareness of their connection to, rather than isolation from, the rest of the world. Further, a moment to reflect on the bombings would provide us all with the opportunity to reflect on how far our Australian character has come. Most importantly, a moment of silence will allow us to remember those who fell on that day, who died on Australian soil defending this country from an enemy attack. It will allow us to remember those American servicemen who died helping to defend our city and the civilians who died—the deaths that are a consequence when such an attack occurs during war. The remembrance of those who fell will help Australians appreciate not only what our defence forces did during that time but also our close and longstanding relationship with America and the values we mutually share and defend. It may also help Australians appreciate the connection we now have with the Japanese—the bridges that have been built and the relationships that have developed and strengthened since that time.

As the story of the doctor shows—and as does the diary I have read of a little boy who recounted his memories of the Darwin attacks—it was not just one day; it was sustained over weeks and months. It was not
just one bombing attack; it was tens of dozens of attacks. The significance and the enormity of the attacks—the number of times and their length—I think is something that very few Australians know about. I think very few Australians appreciate what actually occurred in the Top End of Australia on 19 February 1942. Very few Australians will stop for one minute on Saturday week and remember the devastation that was wreaked upon our country during those bombings.

Australians historically have been of sympathetic and courageous character. A moment of silence for the Darwin bombings is not intended to rival Anzac Day, is not intended to rival Remembrance Day but is intended to complement and augment these services, because they each tell a particular and special story about Australia’s military history—about our survival and the efforts of our defence forces and civilians to maintain and protect the democracy that we so value. But this time it was on our own soil, our very own turf. It is time that this nation recognised that in a national day of commemoration.

Each of these stories tells a particular chapter of Australia’s history—its colonial underpinnings, its independence—and it charts the story of our friends and foes, past and present. Commemorating the bombing of Darwin each year, nationally and for one minute on that day—like we do on the other two days of significance during the year, Anzac Day and Remembrance Day—will help to educate our future generations about our past and honour those who have contributed to our history. It will also ensure that the events of that day are not lost; that they become part of our culture and part of us. It will ensure we finally recognise the significant devastation but also the skill employed that day to ensure the attacks on Darwin during World War II were simply that, and that at the end of the day, as a nation, we defeated that enemy. We should be proud to recognise that each and every year, as a nation.

**New South Wales Government**

*Senator WILLIAMS* (New South Wales) (1.43 pm)—I rise to speak about a forthcoming date: 26 March, the date of the state election in New South Wales. It will be of real interest to see how that election pans out on the day.

In 1995 the Carr Labor government was elected in New South Wales. Bob Carr made the promise that it would be the greenest government the state would ever see. Of course it would be—that was the influence of the Greens back in those days. Bob Carr needed the support of the Greens in the Legislative Council, the upper house. What did he do? He followed the ‘build national parks all over the state’ theory, which I think is so, so wrong.

As I have said before in this place: you lock up country and you leave it, the grass grows, the fuel develops, lightning strikes and it burns and is destroyed. But people think this is conservation. I think it is a disgrace. We have now got all these national parks right across New South Wales, even at Pilliga, up in the northern areas near Moree, Narrabri and Coonabarabran, which I have travelled through many times. Now we have even got them saying the red gum forest down at Deniliquin in the Murray area has been locked up in a national park. Madam Acting Deputy President, I can assure you red gum cannot stand fire. If you burn the forests in the Pilliga of box and ironbark timbers, they will suck it back, but once red gum is burned it is destroyed. You can even go down to the forest at Deniliquin and have a look at the 900 hectares that has been burnt and is now destroyed. The locals wanted to cut the timber down after the fire. They had roughly 12 months to do so before the timber would split. No, the greenies would not let
them cut it down. They said, ‘Okay, can we cut it down now for firewood’—this fire was several years ago—‘and let another forest grow?’ ‘No, you can’t cut it down for firewood.’ Believe me, now that it is locked up—thanks to Frank Sartor and the New South Wales government—and because they will not allow grazing in that national park now to keep the fuel levels down, the day will come when that forest will burn. It will be destroyed. The fire will destroy the trees, the red gums, and the environment for the animals and we will be able to thank Frank Sartor and the influence of the greens for destroying that forest.

Bob Carr, when elected in 1995, said he would halve the waiting queues for elective surgery and if he did not do that within 12 months he would resign. Well, you can fudge the figures and do what you like, but I think he did get there somehow and kept his job. But what did he do to the health system? For years, in fact for decades, we had local volunteers on our hospital boards and then they formed the district hospital boards and our local people managed our hospitals. Volunteers, doctors, nurses, accountants and solicitors managed it well. But, no, Bob Carr brought in these huge areas, to the detriment of our local hospitals. We even saw the case with the Greater Western Area Health Service a couple of years ago whereby they could not pay their bills. They could not pay the local butchers who supplied meat to the hospital. I had many small businesses complain to me about how the area health services would not pay their bills on time and small businesses had to carry their credit. It was a disgrace.

Let us look at what the Carr government of New South Wales did effectively. One thing they were very effective at was driving people out of New South Wales with high taxes and high stamp duty upping the cost of living and upping the cost of doing business. We had people moving out of New South Wales, mainly to Queensland, so much so that just prior to the 2007 election—when New South Wales had 50 federal seats and Queensland had 28—we had the seat of Gwydir taken off New South Wales. We went down to 49 and Queensland went up to 29 when the seat of Flynn was formed. Come the 2010 election and it was the same thing again: people were leaving New South Wales in droves and we had another seat taken out of New South Wales, which took us down to 48, while Queensland went up to 30 when the seat of Wright was formed. That was the effect of the Labor government in New South Wales. With their policies, their costs and their red tape they drove people out of our state. The first state and the once-great state has now been brought down because of the Labor governments over that time.

Let us have a look at some of their record, which I call New South Wales Labor’s roll-call of shame. Let us take the Premiers. Morris Iemma was forced out in Labor’s ambush on 8 September. He went into the room to clean a few out but they cleaned him out. Nathan Rees didn’t need to keep looking over his shoulder as faceless men like Joe Tripodi and Eddie Obeid shafted him for their puppet, Kristina Keneally. Let us have a look at the ministers. Treasurer Michael Costa was dumped by Nathan Rees and then resigned after telling the truth. Michael Costa said that New South Wales was heading for financial pain and needed a minibudget—off he went. Aboriginal affairs minister Milton Orkopoulos was arrested on child-sex and drug charges and sentenced to 13 years and 11 months in jail—and this was one of the community leaders, being a minister in a government. Ian Macdonald, known universally as Sir Lunchalot, resigned as state development minister over travel expense claims. Reba Meagher, the health minister who presided over a failing health system,
was shown the door and then pulled the pin altogether. The next health minister, John Della Bosca, resigned over a sex scandal. Mr Della Bosca snubbed the small town of Tingha near Inverell, where I live, in July 2009 when he was supposed to fly up and open their new MPS hospital—and they are still waiting for him. There are plenty of suggestions as to what he was actually doing at the time, but we will not go too far there. He also snubbed the Armidale doctors who wanted to talk about the government’s response to the Garling report.

Transport minister David Campbell was caught by the media leaving a gay club in his official car, so out he went. Paul McLeay, the Minister for Minerals and Forest Resources, admitted to using a parliamentary computer to visit gambling and adult websites, so he was soon on his bike. Environment minister Frank Sartor called it quits in December last year. As I said, this is the man who will be responsible for the destruction of the red gum forests in the south of our state.

Let us have a look at the rorting. The member for Penrith, Karen Paluzzano, lied to ICAC and Premier Keneally about corrupt activities in her electoral office. That handed the seat to the Liberals. Who is on the nose? Well, former ports minister Joe Tripodi announced late last year he is going. It is not just the people of New South Wales who are saying good riddance; most of the state Labor people are saying the same. Now we have the drugs issue. The husband of education minister Verity Firth is caught buying an ecstasy tablet. Then we have the infamous party involving Matt Brown, who was the police minister, and the member for Wollongong, Noreen Hay. It must have been some sort of show better suited for somewhere like Kings Cross.

Let me quote what the Illawarra Mercury editorial said on 2 September 2010 under the headline ‘Another nail in the coffin for NSW Government’:

What is it about politicians who cannot keep their pants on?
On a day that the NSW parliament was to begin one of its increasingly rare sittings, embattled Premier Nathan Rees accepted the resignation of another senior minister caught up in a sordid sex scandal.

The allegations were made by Health Minister John Della Bosca’s former love.

This is from the paper. I am quoting public information here. It goes on:

The woman claimed she had had sex with Mr Della Bosca in his parliamentary office and the minister deliberately missed a flight so he could spend time with her—an allegation he has denied.

That is when he was supposed to be at Tingha near Inverell opening the hospital. It continues:

The latest scandal came less than 12 months after another unsavoury incident at a boozy parliamentary budget party involving Member for Kiama Matt Brown.

This is all out of the paper for those listening. It goes on:

Mr Brown, who has since become known as Captain Underpants was sacked as police minister after stripping down to his underwear and allegedly dancing lewdly against Cabinet colleague and Member for Wollongong Noreen Hay.

To his detriment Mr Brown has still not properly explained what exactly went on that night.

Now 22 members of the Labor Party in the New South Wales parliament have announced their resignations.

I want to take you, Madam Acting Deputy President, to some of the waste of this government. The Auditor-General says the Keneally government was wasting $778 mil-
lion a year. I repeat: $778 million a year. That is $2 million a day. Premier Keneally poured $356 million down the drain on the abandoned CBD metro. There was a $188 million overspend on Building the Education Revolution—surprise, surprise; $150 million lost on the sale of the New South Wales lotteries; $10 million flushed down the toilet by Minister Macdonald when he paid too much for the V8 supercars event at Homebush; World Youth Day was $66 million over forecast in 2008; and $778 million could have built hospitals in Tamworth and Wagga.

I remember just prior to the last state election when the then Premier, Morris Iemma, went up to Tamworth to put his arm round the Independent member and colleague Peter Draper, saying, ‘We will build you a new hospital in Tamworth.’ Where is the new hospital? It was a political stunt. Tamworth is the hub of the north-west and New England area. Tamworth is a vital hospital. Many people from outer regions are taken to Tamworth for essential medical care, but still there is no hospital. It was another broken promise.

I could go on to the power sale where former Premier Morris Iemma got the boot for wanting to privatise the electricity industry for around $31 billion. Along comes supersalesman Kristina Keneally and Eric Roozendaal and they sell it for $5.3 billion. You would not want them out flogging your products door to door as you would go broke.

I want to take you back to a couple of things, Madam Acting Deputy President, as time is running out. One of the things that the New South Wales Labor government did that I thought was so shameful during their almost 16 years in government was to introduce the blue card for truck drivers. ‘What is the blue card?’ you might ask. They brought in a law that any truckie who drives more than 500 kilometres must have a blue card saying they have been trained in OH&S standards, even though we have strict OH&S standards right throughout the industry. The blue card had to be purchased off a little company in Western Australia. Why in New South Wales would you buy the blue card off a company in Western Australia? It is simple. That company in Western Australia has direct links to the Transport Workers Union and it has been made public that every blue card bought for round $60, paid to Bluecard Australia in Western Australia, would then give a kickback to the Transport Workers Union who would then give a kickback to the Labor Party come election time. This was compulsory funding for the Labor Party that the Labor Party brought in for the New South Wales government and, to the shame of those opposite here, they tried to sneak in an amendment to the Fair Work Bill when that legislation came to this parliament to have it across all jurisdictions. This is the way they act: ‘We’ll have a compulsory little law. You have to buy something and we will get a kickback to help us in our next campaign at the election so we can spread our propaganda.’

It is amazing that, with 93 lower house seats in the New South Wales parliament, six seats still do not have Labor candidates, including Tweed Heads, Goulburn and Port Macquarie. I am sorry, I should not say Port Macquarie, as they have an Independent member—they are as good as a Labor candidate. We have seen through the activities of Mr Windsor and Mr Oakeshott. So there is no need for Labor to run there. I was amazed last Saturday as I was driving past the office of the member for Monaro, Steve Whan, to see that there was no sign of any Labor pamphlets or anything. They are hiding from their brand. They are ashamed to say they are members of the Labor Party, fearing that people will
turn against them on 26 March. They are so disgusted with the Labor Party brand in New South Wales they are now hiding from it.

During the 2007 federal election I was campaigning in Ballina with Larry Anthony. We were having a chat and I said to Larry, ‘How do you see it?’ He turned to me and said, ‘Wacka, when the tide is coming in you can do nothing about it,’ and Larry was correct. People saw through the spin of Kevin Rudd, Kevin 07. There are no Labor brands out there now in the state election. They have to hide from that. But they went out with the Kevin 07 Labor brand and they won the election. He did not last long, though, because those sitting behind over there saw the spin and the people woke up to him. What happened to Kevin 07? He was speared. We all know the history of that.

On 26 March it is not the tide coming in on the New South Wales Labor government but a tsunami, and so it should be for the way they have wasted money, destroyed business confidence, flooded the whole state in red tape and shifted people out of the state to Queensland. As a result, we have lost two federal seats from New South Wales to Queensland. I can understand some of those Labor people like Steve Whan hiding from the Labor brand and having out the front of their office ‘Vote 1 Steve Whan’ but no mention of the Australian Labor Party. They are ashamed of what they have done and the way they have run the state of New South Wales, even to the stage where just recently Premier Kristina Keneally apologised to the people of New South Wales because they put themselves and their factional blues first and forgot about the people of New South Wales. Bring on 26 March. Bring on the tsunami and throw them out.

MINISTERIAL ARRANGEMENTS

Senator CONROY (Victoria—Acting Leader of the Government in the Senate) (2.00 pm)—by leave—I table for the information of the Senate a revised ministry list reflecting changes to the ministry made in January 2011. The changes reflect the appointment of Senator Ludwig as Minister Assisting the Attorney-General on Queensland Floods Recovery; and Senator Sherry as Minister Assisting the Minister for Finance and Deregulation on Deregulation and Public Sector Superannuation. I seek leave to have the document incorporated into Hansard.

Leave granted.

The document read as follows—

THIRD GILLARD MINISTRY

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<tr>
<th>Title</th>
<th>Minister</th>
<th>Other Chamber</th>
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<tr>
<td>Prime Minister</td>
<td>The Hon Julia Gillard MP</td>
<td>Senator the Hon Chris Evans</td>
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<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>The Hon Simon Crean MP</td>
<td>Senator the Hon Nick Sherry</td>
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<td>Minister for the Arts</td>
<td>The Hon Simon Crean MP</td>
<td>Senator the Hon Mark Arbib</td>
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<td>Minister for Social Inclusion</td>
<td>The Hon Tanya Plibersek MP</td>
<td>Senator the Hon Mark Arbib</td>
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<td>Minister for Privacy and Freedom of Information</td>
<td>The Hon Brendan O’Connor MP</td>
<td>Senator the Hon Joe Ludwig</td>
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<td>Minister for Sport</td>
<td>Senator the Hon Mark Arbib</td>
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<td>Special Minister of State for the Public Service and Integrity</td>
<td>The Hon Gary Gray AO MP</td>
<td>Senator the Hon Penny Wong</td>
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<td>Cabinet Secretary</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
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<td>Treasurer (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan MP</td>
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<td>Assistant Treasurer</td>
<td>The Hon Bill Shorten MP</td>
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<td>The Hon Bill Shorten MP</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon David Bradbury MP</td>
<td>Senator the Hon Nick Sherry</td>
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<td>Minister for Tertiary Education, Skills, Jobs and Workplace Relations</td>
<td>Senator the Hon Chris Evans</td>
<td>The Hon Simon Crean MP (Jobs and Workplace Relations)</td>
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<td>(Leader of the Government in the Senate)</td>
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<td>Minister for School Education, Early Childhood and Youth</td>
<td>The Hon Peter Garrett AM MP</td>
<td>Senator the Hon Chris Evans</td>
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<td>Minister for Employment Participation and Childcare</td>
<td>The Hon Kate Ellis MP</td>
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<td>Parliamentary Secretary for School Education and Workplace Relations</td>
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<td>Minister for Broadband, Communications and the Digital Economy</td>
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<td>The Hon Dr Craig Emerson MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>The Hon Justine Elliot MP</td>
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<td>Minister for Defence (Deputy Leader of the House)</td>
<td>The Hon Stephen Smith MP</td>
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<td>Minister for Defence Science and Personnel</td>
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<td>The Hon Jason Clare MP</td>
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<td>Minister for Health and Ageing</td>
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<td>The Hon Kate Ellis MP</td>
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<td>Minister for Social Housing and Homelessness</td>
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<td>The Hon Jenny Macklin MP</td>
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<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>Senator the Hon Jan McLucas</td>
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<td>Parliamentary Secretary for Community Services</td>
<td>The Hon Julie Collins MP</td>
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<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
<td>The Hon Tony Burke MP</td>
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<td>Minister Assisting on Deregulation and Public Sector Superannuation</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
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<td>(Vice President of the Executive Council)</td>
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<td>Minister Assisting the Attorney-General on Queensland Floods Recovery</td>
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<td>Minister for Justice</td>
<td>The Hon Brendan O’Connor MP</td>
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<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator the Hon Joe Ludwig</td>
<td>The Hon Tony Burke MP</td>
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<td>(Manager of Government Business in the Senate)</td>
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<td>The Hon Dr Mike Kelly AM MP</td>
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<td>Minister for Resources and Energy</td>
<td>The Hon Martin Ferguson AM MP</td>
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<td>Minister for Tourism</td>
<td>The Hon Martin Ferguson AM MP</td>
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<td>Minister Assisting the Minister for Tourism</td>
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<tr>
<td>Minister for Climate Change and Energy Efficiency</td>
<td>The Hon Greg Combet AM MP</td>
<td>Senator the Hon Penny Wong</td>
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Wednesday, 9 February 2011

SENATE

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<td>Parliamentary Secretary for Climate Change and Energy Efficiency</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<td>Minister for Human Services</td>
<td>The Hon Tanya Plibersek MP</td>
<td>Senator the Hon Mark Arbib</td>
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Each box represents a portfolio. Cabinet Ministers are shown in bold type. As a general rule, there is one department in each portfolio. However, there is a Department of Veterans’ Affairs in the Defence portfolio and a Department of Regional Australia, Regional Development and Local Government in the Prime Minister’s portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.

Senator CONROY—In the absence of Senator Evans during question time this week, I advise the Senate of the following ministerial arrangements: I will take questions as Minister representing the Prime Minister; Senator Sherry will take questions as Minister representing the Minister for Defence, the Minister for Veterans’ Affairs, the Minister for Defence Science and Personnel, and the Minister for Defence Materiel; and Senator Carr will take questions as Minister representing the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, the Minister for School Education, Early Childhood and Youth, and the Minister for Employment Participation and Childcare.

QUESTIONS WITHOUT NOTICE

Australian Natural Disasters

Senator ABETZ (2.01 pm)—My question is to the Acting Leader of the Government in the Senate, Senator Conroy. I ask specifically whether the government is prepared to extend access to its current loan scheme to businesses which have suffered economic loss as a result of the devastation wrought by the recent floods and cyclone?

Senator CONROY—I thank Senator Abetz for his question. The tragedy that has taken place across Australia in Queensland, Western Australia, Victoria, Tasmania and in a range of local regions makes all Australians very grateful that our emergency services coped as well as they did. The issue that Senator Abetz goes to is very specific. I would like to have some discussion about the financing of all the assistance packages because Senator Abetz is asking about funding for businesses. We are in the process of providing funding for small businesses in a whole raft of measures.

Senator Abetz—Mr President, I raise a point of order. In my question I asked specifically about an extension of access to current loan schemes. It was a very specific and defined question and I would invite you, Mr President, to direct the minister’s attention to the question.

Senator Ludwig—Mr President, on the point of order, the acting leader was answering the question. One of the difficulties that always arises on this point of order is the way the question is framed. It was not a specific question, it was a general question about loan schemes. It was not in the area of what it is designed to do, that is, the natural disaster relief and recovery arrangements. Under those arrangements there are assistance to small businesses of up to $250,000 and that is the question that, perhaps, could have been asked but was not asked. To demand a specific answer to the question that was asked is out of order.

The PRESIDENT—Order! On the point of order, I am listening to the answer that the minister is giving. I cannot direct the minister how to answer the question. I do note the question that was asked by Senator Abetz. I believe that, at the stage the point of order
was raised, I thought the minister might be coming to a specific part of the answer. I will listen further.

Senator Abetz—You are far more optimistic than I am.

The President—That may well be but I have to listen to the answer that is coming; I do not know the answer that you are seeking.

Senator CONROY—Thank you, Mr President. As I was saying, joint state and Commonwealth assistance is being provided to small businesses under the Natural disaster relief and recovery arrangements in disaster declared local government areas. Under these arrangements eligible small businesses and primary producers can access recovery costs and concessional loans. For example, in Queensland, eligible businesses and primary producers can receive concessional interest rate loans of up to $250,000 and freight subsidies of up to $5,000. These arrangements have been extended to 29 local government areas. Eligible small businesses and primary producers can receive recovery grants of up to $25,000 for primary producers, and small business grants are available in 22 local government areas and six partial local government areas. The Gillard government is also providing additional finance assistance. (Time expired)

Senator ABETZ—We wish Senator Evans a speedy recovery as we might get some answers. Mr President, I ask a supplementary question. How much money has the government already given to people described by the Treasurer as ‘low-lifes’ who claimed $1,000 from Centrelink when all they suffered was a power outage? Are businesses that are economically impacted by the floods more or less deserving?

Senator CONROY—You have asked for a very specific number and I am happy to seek further information from the Treasurer to get that very specific number that you have been asking for. Let us be clear, the government is providing an enormous amount of assistance despite the opposition from those opposite who continue to run a cheap political campaign. Maybe the funds that they have raised for their Liberal Party might be donated to those businesses and flood victims across the country who have a genuine need for them. Maybe, just maybe, if those opposite were not engaged in humbug and hypocrisy when it comes to assisting flood victims, cyclone victims and bushfire victims, we might actually have some genuine debate rather than hypocrisy from those opposite. (Time expired)

Senator ABETZ—Mr President, I assume that was a directly relevant answer. I ask a further supplementary question. Is the appointment of Mr John Fahey, a former Liberal finance minister, to oversee the reconstruction spending an admission by the government of its own inability to properly administer taxpayer funds? Why could the government not trust its own finance minister to do the job?

Senator CONROY—This government will get the recovery and reconstruction right, with checks and balances every step of the way. That is why the Prime Minister has asked John Fahey to chair a reconstruction watchdog reporting directly to the Prime Minister through the national disaster recovery subcommittee. He will be assisted by Martin Albrecht, a former director of Thiess, and Matt Sheerin, who leads the Queensland audit practice of the global accounting firm Deloitte. This watchdog will ensure proper scrutiny, accountability and, most of all, value for money. Through John Fahey we will work to see that every dollar to be spent is effective in the regions that need it. Mr Fahey can inspect and advise on contracts before they are signed. (Time expired)

Queensland Floods

Senator FURNER (2.08 pm)—My question is to Senator Ludwig, the Minister for Agriculture, Fisheries and Forestry and the
Minister Assisting the Attorney-General on Queensland Floods Recovery. Can the minister please inform the Senate about the Queensland flood reconstruction effort, the Commonwealth government’s emergency response and the task ahead as rebuilding occurs?

Senator LUDWIG—I thank Senator Furner for his question. The impact of the floods across Australia is unprecedented. This is one of the biggest natural disasters ever to hit our nation. In Queensland we have seen a once-in-a-generation natural disaster followed by another devastating weather event in Cyclone Yasi. Much of Queensland has been impacted by these disasters. For some the loss has been, quite frankly, devastating. Everyone around Australia is thinking of those families who are grieving and who have suffered loss.

Queensland of course is still assessing the full impact of these natural disasters. The state and the Commonwealth will continue to make a significant contribution in the initial emergency response and to the rebuilding effort. It is a national responsibility to respond to these challenges. We should respond, and have responded, as a nation. The Gillard government has responded and quickly rolled out emergency financial assistance. This includes the Natural disaster relief and recovery arrangements, the Australian Government disaster recovery payment and the Disaster income recovery subsidy. As of 8 February, across Australia over 350,000 payments from the Australian Government disaster recovery payment have been made to a total of around $413 million, over 44,000 Disaster income recovery subsidy payments have been made totalling over $18 million and Commonwealth agencies such as Centrelink continue to work with communities that have been affected in areas right across South-East Queensland up to Emerald and into the Cyclone Yasi area of Far North Queensland. The Australian Defence Force and federal law enforcement officer staff from our human services agencies are doing a tremendous job on the ground getting Queensland back up and running again. The Prime Minister has— (Time expired)

Senator FURNER—Mr President, I ask a supplementary question with regard to the Commonwealth government’s funding of the recovery effort. Can the minister inform the Senate about how the government will fund the Commonwealth contribution to reconstruction?

Senator LUDWIG—I thank Senator Furner for his first supplementary question. The Gillard government has made the tough decisions to find the funds required to rebuild after these natural disasters and keep our economy strong. The Prime Minister has announced that the government will fund the reconstruction effort through $2.8 billion to be delivered through spending cuts and $1 billion to be delivered by delaying some infrastructure projects. Also, $1.8 billion will be provided by a modest one-year progressive levy, which will not be paid by people directly affected by these disasters or by those on incomes of less than $50,000.

For every $1 dollar raised through the levy $2 will be saved in the federal budget. The government will ensure that the funds are spent effectively and efficiently and that they are targeted to the areas where they are needed the most. That is the responsible thing to do to ensure that we join together to rebuild Queensland, which has suffered significantly under these natural disasters. (Time expired)

Senator FURNER—Mr President, I ask a further supplementary question with regard to the funding package for the recovery effort Senator Ludwig has detailed. Are there any impediments to the flood funding package?
Senator LUDWIG—I thank Senator Furner for his second supplementary question. A levy of course is never popular. It is not an easy decision to make. The Gillard government understands this, and Mr Abbott understands it also. We know that Mr Abbott supports levies, because he said less than one year ago:

... sometimes for very, very important social reasons, for national interest reasons you have got to say we need the money ...

We know that Mr Abbott and the Liberals support levies. A levy was good enough for Mr Abbott to fund the Howard government’s guns buyback. A levy was good enough to fund his election promises. I call on Mr Abbott and the Liberals to support this levy and fund the reconstruction of Queensland. This government is making the tough and responsible decisions to fund the reconstruction after these unprecedented natural disasters. What we have seen from the Liberals is the same ‘opposition for opposition’s sake’. (Time expired)

Queensland Floods

Senator BRANDIS (2.14 pm)—My question is to Senator Conroy. I refer the senator to his answer to Senator Abetz’s question concerning the appointment of former Howard government finance minister and New South Wales Premier Mr John Fahey to head an oversight group to manage how $5.6 billion of flood rebuilding funds are spent. Is the decision to place oversight of the expenditure of the flood reconstruction funds in the hands of a former Liberal finance minister not an admission that, after the wasted billions of dollars of taxpayers’ money in the Building the Education Revolution program and the pink batts program, Liberals manage public money much better than Labor ministers ever could?

Senator CONROY—It is good to see that you enjoyed good Christmas cheer, Senator Brandis. You have come back with a good sense of humour. As I said earlier, through Mr John Fahey, the government will work to see every single dollar spent effectively in the regions that need them. Mr Fahey has the power to inspect and advise on contracts before they are signed, examine high-value or complex projects prior to execution, examine projects undertaken by local government and check spending and project milestones. The government is also keen to ensure that we can bring private sector experience to bear on project management, tendering and contractual frameworks. The government wants to get the rebuilding right.

We have seconded Major General Mick Slater to chair the Queensland government’s reconstruction authority and Mr Brad Orgill will be sitting on the authority’s board to make sure that value for money is front of mind. We will also require audited statements for Commonwealth contributions to the recovery to ensure that the money is properly spent.

Without the stimulus, we would have seen thousands of skilled workers exit the construction sector and be lumped into the unemployment line. In the US, for example, over one in four construction jobs were lost. We acted to make sure that that did not happen here. We will be making sure that we apply the lessons learnt in the stimulus to the rebuilding effort. The reconstruction effort will be careful and methodical. (Time expired)

Senator BRANDIS—Mr President, I ask a supplementary question. Doesn’t the Gillard government already have a minister whose specific responsibility is to ensure that taxpayers’ money is spent efficiently? Is that not the Minister for Finance, Senator Wong, who sits right behind you, Senator Conroy? Has the Gillard government at last realised that a retired Liberal finance minister will
always do a better job than a current Labor finance minister?

Senator CONROY—The whole basis of that question is an entirely false premise. I reject it utterly. The attempt to impugn the Minister for Finance is cheap politics. Those opposite are playing cheap politics. While the rest of the country was raising money to help flood victims, that mob over there were raising money to help themselves, a cynical political act. This exposes the hypocrisy of those opposite, who will do and say anything—

Senator Abetz—Mr President, I rise on a point of order on relevance. Could you indicate to the Senate how that answer abides by sessional orders requiring the minister to be directly relevant to the question asked.

The PRESIDENT—On the point of order, Senator Abetz, I refer to you the question. I believe that the minister is answering the question that was asked of him.

Senator CONROY—As I was saying, the aspersions being cast by those opposite on Senator Wong are entirely false and driven by the same cynicism. (Time expired)

Senator BRANDIS—Mr President, I ask a further supplementary question. I note the minister’s assertion that, for the Gillard government, the notion that the role of the finance minister is to ensure that taxpayers’ money is efficiently spent is a false premise. If the Prime Minister cannot trust her own finance minister to be the best person available to oversee government spending, why should the Australian people?

Senator CONROY—Again a false premise is the basis of a question. This attack by those opposite is being made because they are embarrassed at the performance of their leader and at the performance of their front-bench over the levy. They are trying to pretend that they have introduced some cuts when really they are just being cynical—as cynical as they have been in this attack here today. It demonstrates that the Australian public were right last August or September.

Senator Brandis—Mr President, I rise on a point of order on relevance. From 11 seconds into the answer to this question the minister has done nothing but attack the Leader of the Opposition and the Liberal Party in relation to fundraising. Nothing that has come from the minister in the last 30 seconds, with only 20 seconds left to go, has been either directly or indirectly relevant to the question of confidence in Senator Wong.

Senator Ludwig—Mr President, on the point of order: the question was not about confidence in Senator Wong or otherwise. The question was directed to the acting leader and it was a question that the senator was in fact answering. The point of order taken is on a question that was not asked by Senator Brandis. I would ask you, Mr President, to rule it out of order.

The PRESIDENT—Senator Ludwig and Senator Brandis, the minister has 26 seconds remaining. I draw the minister’s attention to the question.

Senator CONROY—Again a false premise is the basis of a question. This attack by those opposite is being made because they are embarrassed at the performance of their leader and at the performance of their front-bench over the levy. They are trying to pretend that they have introduced some cuts when really they are just being cynical—as cynical as they have been in this attack here today. It demonstrates that the Australian public were right last August or September.

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Senator Ludwig—Mr President, on the point of order: the question was not about confidence in Senator Wong or otherwise. The question was directed to the acting leader and it was a question that the senator was in fact answering. The point of order taken is on a question that was not asked by Senator Brandis. I would ask you, Mr President, to rule it out of order.

The PRESIDENT—Senator Ludwig and Senator Brandis, the minister has 26 seconds remaining. I draw the minister’s attention to the question.

Senator CONROY—As I said, the underhanded and pathetic attack on Senator Wong, who is doing an excellent job in her portfolio, is unfortunate. Those opposite just want to stand up and throw stones. (Time expired)

Egypt

Senator BOB BROWN (2.22 pm)—My question without notice is to the Minister representing the Minister for Foreign Affairs, Senator Conroy, and it is regarding events in Egypt. Has the government joined other world governments in calling on Hosni Mubarak to move swiftly out of office in Egypt?

Senator Ronaldson interjecting—
Senator BOB BROWN—What action has the government taken—

Senator Ronaldson interjecting—

Senator BOB BROWN—I will ignore the interjections from the opposition. What action has the government taken to stop the depredations of the thugs representing the Egyptian government, who are currently torturing people who protested peacefully for democracy and who have illegally arrested members of the Western media, including Australian journalists?

Senator CONROY—I thank Senator Brown for his question. The government is continuing to monitor the situation closely. The situation is calmer but remains uncertain. Our priority remains the wellbeing of Australians. We remain deeply concerned by intimidation of journalists and opposition activists. We deplore the loss of life. We welcome efforts of the army to protect peaceful protestors from violent attacks and intimidation. Mr Rudd has spoken to the Egyptian foreign minister about the need for political reform and for the process to begin, and he has informed him that the attacks on protestors and journalists were unacceptable. Egypt has been the focus of Mr Rudd’s discussions with world leaders, including Mr Netanyahu and Mr Blair. We are concerned about the stability of Egypt, as it is vital to the Middle East region.

Who leads Egypt must be for the Egyptian people to decide. The Australian government urges a quick and orderly transition involving broad representation of opposition groups to address the demands of Egyptians for political, social and economic reform. Australia has long supported democratic transformation in the Middle East and other parts of the world.

In terms of your question on some of the allegations about some activities of the services in Egypt, we are aware of some allegations. It is not appropriate for us to speculate on the operations of another country’s intelligence service in this setting. We note that Vice-President Suleiman is well known in the region and to foreign leaders for his role in the Middle East peace process. Ultimately, as I have said already, who leads Egypt must be for the Egyptian people to decide. (Time expired)

Senator BOB BROWN—Mr President, I ask a supplementary question. Has the government gone beyond being ‘deeply concerned’? Has it considered calling in the ambassador for Egypt over the illegal and unwarranted arrest of Australian citizens, including journalists, in Cairo? Secondly, on that reference to Vice-President Suleiman: is the government aware of his reputation as a torturer and a murderer?

Senator CONROY—As I mentioned, Mr Rudd has spoken directly to the Egyptian foreign minister—on 28 January, on 3 February and on 8 February. So he has actually spoken directly to the foreign minister on the matters that you have raised to express our deep concern about the intimidation of journalists and opposition activists.

Again, you made some statements about the Vice-President of Egypt. It is not appropriate for us to speculate on the operations of another country’s intelligence service. On the question around Mr Habib’s—

Opposition senators interjecting—

The PRESIDENT—Order!

Senator CONROY—On 13 February—

Opposition senators interjecting—

The PRESIDENT—Order! Senator Conroy, we will hold the clock. You have five seconds remaining to answer the question, so will you wrap up the answer.

Senator Brandis interjecting—

Senator CONROY—I am just trying to copy you, Senator Brandis! On 13 February
2005 the Australian government asked the Egyptian government to investigate Mamedouh Habib’s claims of mistreatment while in detention in Egypt. Egyptian authorities advise that no evidence was found about Mr Habib’s alleged detention and torture in Egypt. (Time expired)

Senator BOB BROWN—Mr President, I ask a further supplementary question. It is known by the government that Mr Habib was detained in Egypt. Has any member of the government or its intelligence services met Mr Suleiman? Were they involved in the detention and torture of Mr Habib in Egypt?

Senator CONROY—As I mentioned, the government did request the Egyptian government to investigate claims of mistreatment. And, as I said, Egyptian authorities advised that no evidence was found about Mr Habib’s alleged detention and torture in Egypt. On the specific matters you have just raised, I will seek some further information from the foreign minister. If there is any further information that can assist with the answer, we will provide it.

Murray-Darling Basin

Senator JOYCE (2.28 pm)—My question is to the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, the very busy Senator Conroy! I refer the minister to reports this morning that the chairman of the Murray-Darling Basin Authority is seeking to establish a delivery group within the authority, allegedly to sideline the role of the existing board. Can the minister clarify whether the existing MDBA board, appointed by his government less than two years ago, continues to have the full confidence of his government?

Senator CONROY—The government retains full confidence in the organisation. We have appointed a very capable chair after the departure of Mr Taylor and I am very confident, given the past record of Mr Knowles—not someone whom I have a great knowledge of—that the authority is in good hands and that there are none of the issues alleged in the newspaper today or alleged by you repeating them here in the chamber today, Senator Joyce. We know what your view on the Murray-Darling is. We know that it is not the same as the rest of your colleagues. We know that you have just deferred, have not taken a hard decision, your claimed spending cuts—a deferral of water buybacks. We know that those opposite are crying crocodile tears because you are absolutely not interested in finding a long-term solution. Those opposite are not interested in finding a long-term sustainable outcome.

As usual, you start off by saying, ‘Yes, we support this.’ In fact, you created it. But as soon as it comes to some of the tough issues, Senator Joyce, you have gone missing. Through you, Mr President, those opposite have gone missing. They talk the talk when in government, they talk the talk at first when they are in opposition; but they have run for cover when it comes to dealing with the substance of the debate in the Murray-Darling. It is very disappointing to yet again see Senator Joyce take the cheap, low political road and not want to engage in the substance of the debate. (Time expired)

Senator JOYCE—Mr President, I ask a supplementary question. Minister, we look forward to you being part of taking the high road in supporting our inquiry this afternoon. That might be a decision for you. In the meantime, can you please explain how the government can maintain that the Murray-Darling Basin Authority remains an independent authority when an ex-Labor minister mate, whom a Labor government has appointed, is appointing his own board, circumventing the members appointed under the act? Is this not just another example of the government losing control over water?
You might want to confer with Minister Wong and corroborate your stories.

Senator CONROY—The appointment of Mr Knowles as the Chair of the MDBA provides greater certainty to communities affected by the proposed basin plan. Mr Knowles has 10 years experience as a state minister, including direct experience in the water portfolio.

Opposition senators interjecting—

Senator CONROY—As I said, 10 years experience including direct experience in the water portfolio and in other natural resource issues. Mr Knowles has a strong track record on water reform, including his work on the implementation of the National Water Initiative. Under Mr Knowles’s leadership, the MDBA shall advance the preparation of the draft basin plan with extensive consultation to take place with affected communities and governments. (Time expired)

Senator JOYCE—Mr President, I ask a further supplementary question. I have never heard so much of a non-answer before in my life. Can the minister reveal whether the government is considering using his powers under section 189 of the Water Act 2007, which allows the minister to ask the Governor-General to terminate the appointment of an authority member for unsatisfactory performance?

Senator CONROY—Senator Joyce continues to fish around with no substance to his question at all. Some people who have had a little bit more experience in this area than Senator Joyce have expressed views recently, particularly about the board and their recent appointment. Danny O’Brien, from the National Irrigators Council, said: ‘The National Irrigators Council has welcomed the appointment of Craig Knowles.’ We have Tony Windsor—

Opposition senators interjecting—

Senator JOYCE—Mr President, a point of order on relevance: the question was whether the minister is considering powers under section 189 of the Water Act. You should address that, Minister. See if you can get to that point.

The PRESIDENT—Minister, you have still 30 seconds remaining. I am listening to your answer. Continue. There is no point of order.

Senator CONROY—I will quote somebody well known to this chamber, and in this chamber, who said about the Murray-Darling:

One of the great initiatives of this government has been to get the cooperation of the states. I applaud people like Craig Knowles in New South Wales for his cooperation.

Senator Abetz, help me out here. Who was it? Senator Bill Heffernan.

Senator JOYCE—Mr President, I have the same point of order that I brought to your attention before. I am quite specific. Is the minister considering using powers under section 189 of the Water Act? He either is or is not. Why does he not address the question? He has only five seconds left, so could he come to the answer?

The PRESIDENT—You have noted that, Senator Conroy. You have five seconds remaining to answer the question.

Senator CONROY—If there is any further information on the specific reference you make, I will see if the minister has more to add. (Time expired)

Flood Levy

Senator MOORE (2.36 pm)—My question is to the Minister for Finance and Deregulation, Senator Wong. Can the minister outline to the Senate the importance of ensuring that the flood recovery package for Queensland and other flood affected states is
economically responsible and consistent with our government’s fiscal strategy?

Senator WONG—I thank Senator Moore, a Queensland senator, for her question. As we know, the Queensland floods are likely to be the largest natural disaster in our history in economic terms. We have all seen the human cost, as well, graphically and tragically displayed in recent weeks. As a government we are faced with two tasks—rebuilding Queensland and returning the federal budget to surplus. We are focused on both. This government has delivered a $5.6 billion package to rebuild Queensland and other flood-affected areas in Australia; a package that is both fiscally responsible and economically sound. Two-thirds of our package will be funded through spending cuts—two out of every three dollars. Another third will be delivered through a modest one-year progressive levy which will not be paid by people directly affected by floods or by low-income earners. Some 60 per cent of taxpayers will pay less than a dollar a week to help rebuild Queensland.

Obviously the government has had to make hard decisions in putting this package together. We have had to reduce funding for or cut programs which were priorities before the floods but which clearly, now that the focus is on rebuilding and reconstruction, cannot have the same priority. This government is delivering quickly on rebuilding—it is focused on rebuilding, unlike some—but at the same time it is also ensuring we protect our fiscal position. Yesterday we saw the opposition’s much heralded package. We heard so much about how tough it was going to be; so much about how easy it was going to be to find savings. But of course we know now how little work was actually done. (Time expired)

Senator MOORE—Mr President, I ask a supplementary question. Can the minister outline to the Senate any alternative approaches to funding the flood recovery package for Queensland and other flood-affected states?

Senator WONG—I will gladly answer Senator Moore’s question because the fact is that no credible alternative package has been put forward, despite all the chest beating from Mr Abbott and Mr Hockey and Mr Robb about how easy it was to find savings. This package fails on every level. It is driven by politics, not by what is right for Australia. There is no support for this alternative package. What Mr Abbott has announced is truly a friendless package. The Liberal frontbench does not support it. The coalition party room does not support it, particularly the National Party, whose leader has been humiliated. Many parts of industry hate it. The international aid community and supporters of the Murray-Darling Basin certainly do not support it, and South Australians certainly will not be able to support it. (Time expired)

Senator MOORE—Mr President, I ask a further supplementary question. Can the minister outline why it is important to fund the flood recovery in a manner consistent with the government’s plan to return the budget to surplus in 2012-13, and what risks are there to achieving this goal?

Senator WONG—The primary risk to achieving this goal is the opposition. It is an opposition that had a $10.6 billion black hole in their election costings, and they are already a further $5.2 billion behind because of their refusal to pass our savings measures. Yesterday they put forward a package which double-counted $700 million. They refuse to pass savings measures and they have put forward a package which will increase the deficit next year. This opposition talks about being fiscally responsible. They had an opportunity yesterday to demonstrate that, and they have sorely failed. They have continued
the tough talk that we heard in the election campaign, but they have a $10.6 billion black hole that was expanded again yesterday. *(Time expired)*

**Broadband**

Senator FISHER (2.41 pm)—My question is to the Senate’s man of the moment, Labor’s man of fibre, the minister for communications, Senator Conroy.

The PRESIDENT—Senator, you need to address ministers by their correct title. You need to bring yourself to order and address the minister by his correct title.

Senator FISHER—I will do so; thank you, Mr President. My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Has the government assessed, or will the government assess, the relative risks posed by natural disasters to a national broadband network based on fibre, including fibre swinging from poles, versus broadband based on wireless?

Senator CONROY—Thank you for the generous introduction to your question, Senator. As has been stated on many occasions, under the agreement that the government reached with Telstra last year we will match the footprint, both underground and overhead, of the Telstra existing network. We have just recently seen Cyclone Yasi come through Queensland and affect Townsville, and fortunately for all there was minimal loss of life. In terms of the National Broadband Network build in Townsville, we have seen minimal disruption to the network.

The relative merits of fibre versus copper are fairly well known. Fibre is clearly superior in resisting water and floods, so in terms of the argument as to what is going to last longer—fibre in the ground, fibre hanging or copper—clearly fibre is superior. For those who continue to not keep up with the technology debate, fibre connects every single mobile phone tower. A wireless system does not work on the basis that a phone call goes from my phone and it flies all the way through the air to your phone, wherever you are standing in the country. It actually goes to the nearest tower, and then it is sucked down into the ground and, guess what, it is transmitted along a piece of fibre all the way to the phone tower nearest to you, and it comes up there and then gets transmitted. *(Time expired)*

Senator FISHER—Mr President, I ask a supplementary question. In light of President Obama’s promise to the American people of wireless broadband built by the private sector, and assuming that the ‘secret’ parts of NBN Co’s business plan do not show ‘secret’ benefits of fibre versus wireless, why is this government insisting on spending up to $43 billion mainly on fibre—fibre which is at risk from natural disasters, construction delays and cost blow-outs?

Senator CONROY—We welcome President Obama’s announcement. We welcome his leadership in developing—

Senator Fisher—What do you know that he doesn’t? Tell us.

Senator CONROY—What I do know is that Dr Hugh Bradlow, Telstra’s Chief Technology Officer, said:

If God had not meant us to have fixed networks he wouldn’t have constrained spectrum in the way he has done. Or she’s done ...

Could we wait eight years and not require high-speed networks? The answer is no because of the capacity issue. We could quote Vint Cerf. In fact, we can quote those opposite on the Senate Select Committee on National Broadband Network who stated:

The committee believes that, given the vast geographic expanse of the Australian continent, its varied climatic conditions, and its diverse topography, the technologies of both wireless and satel-
lite should be considered as complementary to the FTTP network.

That is your committee. *(Time expired)*

**Senator FISHER**—Mr President, I ask a further supplementary question. Given that wireless technology is rapidly advancing, wireless is quick to build, delivers mobility and is delivering speeds of up to 100 megabits per second—supposedly, the same as your NBN—won’t your NBN, built mainly on fibre, be obsolete before it is even built?

**Senator CONROY**—I would love to defer to the good senator’s technical knowledge on this but perhaps I might defer not just to Hugh Bradlow but to an Optus official, Mr Maha Krishnapillai, who stated:

We hope that we can now move beyond the broadband debate and get on with the job of building a world class broadband network.

I specifically draw your attention to another statement by Mr Krishnapillai, who said:

... fibre is indisputably the best way to deliver high-speed broadband for the long term.

The experts go on and on. Chris Chapman, chair of ACMA, said:

It’s a proposition I don’t agree with. I think they’re highly complementary and people who make those statements are being grossly simplistic and have no feel for the physics that underlie the different architectures of both.

We have also seen that one of the inventors of the internet, Mr Vint Cerf, has described Australia’s NBN as a ‘stunning’ investment and he stated, ‘I continue to feel a great deal of envy because the US are broadband— *(Time expired)*

**Hospitals**

**Senator XENOPHON** (2.48 pm)—My question is to Senator Ludwig, Minister representing the Minister for Health and Ageing. The South Australian government announced in last year’s state budget that it is cutting its funding for the Keith and District Hospital from $670,000—already $200,000 below the hospital’s requirements at $300,000. The hospital will now be forced to close in April of this year unless further funding is found.

In a letter to Mr James DeBarro, chair of the hospital’s board of management, Minister Roxon stated that the government will ensure funding reflects the higher costs associated with delivering services in regional and rural areas of Australia, including providing block funding where appropriate. Minister, will the federal government intervene to ensure that Keith hospital has access to appropriate funding?

**Senator LUDWIG**—I thank Senator Xenophon for his question and his continued interest in South Australia’s hospitals. Minister Roxon and this government understand the importance of local private hospitals to regional communities and the role they play in keeping sick and aged patients in their local areas. However, on behalf of the minister, the level of subsidy the South Australian government pays to community private hospitals such as the Keith and District Hospital is clearly a matter for the state government of South Australia.

I note that the letter received by Mr DeBarro was from Ms Alison McCausland, business manager of the Acute Care Division of the Department of Health and Ageing, who was writing on the minister’s behalf. The departmental response and the section Senator Xenophon refers to explain the government’s National Health and Hospital Network reforms and how they will relate to funding for public hospitals. The Commonwealth continues to support private hospitals through its funding contribution of private health insurance, Medicare, PBS, DVA, aged care and some capital works projects. The Keith hospital received aged-care funding in 2009-10. The Keith hospital received over $770,000 in 2009. We also provided the Keith hospital with $500,000 to build the new Hill Wing. I understand that the South
Australian government are conducting meetings with the Keith hospital to help them restructure and reprioritise their services. I would also encourage them to work with the department of health to maximise the existing Commonwealth funding streams. I understand Senator Xenophon has also met with Minister Butler and the office of Minister Roxon. *(Time expired)*

**Senator XENOPHON**—Mr President, I ask a supplementary question. Directly on the issue of an area where the Commonwealth does have direct responsibility, the planned closure of the hospital would directly impact on the integrated aged-care facility at the hospital, with at least 14 elderly residents—some of them with significant health issues—facing moves to accommodation located up to 300 kilometres away. Given that aged care is a federal responsibility, what actions will the minister take to ensure these forced moves do not occur?

**Senator LUDWIG**—At the outset, I will also be asking Minister Butler and Minister Roxon to look at the question that has been asked by Senator Xenophon to see if there is anything they can add. The Keith and District Hospital currently receives significant funding from the provision of aged-care services. In 2009-10 the Keith hospital received over $770,000, including an ongoing viability supplement in recognition of the difficulties of scale that smaller regional aged-care providers face. I understand that the hospital has received suggestions from South Australian Country Health about how they may be able to prioritise certain services, such as aged care, and maximise their funding from these streams. I would also encourage the hospital to work through these options further with the South Australian government and the South Australian office of the Department of Health and Ageing. I am advised that the South Australian departmental office—*(Time expired)*

**Senator XENOPHON**—Mr President, I ask a further supplementary question. What steps will the minister be taking to ensure that Keith and the surrounding communities, and the drivers and passengers in the four million driving trips that occur on the Dukes Highway each year past Keith, are not disadvantaged if the hospital is forced to close, given that there will be a 180-kilometre gap between accident and emergency facilities?

**Senator LUDWIG**—In answering this, I acknowledge that Keith hospital is in a central location on the highway and it does play an important role in providing acute care to any accidents that may unfortunately occur. I trust the hospital will be able to restructure its services and staffing, as well as maximise access to its existing funding streams, to continue to provide these important services to the area. The Department of Health and Ageing will be able to discuss further possibilities with the hospital executive.

Going back to the earlier response I made, I am informed that the South Australian departmental office has contacted the hospital executive to suggest a meeting to be able to progress some of these matters. I trust this will occur in the near future.

**Indigenous Affairs**

**Senator PAYNE** *(2.54 pm)*—My question is to the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Senator Arbib. Why did the government announce in January that the Strategic Indigenous Housing and Infrastructure Program is exceeding targets when its budget has blown out by 68 per cent and the timeline has been extended from 2012 to 2013?

**Senator ARBIB**—I welcome the question from Senator Payne about SIHIP. There has been a great deal of discussion about SIHIP in this chamber and I have talked about the positive results that SIHIP has achieved
throughout the Northern Territory. SIHIP is on track to deliver its target on time and on budget. It has already delivered 179 new houses, and 1,036 rebuilds and refurbishments. It has exceeded its end of year 2010 targets of 150 new houses and 1,000 rebuilds and refurbishments.

I have also previously announced in this chamber that the Australian government has recently brought forward $316 million over the forward estimates for the national partnership. Of these funds, $190 million will be used for housing-related infrastructure, including sewerage and power. This will result in around 180 new houses and 180 rebuilds being ahead of schedule by the end of 2013. This is over and above the original SIHIP targets of 750 new houses and 2,730 rebuilds and refurbishments.

In relation to employment we know that SIHIP has already exceeded the employment targets that the government have set. We set a target of 20 per cent; we have already exceeded it with 30 per cent. They are jobs for Indigenous people—

Senator Joyce—You know how to do a job on a person.

The President—Senator Joyce, the time for debating this is at the end of question time. You seem to be fairly interested in debating it, so I invite you to do so then but not now.

Senator ARBIB—These are jobs for Indigenous people in remote areas—jobs that were not there. This is a very good result. The program management costs for SIHIP have been capped at eight per cent and are running within budget.

Senator PAYNE—Mr President, I ask a supplementary question. Can the minister advise whether the government actually has performance targets for addressing overcrowding under the program and, if that is the case, why 50 per cent of the newly constructed dwellings will only have two bedrooms or fewer?

Senator ARBIB—The government are determined to reduce overcrowding. We recognise that this is essential for protecting children. We are investing unprecedented levels of funding in remote housing to address this. With the Northern Territory government, we are building an appropriate mix of housing to cater for different-sized families. This has been discussed with the community to ensure that new houses suit the needs of families in those communities and cater to singles, young families and the elderly—many of whom prefer to live apart from their extended families. Fifty per cent will have three bedrooms. In Maningrida, for example, the program will deliver over 100 new homes, increasing the number of houses in that community by over 50 per cent. Again, we have consulted with local communities to ensure that the needs of those communities are being met. (Time expired)

Senator PAYNE—Mr President, I ask a further supplementary question. Why can’t the government just be upfront with the Australian people and admit that they are having trouble delivering SIHIP on time and within budget, and that they have just shifted the goalposts to suit their own convenience? Or will this just become another project for Mr Fahey?

Senator ARBIB—Senator Payne is wrong. This is a program that is delivering results for Indigenous people. Look at the new houses that are being put in place—again, 179 new houses and 1,036 rebuilds. The program is already ahead of the targets we set. Money is being brought forward so that we can do more. Senator Payne is right that, in the first period of SIHIP, there were issues and the government has said that. But at the same time Minister Macklin stepped in and put in place her own FaHCSIA officials
to work with the Northern Territory to get the program back on track—and it is back on track. We are meeting our targets. This is a good result for the government, a good result for Indigenous people and a good result for the Territory. Senator Payne has her facts wrong.

**Australian Natural Disasters**

Senator HUTCHINS (3.00 pm)—My question is to the Minister for Small Business, Senator Sherry. Is the government aware of the effects on small business of the recent natural disasters that have hit many parts of Australia? What is the government doing to help small business recover from the devastation of the floods and Cyclone Yasi?

Senator SHERRY—I thank Senator Hutchins for raising a very serious issue. Firstly, I offer our sympathies and support to the many thousands who have been affected by the massive and widespread destruction that has occurred throughout Australia and particularly Queensland. Small business people and farmers deserve our support, both as fellow Australians and as part of our national economy.

There are well-established procedures and there is well-established assistance available. Indeed my colleague Senator Ludwig touched on the joint state and Commonwealth assistance arrangements under the Natural disaster relief and recovery arrangements in disaster declared local government areas. Under these arrangements, eligible small businesses and primary producers can access recovery grants and concessional loans. For flood-affected small businesses in Queensland, Tasmania and Western Australia, the grants can be up to $25,000. In New South Wales, they are up to $15,000. In Queensland, concessional loans of up to $250,000 are available. In Victoria, the loans are up to $200,000 and they are up to $130,000 in New South Wales. In Western Australia, interest rate subsidies for primary producers and small businesses are also available. There are some variations from state to state concerning the levels of assistance and the types of assistance that are made available.

I also inform the Senate that the Australian Taxation Office has itself introduced some support measures to ease the load on small businesses and the farming community while they recover—for example, by deferring the December monthly activity statements by one month, until 21 February, for all Queensland and affected Northern New South Wales and Victorian areas and, as another example, in helping with the management of existing debt by allowing additional time—*(Time expired)*

Senator HUTCHINS—Mr President, I ask a supplementary question. Does the government have support mechanisms in place so that small-business people can get advice on disaster recovery assistance?

Senator SHERRY—In addition to some of the financial assistance measures that I touched on earlier, there is an extensive government support network ready to assist and I would urge small businesses and farmers in affected areas to call the Small Business Support Line. It is a team of expertly trained advisers, many of whom have worked in small business, and it is more than willing and able to help small businesses affected by the recent natural disasters. It has already been providing information and referral services in flood areas of Queensland, Victoria and New South Wales and I would urge anyone who is seeking assistance and advice to contact the support line. The support line advisers’ link is part of a nationwide network of Business Enterprise Centres and other small business advisory services. The sup-
port line can be accessed on 1800777275 or email— (Time expired)

Senator HUTCHINS—Mr President, I ask a further supplementary question. Can the minister outline the Gillard government’s priorities in delivering disaster relief to all Australians?

Senator SHERRY—The Australian government’s priority is to rebuild the essential infrastructure that has been destroyed or damaged as a consequence of these massive— the most substantial in Australian history—natural disasters; to assist in the economic recovery and the rebuilding of lives, businesses and communities throughout Australia; and to return to normality as soon as possible. There is a total bill of approximately $5.6 billion. This is a truly massive set of natural disasters. The government’s package to rebuild the regions is the right thing to do and we will be introducing, as has been referred to by my colleague Senator Wong, essential funding initiatives to assist in delivering this $5.6 billion. I also add that, in respect to the tourism industry in Queensland, a $10 million jointly funded special package was announced last week. (Time expired)

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

ANSWERS TO QUESTIONS ON NOTICE

Question No. 367

Senator CORMANN (Western Australia) (3.05 pm)—Pursuant to standing order 74(5), I ask the Minister representing the Assistant Treasurer for an explanation as to why an answer has not been provided to question No. 367 in relation to superannuation contributions in excess of the concessional and non-concessional contribution caps.

Senator SHERRY (Tasmania—Minister for Small Business, Minister Assisting on Deregulation and Minister Assisting the Minister for Tourism) (3.06 pm)—I thank Senator Cormann for notifying my office that he intended to raise this. My office has had a chance to speak to Minister Shorten’s office. The issues raised in question No. 367, which I have read, with which I have some familiarity, are very wide-ranging and complex. I make that point firstly. The ATO are currently compiling and checking the data needed to respond to the question—again, the issues are very complex and wide-ranging—and I expect to provide the information sought in the near future, but I do not have a specific date as yet.

Senator CORMANN (Western Australia) (3.07 pm)—I move:

That the Senate take note of the explanation.

In December last year I asked Minister Shorten, through Senator Sherry, about the issue of superannuation contributions in excess of the concessional and non-concessional contribution caps. Anecdotal evidence that I am getting from financial advisers across Australia is that this is a worsening problem as a direct result of the actions of this federal Labor government. As you may well remember, Mr Deputy President, in the lead-up to the 2007 election the then Labor opposition promised the Australian people that they would not be making any changes to the superannuation contributions framework. ‘Not one jot, not one tittle,’ the then Leader of the Opposition, Kevin Rudd, said in the lead-up to the 2007 election. Of course, one of the many broken promises of this government was that they halved—

Senator Mark Bishop—Mr Deputy President, I rise on a point of order. We are taking note of a question asked of the gov-
ernment by the opposition, not arising out of question time.

The DEPUTY PRESIDENT—No, we are not. I will just stop you there, and if you are not satisfied with the answer, Senator Bishop, let me know. Senator Cormann was inquiring about unanswered questions on notice.

Senator Mark Bishop—Yes.

The DEPUTY PRESIDENT—He then moved to take note of the response given by the minister and he is entitled to do so immediately.

Senator Mark Bishop—Immediately?

The DEPUTY PRESIDENT—Yes.

Senator Mark Bishop—For how long?

The DEPUTY PRESIDENT—Twenty minutes. Senator Cormann.

Senator CORMANN—I can well understand why senators on the Labor side of the parliament want to stop me from talking about this. They are very embarrassed about their very bad track record over the last three years when it comes to superannuation. This Labor administration have had a terrible record over the last three years when it comes to superannuation. They have failed to take on board many of the Cooper review’s very sensible recommendations to improve corporate governance arrangements for superannuation. They have created and then continued to protect a closed shop, anticompetitive arrangement when it comes to the selection of default superannuation funds under modern awards. And then there is this issue here, with superannuants across Australia inadvertently breaching the concessional and non-concessional contribution caps, which on the face of it is an increasing problem on the back of decisions made by this government.

Let me explain the problem we have. As part of a very sensible policy to encourage and increase voluntary contributions to superannuation, the Howard and Costello government put in place the opportunity for people to make concessional contributions of about $50,000 per annum if they were below 50 years of age or $100,000 per annum if they were older than 50 years of age. In the lead-up to the 2007 election the then Rudd government promised that they would leave those contribution caps in place unchanged. They said they would not change them one bit—not one jot, not one tittle. But of course they did. They reduced them. And what is the effect? More and more people across Australia are inadvertently breaching those contribution caps, which were halved by this government with effect from 1 July 2009. What does it mean? It means they get slugged by this government with an additional tax. A similar problem exists in relation to non-concessional contributions, and again the feedback is that this problem is increasing.

This is not a case of people trying to mislead, cheat or deceive the tax office and somehow trying to avoid an obligation to pay tax, because clearly it is all transparent; it is all out there. Invariably, these mistakes are inadvertent. What should happen with inadvertent mistakes, as happens in the broader tax system, is that people should be able to correct their records. Instead, the government is applying, as far as non-concessional contributions to superannuation are concerned, the marginal rate of tax on top of income that has already been taxed potentially at the top marginal rate—potentially taxing people 93c in every dollar earned that ends up in that particular circumstance.

This is not a new problem; this is a problem that, to be fair, has existed for some time. But it is a problem that, as far as concessional contributions are concerned, has worsened under this government. If you bring those contribution caps down, inevitably more people are going to be caught by it. I want to know from this government how
many people are being caught by it, how much additional tax they are paying to the government and what the government are going to do about it. I happen to know that this information is not complicated and complex for the government to identify, because the ATO are well aware of the issue and it is data that they surely collect as a matter of course. Whenever this government do not want to provide an answer, whenever they go into hiding, you know that they are up to something; you know that there is a problem. They clearly have something to hide.

As I mentioned earlier, Labor, as much as they try to sell themselves as the advocates of superannuation, actually have had a very bad track record over the past three years. There has not been much that is good happening in superannuation over the last three years. People are now locked into anticompetitive, closed shop default superannuation arrangements under modern awards. The government are not prepared to ensure that there are better corporate governance arrangements in place as recommended by Jeremy Cooper in his comprehensive review. I do not know why the government refuse to ensure that there are independent directors on all superannuation funds. I do not know why the government do not think it is sensible to ensure that, in order to avoid conflicts, people sit on only one board and not multiple boards. I do not know why they are opposing recommendations to ensure that there is proper transparency in the investment decisions made by various funds.

But I have a suspicion why. My suspicion is that we have a minister in Minister Shorten who is letting his union bias get in the way of acting in the public interest. If Minister Shorten was more focused on doing the job that he has got, instead of telling anyone who would listen that he will be Prime Minister in the lead-up to the next election, then we would be able to make a bit of progress. If he was focused on doing his job, he might be able to provide an answer within 30 days, as he is required to do under our standing orders, instead of giving us a big explanation as to how this data is somehow really complex. I happen to have in front of me information that has been provided in relation to these matters by the ATO previously and circulated across the industry and I am convinced that the ATO is well capable of providing the information that I have asked for in my question on notice. I think that as well Minister Sherry, who I am sure is across this issue, would actually be well aware that the ATO would be able to respond to these matters.

In fact, a lot of organisations have raised this issue with the government and a lot of organisations have raised this issue with the new Minister for Financial Services and Superannuation, including the Financial Planning Association of Australia. These organisations have made some very sensible recommendations and I would like to know what Minister Shorten is proposing to do about them. For example, the law should be amended to remove the 46.5 per cent penalty rate that applies when the non-concessional contribution cap has been breached inadvertently; instead the process should be to refund excess non-concessional contributions back to the taxpayer. It is their money. It has already been taxed at whatever the marginal tax rate is that applies to them. Why should the government tax it again? It is hardly in the superannuant’s interest to somehow conceive something so he can be whacked with a 93 per cent tax. Why isn’t the government doing what needs to be done to quantify the problem, to take action and to resolve it? There should not be a monetary penalty, according to the Financial Planning Association, if it is the taxpayer’s first-ever breach of the non-concessional contribution cap. I think that is a sensible suggestion. There
should be a monetary penalty or perhaps an administration cost recovery fee charged to the taxpayer if there are subsequent breaches of the contributions cap. And there is a whole range of other recommendations that I am happy to forward to the minister so he might actually be able to focus on how to do his job and resolve issues for the Australian people.

But the important thing to remember is that clearly this is a problem which has got worse as a direct result of the actions taken by this government. Instead of encouraging people who are at a stage of their life when they can better afford to make additional contributions to their superannuation, this government reduces the caps. It halves the concessional contribution caps, which is exactly the wrong way to go if you want to boost retirement savings. So it is talking about wanting to increase the superannuation guarantee from nine to 12 per cent, instead of encouraging more voluntary contributions. As a direct result of what the government has done, people across Australia are being penalised and are paying more tax than they should have to. I think the government should provide a proper explanation in relation to all these matters.

Let us go through the questions which the minister says are too complicated to answer but for which I am absolutely convinced the minister has the information sitting on his desk right now. Remember that these are the sorts of questions that the minister says are too complex. So for the last three financial years:

... how many individuals made contributions above the concessional and non-concessional contribution caps respectively;
I am convinced the minister knows the answer to that question. I bet he has got a briefing note in his office right now which is telling him exactly how many people have been caught by this. I am convinced that the number of people that are being caught by this is increasing. Then:
... what was the average amount paid above the concessional and non-concessional contribution caps respectively;
I am convinced the Australian Taxation Office has got that information in front of them and I would be surprised if they had not made that information available to the minister. Then:
... what was the total amount of taxation collected as a result of contributions above the concessional and non-concessional contribution caps respectively;
That is an entirely legitimate question. In essence, how many people are getting hit with this and how has this been trending over the last three years? How much in additional tax are they paying when they should not be paying any additional tax? Then:
... what was the average amount of excess concessional contributions that counted towards the relevant individual’s non-concessional contribution caps for the same period;
That is very sensible information for us to be able to assess the extent of the problem. What this really comes down to is that we have a minister who is continuing to regurgitate all of the statements about superannuation that have been made by his predecessors. He has not come up with one single new idea of his own. He has not attacked one single problem that exists in the superannuation industry today and made a decision on how to fix it. All we have had is this union-bias-driven protection of the current process of selecting the default superannuation funds under modern awards. We have had some vague response to the recommendations of the Cooper review that are, quite frankly, non-controversial and we have had a regurgitation of statements that had been made by his predecessors in relation to the proposal to increase the superannuation guarantee from
nine to 12 per cent and the proposed introduction of MySuper.

The minister has backed away from commitments that were made by this government in the lead-up to the most recent election. I think those might have even been through Minister Sherry, if not Minister Bowen—I do not remember exactly. In the lead-up to the last election the government made an election commitment to fix up the process by which default superannuation funds are selected under modern awards—so they would make it more open, more transparent, more evidence based, more competitive—and said they would ask the Productivity Commission to do the job for them. But as soon as the government scraped back in and we got this new minister for superannuation all of that was forgotten. It came down to the Senate to refer this particular matter to the Productivity Commission for report back to the Senate by the end of May. So the point I am making is it is just not good enough that Minister Shorten is not able to answer a question about an issue that is potentially impacting on thousands and thousands of Australians who are paying more than they should in taxes as a result of inadvertent breaches of their contribution caps, inadvertent breaches that are made more likely as a direct result of some of the decisions that have been made by this government. Specifically, this government has broken a promise not to reduce concessional contribution caps.

In relation to the non-concessional contribution caps, this is a particularly big problem because this is money that has already been taxed potentially at the top marginal tax rate. People are able to put $150,000 into their superannuation under the non-concessional contribution or $450,000 over three years. I am sure you would appreciate, Mr Deputy President, that a worker who has been doing the right thing and making voluntary contributions and contributing over and above the nine per cent may, for example, later in the year receive an unexpected pay rise or an unexpected bonus or shift to a new job with a higher rate of pay. He might have accumulated annual leave which is paid out on transferring jobs. He or she might have multiple jobs. People might have been paid in lump sums towards the end of the year and there can be inadvertent non-intentional mistakes made. Yet, instead of allowing people to fix up those mistakes, the government hits them with a top marginal tax on top of potentially having already charged the top marginal tax rate on the income that was generated in the first place. That is double taxation.

As I have mentioned, many advisers across Australia have made the legitimate point that this exposes Australians potentially to a 93 per cent rate of tax. I know that this is a high-taxing government. I know that the Labor Party is all about higher spending and higher taxes, but I am sure that even Labor senators would agree that a 93 per cent tax takes things beyond what is reasonable and is a circumstance that should be fixed. I am sure that a 93 per cent rate of tax is something that even Minister Shorten does not think is reasonable and I am sure that it is a rate of tax that even Minister Shorten thinks something should be done about. This is my point. If he has not got this sort of information in front to him to quantify the problem, how can we expect him to take action? How can we expect him to fix a problem that he apparently is not able to identify with the basic facts and figures underlying it in the first place?

The ATO should be able to exercise its discretion and give special consideration to the taxpayers who have exceeded contributions in a series of circumstances. For example, I give the minister a bit of advice on how he can fix this. Where the contribution is a one-off large amount due to the sale of an investment asset, including the sale of the
taxpayer’s business or farm, and the tax penalty that will be incurred will cause serious detriment to the taxpayer’s ability to support themselves in retirement, there ought to be some discretion applied by the ATO. Similarly, where the employer has contributed an amount in excess of the caps due to an unanticipated pay rise or bonus amount or other payments made by the employer, the ATO should be able to apply some discretion as to whether the level of penalty as it currently applies is actually appropriate. Where a fund or clearing house has made an error causing the caps to be breached and where there has been an amount transferred into super from an overseas account and currency fluctuations or unpredictable timing issues have caused the contribution to exceed the caps or fall into the wrong time period, the ATO should be able to exercise some sensible discretion to make sure that there is not an inappropriate and disproportionate penalty imposed in the circumstances that I have explained.

The reality is—and this is the point I make again—that breaches of superannuation contribution caps would almost never be deliberate. They are pretty transparent. It is pretty obvious what has happened. It is not because a taxpayer or superannuant is trying to deceive anybody. There can be honest mistakes, and when they are honest mistakes they should be able to fix them. But I want to know how many people are getting caught up in those honest mistakes without the government doing anything about it. I happen to know that people have raised this with the minister on a number of occasions and so far nobody has had any satisfaction from the minister in relation to any of it.

The ATO should be asked by the government to have a look at how they manage their systems. If the ATO truly cannot identify this sort of data—and I am sure they can; I do not believe they cannot—then they will to have a look at their systems. If they cannot monitor the extent of this problem on an ongoing basis, how can they be expected to take appropriate corrective action?

In summary, it really is time that Minister Shorten starts to focus on the job he has rather than keep chasing the job he wants. We all know that he is telling everyone he wants to be Prime Minister. But he has a job now and there are people across Australia who need him to do his job when it comes to the impact of excess superannuation contributions being taxed at inappropriate levels as a result of inadvertent mistakes. It is an issue that has been brought to the attention of the minister. I note that the minister is not able to provide an answer on the number of people and the amount of tax involved within the time frame prescribed by our standing orders. That is very disappointing. I know that Minister Shorten and the Minister for Small Business, Senator Sherry, did not give us any indication as to when we might be able to expect an answer. That is also disappointing. I hope that Minister Shorten will carefully review the Hansard of this debate and will take note that he has a job to do and that the Australian people expect him to do the job he has rather than to spend his time on chasing the job he wants.

Senator SHERRY (Tasmania—Minister for Small Business, Minister Assisting on Deregulation and Minister Assisting the Minister for Tourism) (3.28 pm)—I will be brief and direct my comments to some of the remarks and contribution made by Senator Cormann which relate directly to his question. I was not able to provide the information he has sought from the Minister for Financial Services and Superannuation, Mr Shorten. First, I make the point that the information that Senator Cormann has sought is complex to gather and bring together. It is not easy. I do have some familiarity with the details of the information that Senator Cor-
mann is seeking, but best efforts are being made and I would hope that at least some of that material—if not all—can be provided as soon as possible.

The second point I make is that Senator Cormann refers to the current penalty regime. What I would point out to Senator Cormann and to anyone listening to this debate is that the current penalty regime was introduced by the former Liberal government.

Senator Cormann—You made the problem worse by reducing the caps. You reduced the caps.

Senator SHERRY—It was part of the simpler super package of measures that was announced by the former Treasurer Mr Costello—

Senator Abetz—Which you supported.

Senator SHERRY—Yes, which we supported. But the caps, Senator Abetz, as I do recall, were introduced by the former Liberal government when it introduced an annual cap on superannuation contributions. So the penalty regime has always applied to people who breach those caps, regardless of the level of the cap. There were always people who were penalised. It was your regime. If you argue now that the tax regime and the level of penalty were unfair, why did you not deal with that issue when you were in government and when you introduced the simpler super provisions?

Senator Cormann interjecting—

Senator SHERRY—Senator Cormann, I listened to you in silence. I do not want to speak for 20 minutes, I just want to put on the record the facts in respect to where these penalty provisions came from. In terms of the nine per cent super guarantee being included as part of contributions, if there are contributions over and above the nine per cent, that was very, very clearly stated at the time of the introduction of the simpler super package as put forward by the former Liberal government. I certainly am aware that there have been representations, concerns and complaints raised about this issue. I am, frankly, a little bit surprised that some in the financial planning community and other areas of superannuation who are now raising this issue, did not raise it at the time. Some of them may have, I have to say, but I did not hear from them when I was considering this legislation and penalty regime from opposition. I did not hear from them about it then.

Senator Cormann interjecting—

Senator SHERRY—Senator Cormann, please. It was made very, very clear at the time. I cannot recall the representation on the penalty issue, even though it was clear that there would be some who would be impacted.

Senator Cormann interjecting—

Senator Abetz interjecting—

Senator SHERRY—There are incessant interjections from Senator Cormann and Senator Abetz who, with respect, should have been paying more attention to this when they were in government. Perhaps some of those who are making representations on this issue now were at the time, probably understandably, distracted by other elements of the simpler super package such as the $1 million contributions. Perhaps they were focused on that rather than on the penalty regime, on which most of them, to my recollection, were silent.

In terms of the critique of Senator Shorten I can assure the Senate that Senator Shorten is well and truly focused on his responsibilities as Minister for Financial Services and Superannuation. Indeed, he announced just prior to Christmas the most significant and widespread reforms of the operation to our superannuation system in this country since the introduction of compulsion. Senator
Shorten, I can assure the chamber and those in the public listening, is well and truly focused on implementation of major reform, which he announced, that will see, amongst other things, the introduction of MySuper and SuperStream, which are essential reforms that will bring down the cost of operation of our system. It is estimated they will bring down the costs of aggregate fees in the system by approximately 40 per cent. For example, there is the proposed use of the TFN number as an identifier to minimise the multiple accounts we have in this country. There are 33 million accounts for about 12 million people in the workforce. There are over four million lost accounts. Minister Shorten is well and truly focused on implementing what is a comprehensive set of reforms that will make the operation of the superannuation system much more efficient and reduce those fees and charges. He is also focused on the future of financial advice and the very contentious issue of commission based selling of product in our financial system.

Senator Cormann—You are obviously in the Shorten camp.

Senator SHERRY—I totally refute the nonsense that Senator Cormann has gone on with. It was not central to the point of his complaint about the non-provision of information. Senator Shorten is well and truly focused—I am sorry, Minister Shorten.

Senator Cormann—He can’t be Prime Minister in the Senate.

Senator SHERRY—Exactly what I was going to say. He cannot be Prime Minister in the Senate. Despite the barrage of interjections and me listening in silence to the contributions of those opposite—

Senator Cormann interjecting—

The DEPUTY PRESIDENT—Order! Senator Cormann.

Senator SHERRY—Thank you, Mr Deputy President. Senator Shorten is well and truly focused—Minister Shorten, I should say—on the reform packages that have been announced by the government.

Senator Cormann—Mr Deputy President, I raise a point of order. I draw your attention to the standing order that requires senators to refer to people in the other chamber by their proper title. Senator Sherry has now repeatedly referred to Mr Shorten as Senator Shorten, and I draw to your attention that he will not be able to be Prime Minister if he becomes Senator Shorten.

The DEPUTY PRESIDENT—Order! Resume your seat. I am sure you are quite aware, Senator Cormann, it was an inadvertent mistake by Senator Sherry and I am quite sure that we understand what he means.

Senator SHERRY—Thank you, Mr Deputy President. Minister Shorten is well and truly focused on a major set of reforms in the tax system, particularly the administration of the tax system, and well and truly focused on other issues in financial services as well as on improving the capacity and capability of Australia as a financial centre. I represent him in this chamber and I am very pleased to do so. I totally refute the nonsense that Senator Cormann has gone on about this afternoon. It would have been better if he had done his research and looked back to find out who introduced these penalties. It was a Liberal government. I do not know whether you, Senator Cormann, were actually in the Senate or in the parliament at the time of simpler super. My best recollection is that you were not, therefore I cannot criticise you, Senator Cormann, for failing to point out these penalties at the time of simpler super. There are certainly a lot of other senators—some now in this chamber—who were there at the time and did not point it out. I just want to put on the record that what Sena-
tor Cormann complains about was introduced by a former Liberal government.

Question agreed to.

**BUDGET**

**Consideration by Estimates Committee**

**Answers to Questions on Notice**

**Senator CASH** (Western Australia) (3.36 pm)—Pursuant to standing order 74(5), I ask the Minister representing the Minister for Immigration and Citizenship for an explanation as to why answers have not been provided to the 445 questions on notice from the Senate Standing Committee on Legal and Constitutional Affairs in the immigration and citizenship portfolio asked during the supplementary budget estimates hearing in October 2010? They are now approximately nine weeks overdue.

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research) (3.37 pm)—I would first like to thank Senator Cash for doing me the courtesy of raising this matter prior to question time. I understand that my office did get back to her office on the matter. My office and I personally have raised the matter with the office of the Minister for Immigration and Citizenship. I have been advised of the following: there was a total of 445 questions lodged, many of which had subparts and which, as was indicated, were taken on notice at the supplementary budget estimates hearing. Many of the questions sought detailed information on a number of complex and sensitive issues. I am sure that any fair-minded person would acknowledge that the period since the hearing has been one of exceptionally high tempo for the Department of Immigration and Citizenship. I am assured that the department is putting significant effort into providing all responses to the committee. I have also been assured that all questions will be answered promptly.

**Senator CASH** (Western Australia) (3.38 pm)—I move:

That the Senate take note of the explanation.

I have been pursuing the answers to the 445 questions—of which 326 were asked by me, as I understand it—outstanding from this estimates committee. Whilst I accept the response given by Minister Carr was given in his role as Acting Minister for Immigration and Citizenship, I am sure that if these matters were within Minister Carr’s portfolio and he were in charge of the answers then I would not be standing here today. I am sure that Minister Carr would have ensured that his department provided me with the answers. The blame needs to be squarely put at the door of the relevant minister—and that is Minister Bowen—and the failure of the department to provide answers to questions on notice, at least nine weeks after the due date, represents yet another failing within what is an exceptionally important portfolio.

My attack today is not directed at Senator Carr, because I understand he is merely delivering a message to me in his acting capacity. I know that, if I were Minister Carr, I would be very embarrassed about having to stand here today and deliver that message to the Senate on behalf of the relevant minister. Minister Carr has been well and truly let down by Minister Bowen in this regard. Despite the alleged complexity of the questions that I have asked, they are questions that can be readily answered by referring to departmental records or to government policy documents, something which I would have thought Minister Bowen, as the relevant minister, would be able to do. That is clearly not the case. The evidence is that not one of the 445 questions that were placed on notice in October last year have been responded to by the minister or his department. This casts doubt over whether or not the minister actually understands his portfolio and it also
casts doubt on his capacity to actually discharge his functions as Minister for Immigration and Citizenship.

If Minister Bowen is having trouble getting answers to the questions on notice from his department then perhaps it is time for him to look very closely at the senior management in his department. The question arises: is the department letting down the minister or, alternatively, is the minister letting down this parliament? No wonder we have problems in Immigration, with Minister Bowen obviously running for cover and not wanting to admit to the Australian people, by providing answers to questions that have been quite rightly asked during the estimates period, what is going on in his department.

The date set for the answering of the questions from the October supplementary hearing was 3 December 2010, some nine weeks ago. The minister and his department are well aware that this time period has well and truly expired. I do not think it comes as any surprise to anyone in this chamber that we have not received any answers at all—not one—to the 445 questions which the opposition have on notice. There is a reason for that. Despite the rhetoric that the Prime Minister of Australia has been espousing, in particular, when she took over as Prime Minister, saying that she prided herself on running a government that would maintain the highest standards of openness and transparency—what we now have, reflected in the minister’s failure to ensure that answers were provided to these questions, is a government that is running at 100 miles an hour from that statement by the Prime Minister. When Prime Minister Julia Gillard was elected, one of the promises she made to the Australian people—we can now clearly see and we will remember that this is just yet another one of her broken promises—was that she would open the windows and ‘let the sunshine in’. That was reported in the Sydney Morning Herald, on 7 September—after the election—in an article with a huge banner headline, ‘Let the sunshine in’. The article stated:

... ... ...

We will be held to higher standards of transparency and reform and it’s in that spirit that I approach the task of forming government.

One can only say that the relevant minister was not paying attention when his exulted leader was speaking. The Australian people are then entitled to ask this question: if he was not paying attention, what else has this minister failed to pay attention to? What else has this minister missed that is of critical importance to his portfolio? I remind the minister that accountability and openness in government requires those who exercise power while performing the functions of government to demonstrate in an open and practical sense that they have discharged their duty in a proper manner for the common good and in the public interest. In that regard, this minister and his department get a big fail. Perhaps the worst aspect of dealing with the former Rudd government and the current Gillard government is their lack of transparency, despite their continual rhetoric about being held to higher standards of openness and transparency. It is all rhetoric. They never had any intention of maintaining these standards. This is reflected in the response from Minister Carr today. Minister Bowen needs to understand and remember that every senator, as an elected member of the Senate, has fundamental constitutional and other rights conferred upon them which they are entitled to exercise in this chamber. One of those fundamental rights is that we are entitled to ask questions of the government. We are also entitled in asking those questions to receive considered answers to
them in a timely manner. Minister Bowen has well and truly failed the test of accountability on every possible count. When it comes to the promise of openness and transparency that they made on the record to the taxpayer, the government clearly never had any intention of keeping it.

I remind the minister that, to enable a senator—and I include those on the other side in this—to properly exercise their duty, the government should be giving them answers to the questions that they ask. It is not good enough and will never be good enough for a minister to seek to avoid answering questions as this minister has done. This is what we have seen with the answer that was provided today by Minister Carr to my question. Was I surprised by the answer that was provided? No. This government, this department and this minister have not provided any answers at all to the 445 questions that are currently on notice. I am not surprised by that. Neither would the Australian public be surprised. When it comes to the discharge of his duties under this portfolio, this minister has completely failed the Australian people. The fact is that Minister Bowen is failing to ensure that his department provides to the Senate information that it has quite rightly and quite properly requested.

I thank Senator Carr for his response. It was an honest response. He was merely delivering a message that he had received from Minister Bowen. I understand that, if Minister Carr does not have the answers to those questions, he is unable to provide them to me today. However, it is an absolute indictment on Minister Bowen that, nine weeks after the due date for answers to these questions, not even one has been answered. He has not had the courtesy to provide even one answer to the 445 questions that are outstanding.

The question that the Australian people need to be considering is this: is the department letting the minister down? If the department is letting the minister down, the minister needs to have a very good look at his department. If it is not, then the only answer is that the minister is letting this parliament down, and that is contemptuous.

Question agreed to.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Queensland Floods

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (3.50 pm)—I move:

That the Senate take note of the answer given by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to a question without notice asked by Senator Brandis today relating to the appointment of Mr Fahey as chair of the ‘reconstruction inspectorate’ to oversee rebuilding projects after the natural disasters of summer 2011.

Labor’s appointment of John Fahey to oversee its $5.6 billion rebuilding fund is the biggest vote of no confidence by a government in itself and its finance minister. Senator Conroy said in his answer that Mr Fahey was appointed to ‘get it right’. If it needs one former Liberal finance minister to administer $5.6 billion, I wonder how many it might take to administer Senator Conroy’s $43 billion NBN program? Why don’t we have a swathe of former Liberal ministers to help administer that fund? I had the great privilege of serving under Minister Fahey when he was finance minister while I was Special Minister of State. I congratulate the government on his appointment, because it has appointed a good person. But the reason that it needed to appoint a good person is that the government recognises that in its own ranks it does not have a person of the stature and capacity of Mr Fahey. That is what the government has said.
What else does the Minister for Finance and Deregulation get her ministerial loading on her salary, the big white car and all the staff for? She gets all those spoils of office because there are responsibilities that go with the office. But what she has done is said: ‘I’ll keep all the spoils of office but I’ll outsource the responsibility to former Liberal minister Fahey.’ That is a dereliction of duty that the Australian taxpayer should not have to fund. It is a dereliction of duty that the taxpayers of Australia should not have to put up with.

But then one reflects: this comes after the debacle of the border protection policy, which has blown Labor’s budget by $1.1 billion—an extra burden on the Australian taxpayer because of that bungle. Just as an aside, I wonder why we did not get a border protection levy to pay for that $1.1 billion bungle by Labor. Because it was too politically sensitive, no doubt.

Then we have the GP superclinics. Foolish me, I thought GP stood for ‘general practitioner’. We now know it stands for ‘grand pork-barelling’ superclinics. Those superclinics were designated, not courtesy of the health department, not by a health imperative, but by a political imperative. The decision was not made by the Secretary of the Department of Health and Ageing but by the federal secretary of the Labor Party, concerned about their marginal seats campaign.

We then have the cash for clunkers debacle, the green loans scandal—and so the list goes on. It is no wonder that the government has lost confidence in itself to administer anything, and that is why it has had to revert to Mr Fahey. Mr Fahey knows how to clean up a mess. He was the minister for finance who came to office after Labor had promised that the budget was in balance, if not in surplus, and of course there was a huge hole in it—billions of dollars missing. And there was debt of $93 billion owing. Mr Fahey started the task of cleaning up that mess. I have no criticism of Mr Fahey but an absolute criticism of this government’s inability to find, amongst all the men and women on its front bench—indeed, even on its back bench—somebody with the capacity to administer a $5.6 billion fund, a fund that we support, a fund that we believe is necessary, a fund that we want to have administered in a good and proper manner to ensure that the rebuilding of Queensland and other areas around Australia after the devastating floods, cyclone and bushfires can take place. But why can’t a minister, who takes the oath of office to administer these funds, actually undertake the task which she is sworn to undertake? What is so obvious here is that the minister for finance herself is not in the chamber to defend the decision. Methinks she was not even consulted.

Senator MOORE (Queensland) (3.55 pm)—Today in this place there were a range of questions, including the two that mentioned the appointment of Mr Fahey. We have seen the debate that has been carried out in the media for the last week or so continuing now in the chamber, leading up to the debate on what is going to happen around the legislation looking at the government’s response to the disasters in Queensland.

Although it is very difficult to be surprised here very often, I am surprised that there would be any consideration of a process that is being put in place to engage the whole community in response to the unprecedented—and I use that word absolutely accurately—horror in Queensland from the flood destruction. One of the processes that the government has put forward is to have a special group looking at how the disaster response will be handled. That group will engage with people in Queensland at all levels—with industry, with the kinds of groups that have been set up already—to ensure that
this response is the best it can possibly be. That is the role of government: to ensure that any response, to any action, is well thought out, well structured and, most importantly, responsive to the needs of those who are, in this case, severely disadvantaged.

One aspect of that has been to appoint a former finance minister, a man who is acknowledged as having great expertise—not just in government, because this decision looked at the kind of work Mr Fahey has done outside government, in particular the liaison he has done internationally in areas of sport and the work he has done in working with community organisations in other activities that he has succeeded most publicly in doing. I know that the opposition is very strong in saying this is by no means an attack on Mr Fahey. I accept that. However, attacking the process, attacking the decision to use this expertise, is actually saying that the government has no right to look at strategies that can be developed effectively and cooperatively and, most importantly, ensure that people see the importance of this particular process.

I know that members of the opposition have talked about other things that have cost more money—and that is true. But this particular process, the process that the government is bringing before the parliament, the $5.6 billion process, is responding to the awful circumstances that we all agree have impacted on the community in such an amazing way. Yesterday in this place we heard so many senators from across the country talking about the way what had happened in Queensland had impacted on them, the way the community had responded spontaneously to give in any way they could to be part of the solution. One of the elements of that solution will be the recovery process that has been developed by the government, while ensuring that there is the kind of openness and transparency we have just heard being put forward for an extended period of time as the way these things should occur. One of the strategies that the government is wanting to work on with all levels of government, industry and community is to engage a new group that is headed by Mr Fahey.

As to the personal attack on our minister: I know it is part of the political debate, I know that is the kind of thing that goes on in this place, but I object to it. There is no way that the personal attack on the expertise, the professionalism of our minister is part of a process that is trying to respond to a need. Everybody will have a role to play. No-one will be exempt from having some part to play in this response. Coincidentally, it is important to point out that Mr Fahey’s position is not actually working with the finance minister; it is actually working with Minister McClelland and Minister Ludwig, who has special responsibility in this area. So the way the opposition have framed their questions today—and I know we will hear more of this in days to come—actually misses the point, misses the key aspect of the strategy and in fact is an inappropriate political attack in an area where what we are trying to do as a government, hopefully with the agreement and cooperation of everybody in the parliament, is look at a special need, an horrific need. In fact, as you know, Mr Deputy President, the full cost of what is happening in Queensland has yet to be finalised. Every day more work is being done to look at the destruction and to look at the cost of rebuilding Queensland. We need to have a cooperative result.

Senator Fierravanti-Wells (New South Wales) (4.00 pm)—I rise to take note of answers by Senator Conroy to Senator Brandis. This is all about Labor being not able to control its waste. It has taken the appointment of a Liberal to address Labor’s waste and mismanagement of precious taxpayers’ dollars. If it has to do that for the
disaster recovery process, why not keep going? Why not appoint Liberals to control waste in other portfolios? By putting in place this body to oversee flood and storm spending, Labor has accepted that the public does not believe that they can be trusted with money. You do not need a second bureaucracy to ensure the first bureaucracy spends money wisely. The fact that the government has resorted to going down this path shows that it cannot be trusted.

Senator Abetz referred to some of the debacles in government. You only have to look at the debacle with Fuelwatch, the debacle with childcare centres, the great big mining tax and the GP superclinics. In estimates, the officials told us that there was no criteria. When we pressed them and asked what criteria they used to determine where they would put the GP superclinics—blank, no answer. What the government did was pretty obvious. Now it has come out that the political process was to put the superclinics in its marginal seats. Of course, we knew that at the time but finally it has come out. It is little wonder that it has gone down that process.

Following on from Senator Abetz’s comments, the appointment of John Fahey is a good one. I had the privilege to work for John, when he was Premier, as his senior private secretary from 1993 to 1994 at a time when it was very difficult in minority government in New South Wales. They were difficult times and Mr Fahey certainly had to deal with a lot of problems on a daily basis. I know that he brings good experience and will be well placed, no doubt, to attack the many problems and the many issues that he is going to uncover about Labor’s messes.

But let us look at potential alternatives to Mr Fahey. I went back and looked at the former Labor finance ministers—I notice that we went to a Liberal finance minister as opposed to the Labor ranks. We had Mr John Dawkins, who was Treasurer in the Keating Labor government for a couple of years; we had Ralph Willis, a former finance minister; we had Lindsay Tanner, but I think the wounds are still too raw for Mr Tanner to have been considered. Of course there was Peter Walsh. I went back and got a copy of Peter Walsh’s book Confessions of a Failed Finance Minister—obviously that is a difficulty that finance ministers have. I found this very interesting quote, which probably explains why the government did not appoint one of its own. He talks about his endorsement for the Senate and he states:

The simple country boy I then was believed that ministers in the Labor government must be more competent and astute than I could ever hope to be. Eventually that belief changed.

Some of the reasons can be found in the following chapters. His book makes very interesting reading.

When you look at Minister Wong—and Senator Moore takes exception because we are attacking the minister—the last time I looked at her responsibilities they included government financial accountability, governance and financial management frameworks, including procurement policy and services. That is interesting because when you look at the role that Mr Fahey now has to exercise, it is funny that he seems to have had subcontracted to him the very work that Minister Wong herself should be doing. That is what this is really all about—the incompetence of this minister. The government is so incompetent that it cannot do it in-house. It has to subcontract it out. We have Minister Conroy lauding that there are going to be other people who will be involved in this process. He had the audacity to refer to Mr Orgill. How much did he learn after he told us that we got value for money in the BER wasteful and disgraceful program?
Senator MARK BISHOP (Western Australia) (4.05 pm)—At the outset I must say that this is one of the most remarkably illogical debates that I have ever had the duty to participate in. Somehow or other, because the government chooses to appoint a particular person who was in their former life a minister for finance and a former Premier and who has had a very senior involvement in both the community sector and the private sector since his life in parliament, the government is at fault and the Minister for Finance and Deregulation in the government, who does not have portfolio responsibility or any involvement in the administration of the reconstruction efforts in Queensland and other places because they are administered by Senator Ludwig—the special minister for the purpose—and Minister McClelland in the other place, is somehow or other to be treated with disrespect and the government is said to have no confidence in her and that she has no role apart from that of finance minister.

In fact, this is not a vote of no confidence in the government; it is not a vote of no confidence in Minister Wong. The appointment of Mr Fahey and several other very senior men and women from across the board to the committee overseeing reconstruction spending and reporting to Minister Ludwig and Mr McClelland, who then report to cabinet and the Prime Minister, demonstrates the government’s desire to have full and proper scrutiny, serious levels of accountability and serious levels of responsibility in the disbursement of public funds and its determination to see that that scrutiny, accountability and responsibility in respect of public spending is carried out properly, with full and open transparency in the administration of those funds.

In that context, what are we discussing? We are discussing, as was suggested several times during question time, the most serious national disaster at least for 30 years and arguably longer. The government, in administering its part of the recovery, is properly focused on its two most important roles. Firstly, in an overall sense it has to maintain sound administration of public finance in this country by insisting upon a return to budget surplus, not dropping the ball at the first opportunity when difficult issues arise or difficult questions have to be answered but sticking to its economic plan of returning to budget surplus so that we will have sound fiscal and financial administration in this country. Secondly, the government is making some small contribution to the reconstruction in Queensland, particularly Brisbane and Far North Queensland and other areas we have all seen on TV in recent days. They have been subject to varying degrees of ongoing natural disaster. So, we have to focus on a budget surplus and on reconstruction.

Senator Abetz in his opening remarks made much of Minister Wong’s alleged abdication and dereliction of her responsibility. Mr Fahey, as previous speakers on this side have said, is most experienced. But there is not just him; it is a group of five very senior people from the private sector, from large corporations and companies involved in logistics and in the movement of people and goods. They have been asked to volunteer their time, to give of their skills, to assist those who are in need through no fault of their own. Mr Fahey, acknowledged as a former senior member of previous governments, has a role in that. The government would be silly and also churlish if it did not respect the fact that in a whole range of areas, whether they be flood mitigation or reconstruction efforts, there are people who, irrespective of their politics or their background, have particular skills and capabilities and they can assist the government to help the people of Queensland get on with their lives.
In some respects this is no different to a range of committees being established. Today we have had briefings from five or six senior people who are part of a government inquiry—(Time expired)

Senator PAYNE (New South Wales) (4.10 pm)—There is one issue upon which the opposition and the government senators are in heated agreement and that is the eminent qualifications of John Fahey for the role to which he has been appointed. That is not currently in dispute. I feel like I am living in a parallel universe, listening to some of the things that have come from members of the government in this discussion, and our incredulity comes from the fact that we are apparently governed—and I use the word loosely—by a federal government that feels the need to appoint what is charmingly titled an Australian Government Reconstruction Inspectorate. I challenge anyone to find something that edifying in the pages of George Orwell, quite frankly.

The role of the Reconstruction Inspectorate is, to quote from the Prime Minister’s statement of Monday of this week, to increase the scrutiny and accountability of rebuilding projects. The tasks that the inspectorate will undertake include scrutinising rebuilding contracts; directly inspecting projects to ensure they are meeting progress milestones—I do have a mental picture of Mr Fahey and Mr Orgill and Ms Beauchamp and Mr Albrecht and Mr Sheerin in gumboots, or whatever required footwear is available, physically inspecting reconstruction projects; investigating complaints or issues raised by the public; working directly with state reconstruction agencies to develop contractual frameworks, tendering processes and project management systems; scrutinising requests for reimbursement by local government for projects completed for the purposes of reconstruction; and examining high-value or complex projects prior to execution.

They are the tasks of this so-called inspectorate. Quite frankly, this begs the question: what is the government itself doing? What is the role of the Commonwealth bureaucracy in this nation in 2011? We saw what its role was in 2010—we have lived through pink batts and we have lived through the fires in roofs, and we have lived through the BER; we have seen all of that. Is there nothing to be learned from those processes within the Commonwealth bureaucracy? Senator Bishop tells us that we have in fact been speaking about the wrong minister here today—he says it is not a reflection on the finance minister; apparently it is a reflection on Senator Ludwig and Mr McClelland because they are the responsible ministers and their departments are the responsible departments. Two of them. It is absolutely mind blowing that we need a Reconstruction Inspectorate to do the job of scrutiny that the Commonwealth is charged with itself.

Senator Bishop said this afternoon that this is about full and proper scrutiny. I believe he also used the word ‘transparency’. He said it is about serious levels of accountability and about serious levels of responsibility in the disbursement of government funds. Well what does a government do if it cannot do that job? I think the answer is in the silence. The answer is that if the government is not competent to do that, it is not competent to govern. The appointment of this committee is an important decision by government. It is an interesting admission that the government cannot manage its own business. Is the issue that with Ken Henry leaving everyone with an audit capacity is going too? What is actually going on within the structure of the system that means we need this sort of operation? I would have thought that the Australian people would have a reasonable expectation that their government is capable of managing this process.
I, along with every other speaker—in my case, a particular long-term awareness of and great admiration for the capacity of former Premier of New South Wales and former federal finance minister John Fahey—would commend the appointment of John Fahey. There is no question about that, or the appointment to any role to which he wished to turn his hand. But the admission by government that it is not capable of doing this job itself is breathtaking. It is the sort of admission that should stop the presses. It is the sort of admission that should make the Australian people stand still and say, ‘What is going on? What do we expect from the Commonwealth government, the Commonwealth bureaucracy, if they are not capable of dealing with this very, very important initiative themselves?’ The answer is: they got the wrong government.

Question agreed to.

PETITIONS

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

WikiLeaks
To the Honourable President and Members of the Senate in Parliament assembled:

The Petition of the undersigned shows:
1. That Mr Julian Assange is an Australian Citizen.
2. That on 2nd December 2010 the Prime Minister stated that the publishing of certain information on the WikiLeaks website by Mr Assange was “An illegal thing to do”.
3. That the Attorney-General of Australia has stated that he has considered the cancellation of Mr Assange’s Australian Passport.
4. United States Politician, Ms Sarah Palin, has called for Mr Assange to be “hunted down”.
5. Mr Tom Flanagan, Senior Advisor to the Canadian Prime Minister has, on public television, called for Mr Assange’s assassination.

Your petitioner requests that the Senate:
1. Call upon the Prime Minister to explain to the Senate the basis for her allegation against a fellow Australian citizen that he is a criminal.
2. Call upon the Attorney-General to state to the Senate whether he received any request for the cancellation of Mr Assange’s Australian Passport pursuant to the Australian Passports Act.
3. Call upon the Minister for Foreign Affairs to summon the Ambassador for from the United States of America to Australia and demarche condemning the comments of Ms Palin.
4. Call upon the Minister for Foreign Affairs to summon the Canadian High Commissioner to Australia and demarche condemning the comments of Mr Flanagan.
5. Call upon the Governor-General of Australia to provide such protection and assistance to Mr Assange as to which he may stand in need.

by Senator Ludlam (from one citizen)

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

The petition of the undersigned shows:

Support for the Coalition’s move to amend the Independent Youth Allowance eligibility criteria to include students from inner-regional areas.

Your petitioners ask that the Senate:

Pass the Social Security Amendment (Income Support for Regional Students) Bill 2010.

by Senator Nash (from 210 citizens)

Petitions received.
Senator Chris Evans to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Higher Education Support Act 2003, and for related purposes. Higher Education Support Amendment (No. 1) Bill 2011.

Senator Cormann to move on the next day of sitting:

That the Senate—

(a) notes:

(i) the response by the Chairman of the Productivity Commission to an order of the Senate seeking a report by the Commission on the design of a process for the selection and ongoing review of the superannuation funds, which was agreed to by the Senate on 16 November 2010,

(ii) that in a letter to the Clerk of the Senate the Chairman of the Productivity Commission expressed the view that in his understanding ‘such a report would need to be commissioned by the Assistant Treasurer’,

(iii) that like the Australian Information Commissioner, the Chairman of the Productivity Commission appears to have confused a legitimate order of a House of the Australian Parliament for the production of a document, with a request to perform a specific function under his enabling statute, and

(iv) with increasing concern this recently emerging trend of statutory agencies established by the Parliament failing to understand valid orders of the Senate and thereby threatening to interfere with the free exercise by the Senate of its authority and functions;

(b) advises the Productivity Commissioner as follows:

(i) that under section 49 of the Constitution the Senate has the undisputed power to order the production of documents necessary for its information, a power which encompasses documents already in existence and documents required to be created for the purpose of complying with the order,

(ii) this power may be modified only by express statutory declaration, as required by section 49 of the Constitution,

(iii) nothing in the Productivity Commission Act 1998 is expressed as a declaration for the purpose of section 49 that would have the effect of limiting the exercise of the power by the Houses of the Commonwealth Parliament in respect of the Productivity Commission,

(iv) multiple resolutions of the Senate affirm the principle that information may be withheld from it only following consideration by the Senate of a properly founded claim of public interest immunity, and

(v) the Senate has on numerous occasions exercised its power to require statutory agencies and officers to produce information in response to orders; and

(c) again orders the Productivity Commission to provide the report requested by the Senate consistent with its order agreed to on 16 November 2010.

Senator Moore to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) 8 December 2010 was the 35th anniversary of the first official broadcast of community radio station 4ZZZ-FM from studios at the University of Queensland,

(ii) 4ZZZ was the first FM stereo radio station in Queensland, the first community broadcaster in Australia with journalists accredited by the then Australian Journalists Association and the first mass-audience format community broadcaster in Australia, and

(iii) 4ZZZ has provided, and continues to provide, an important means of exposure for many Brisbane musicians and
artists and an important independent local outlet for information and news;
(b) congratulates all those involved in establishing and maintaining this pioneering community-based radio station now broadcasting from studios in Fortitude Valley in Brisbane; and
(c) expresses support for the ongoing development of community broadcasting in Australia as an important component in ensuring the community has access to a diverse and adequate range of information and entertainment.

Senator Colbeck to move on the next day of sitting:
That the Senate—
(a) recognises:
(i) the important, unique and successful service provided by Sisters of Charity Outreach to the Devonport community, and
(ii) the strong desire of the Devonport and wider communities to retain this vital mental health service;
(b) seeks that:
(i) the Prime Minister (Ms Gillard) meet her promise that a re-elected Labor Government would make mental health a priority, and
(ii) the Government re-consider its decision not to extend funding for the Sisters of Charity Outreach service beyond the current 4-year period; and
(c) calls on the Government to provide $1.25 million over 3 years for this vital north-west Tasmanian health service.

Senator Xenophon to move on the next day of sitting:
That the Senate—
(a) notes that:
(i) the Government has initiated a feasibility study into full account portability, due for completion by 30 June 2011, examining options that will make it easier for Australians to find a better banking deal, and
(ii) the inquiry of the Economics References Committee into competition within the Australian banking sector has heard substantial evidence that Australians are frustrated by the difficulties of switching their transaction accounts to get a better banking deal;
(b) recognises that simple steps making it easier for Australians to switch banks can be taken immediately, allowing consumers to save money through a better deal without delay; and
(c) calls on the Government to support steps requiring banks to provide a simple, single-form, one-step process for customers to move their transaction accounts to the bank of their choice, including all debits and credits.

Senators Xenophon, Colbeck and Milne to move on the next day of sitting:
That the following matter be referred to the Economics References Committee for inquiry and report by 15 April 2011:
The impact on the Australian dairy industry supply chain by the recent decision by Coles supermarket (followed by Woolworths, Aldi and Franklins) to heavily discount the price of milk (to $1 per litre) and other dairy products on the Australian dairy industry, with particular reference to:
(a) wholesale milk prices;
(b) the decrease in Australian production of milk from 11 billion litres in 2004 to 9 billion litres in 2011, of which only 25 per cent is drinking milk;
(c) whether such a price reduction is anti-competitive;
(d) the suitability of the framework contained in the Horticulture Code of Conduct to the Australian dairy industry;
(e) the recommendations of the 2010 Economics References Committee report, Milking it for all it’s worth – competition and pricing in the Australian dairy industry and how these have progressed;
(f) the need for any legislative amendments; and

(g) any other related matters.

Senator Xenophon to move on the next day of sitting:

That the following matter be referred to the Rural Affairs and Transport References Committee for inquiry and report by 15 April 2011:

The impact of the decision by the South Australian Government to forward-sell the state’s $2.8 billion timber assets on the state’s economy, timber industry and on jobs and any other broader impacts, with particular reference to:

(a) the likelihood of regional job losses;

(b) the flow-on effects to communities in timber-reliant regions;

(c) the potential for the private buyer not to consider local impacts;

(d) the potential for reduced value-adding locally and increased off-shoring; and

(e) any other related matters.

Senator Hanson-Young to move on the next day of sitting:

That the Senate—

(a) notes:

(i) the increase in incitement and acts of homophobic violence in Uganda in recent months, and

(ii) in particular, the murder of leading gay rights activist, Mr David Kato;

(b) recognises:

(i) the Ugandan Government’s Anti-Homosexuality Bill, introduced on 14 October 2009, seeks to criminalise homosexuality and impose the death penalty on HIV positive people who have sex, and

(ii) that some media outlets in Uganda are actively encouraging the killing of homosexuals; and

(c) calls on the Federal Government to condemn homophobic violence in Uganda and moves to criminalise homosexuality.

Senator Milne to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) the Cooper Review into superannuation in 2010 recommended that private investment in art no longer be eligible investments for do-it-yourself (DIY) superannuation schemes,

(ii) after a strong campaign by artists concerned that the local art market would be seriously damaged by this move, the Government promised during the 2010 election campaign to reject this recommendation, and

(iii) the Government is now proposing to go back on that election commitment by strictly limiting the conditions under which private art purchases are eligible investments for DIY superannuation; and

(b) calls on the Government to:

(i) abide by its election promise, and

(ii) ensure that any conditions do not act as a disincentive for DIY superannuation funds to invest in Australian art.

Senator Milne to move on the next day of sitting:

That the Senate—

(a) notes:

(i) the move by Coles and Woolworths to significantly discount the price of home brand milk, and

(ii) the difficulties faced by the dairy industry across the country in part because of the duopoly of Coles and Woolworths over a long period of time;

(b) recalls the tripartite recommendations from the relevant 2010 Senate committee reports to seriously examine marketplace activities which impact adversely on the dairy industry;

(c) notes that section 49 of the Trade Practices Act 1974 pertaining to anti-price discrimination measures was removed; and
(d) calls on the Government to reinstate an anti-price discrimination provision in the *Competition and Consumer Act 2010*.

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

That the Senate—

(a) promotes the increased representation of women in national parliaments in the interest of gender equality and women’s empowerment, as reflected in the Millennium Development Goals;

(b) agrees that women are under-represented in almost all national parliaments around the world;

(c) accepts that the advancement of women raises the status and value of women in society and their work;

(d) supports the participation of women in democratic institutions to improve political and policy outcomes;

(e) backs efforts to improve women’s access to parliamentary life; and

(f) congratulates the Government of Papua New Guinea (PNG) for championing efforts to increase the number of women elected to the PNG Parliament.

**Senator Scullion** to move on the next day of sitting:

That Senator Scullion shall introduce the following bill: Wild Rivers (Environmental Management) Bill 2010.

**Senator Siewert** to move on the next day of sitting:

That the time for the presentation of the report of the Community Affairs References Committee on the Commonwealth contribution to former forced adoption policies be extended to 30 June 2011.

**Withdrawal**

**Senator FIFIELD** (Victoria)—Manager of Opposition Business in the Senate (4.16 pm)—Mr Deputy President, I withdraw general business notice of motion No. 145.

**Senator SIEWERT** (Western Australia) (4.16 pm)—Mr Deputy President, at the request of Senator Bob Brown, I withdraw general business notices of motion Nos 94 and 144.

**Senator PARRY** (Tasmania) (4.16 pm)—Mr Deputy President, at the request of Senators Heffernan, Coonan, Xenophon and Siewert, I withdraw general business notice of motion No. 3.

**Postponement**

The following items of business were postponed:

Business of the Senate notice of motion no. 1 standing in the names of Senators Fisher and Ludlam for today, proposing a reference to the Environment and Communications References Committee, postponed till 10 February 2011.

Business of the Senate notice of motion no. 2 standing in the name of Senator Fierravanti-Wells for today, proposing the disallowance of the Health Insurance (Eligible Collection Centres) Approval Principles 2010, postponed till 2 March 2011.

General business notice of motion no. 132 standing in the name of Senator Mason for today, relating to the consideration of legislation, postponed till 3 March 2011.

General business notice of motion no. 149 standing in the name of Senator Fisher for today, proposing an order for the production of a document by the Australian Information Commissioner, postponed till 2 March 2011.

General business notice of motion no. 151 standing in the name of Senator Siewert for today, proposing the introduction of the Native Title Amendment (Reform) Bill 2010, postponed till 1 March 2011.

**LEAVE OF ABSENCE**

**Senator McEWEN** (South Australia) (4.17 pm)—by leave—I move:
That leave of absence be granted to Senator Evans for the period 9 and 10 February 2011, for personal reasons.

Question agreed to.

COMMITTEES

Legal and Constitutional Affairs
References Committee

Reference

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.18 pm)—I move:

(1) That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 11 May 2011:

   The provisions of the Water Act 2007 (the Act), with particular reference to the direction it provides for the development of a Basin Plan, including:

   (a) any ambiguities or constraints in the Act which would prevent a Basin Plan from being developed on an equally weighted consideration of economic, social and environmental factors;

   (b) the differences in legal interpretations of the Act;

   (c) the constitutional power of the Commonwealth to legislate in the area of water;

   (d) the role of relevant international agreements and the effect of those on the parts of the Act which direct the Basin Plan to give effect to those agreements and their effect on the Act more generally;

   (e) any amendments that would be required to ensure that economic, social and environmental factors are given equally weighted consideration in developing the Basin Plan; and

   (f) any other related matter.

(2) That in conducting its inquiry, the committee should consult those with particular legal expertise in the area of water.

Question put.

The Senate divided. [4.23 pm] (The President—Senator the Hon. JJ Hogg)

Ayes…………… 36
Noes…………… 34
Majority……… 2

AYES
Adams, J. Back, C.J.
Barnett, G. Bernardi, C.
Boswell, R.L.D. Boyce, S.
Brandis, G.H. Bushby, D.C.
Cash, M.C. Colbeck, R.
Coonan, H.L. Cormann, M.H.P.
Eggleston, A. Ferguson, A.B.
Fielding, S. Fierravanti-Wells, C.
 Fifield, M.P. Fisher, M.J.
Heffernan, W. Johnston, D.
Joyce, B. Kroger, H.
Macdonald, I. Mason, B.J.
McGauran, J.J. Minchin, N.H.
Nash, F. Parry, S. *
Payne, M.A. Ronaldson, M.
Ryan, S.M. Scullion, N.G.
Troeth, J.M. Trood, R.B.
Williams, J.R. Xenophon, N.

NOES
Arbib, M.V. Bilyk, C.L.
Bishop, T.M. Brown, B.J.
Brown, C.L. Cameron, D.N.
Collins, J. Conroy, S.M.
Crossin, P.M. Farrell, D.E.
Faulkner, J.P. Feeney, D.
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. McGurk, J.E.
Milne, C. Moore, C.
O’Brien, K.W.K. Polley, H.
Pratt, L.C. Sherry, N.J.
Siewert, R. * Stephens, U.
Sterle, G. Wortley, D.

PAIRS
Wong, P. Abetz, E.
Evans, C.V. Birmingham, S.
Carr, K.J.  Humphries, G.  
* denotes teller  

Question agreed to.  

**Economics References Committee**  
Reference  
Senator STEPHENS (New South Wales)  
(4.25 pm)—I move: 
That the following matter be referred to the Economics References Committee for inquiry and report by 31 October 2011: 
Mechanisms and options for the development of a robust capital market for social economy organisations in Australia, including:  
(a) the types of finance and credit options available to not-for-profit organisations, social enterprises and social businesses, the needs of the sector and international approaches;  
(b) the role and current activity of financial intermediary organisations and how these can be strengthened;  
(c) strengthening diversity in social business models;  
(d) the development of appropriate wholesale and retail financial products and services;  
(e) government actions that would support the potential for social economy organisations involved in the delivery of government services to access capital markets;  
(f) incentives to support investment in the sector;  
(g) making better use of the sector’s own financial capacity, including practices relating to purchasing of products and services and use of reserve capital;  
(h) making better use of the corpus of philanthropic foundations and trusts to make investments in Australia’s social economy organisations, expand socially responsible investments and impact investments and any current barrier to their investment;  
(i) policies, practices and strategies that affect the availability of capital markets for social economy organisations on social innovation, productivity, growth and workforce issues in these sectors; and  
(j) any other related matters.  
Question agreed to.  

**Foreign Affairs, Defence and Trade References Committee**  
Reference  
Senator LUDLAM (Western Australia)  
(4.26 pm)—I, and also on behalf of Senator Kroger, move: 
That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 30 November 2011: 
Procurement procedures for items identified in the Defence White Paper, *Defending Australia in the Asia Pacific Century: Force 2030*, and, in particular:  
(a) assess the procurement procedures utilised for major defence capital projects currently underway or foreshadowed in the Defence White Paper, including the operations of the Capability Development Group and its relevant subcommittees;  
(b) assess the timeline proposed for defence modernisation and procurement outlined in the Defence White Paper;  
(c) assess proposals arising from the Defence accountability reviews, including the Mortimer Review, the Pappas Review and the McKinsey Report (2010), in regard to enhancing accountability and disclosure for defence procurement; and  
(d) make recommendations for enhancing the availability of public information and parliamentary oversight and scrutiny of defence procurement in the context of guaranteed 3 per cent real growth in the Defence budget until 2017-18.  
Question agreed to.

**Corporations and Financial Services Committee**  
Meeting  
Senator PARRY (Tasmania) (4.26 pm)—At the request of the Deputy Chair of the
Parliamentary Joint Committee on Corporations and Financial Services, Senator Boyce, I move:

That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 10 February 2011, from 11.30 am.

Question agreed to.

Economics References Committee
Meeting
Senator PARRY (Tasmania) (4.26 pm)—At the request of the Chair of the Economics References Committee, Senator Bushby, I move:

That the Economics References Committee be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 9 February 2011, from 6 pm, to take evidence for the committee’s inquiries into competition within the Australian banking sector and the amendments proposed by Senator Cormann on sheet 7010 [Tax Laws Amendment (2010 Measures No. 4) Bill 2010].

Question agreed to.

Education, Employment and Workplace Relations References Committee
Extension of Time
Senator PARRY (Tasmania) (4.26 pm)—At the request of the Chair of the Education, Employment and Workplace Relations References Committee, Senator Back, I move:

That the time for the presentation of reports of the Education, Employment and Workplace Relations References Committee be extended as follows:

(a) Industry Skills Councils—to 23 March 2011; and
(b) Primary Schools for the 21st Century program—to 24 March 2011.

Question agreed to.

Community Affairs Legislation Committee
Extension of Time
Senator McEWEN (South Australia) (4.27 pm)—At the request of the Chair of the Community Affairs Legislation Committee, Senator Moore, I move:

That the time for the presentation of the report of the Community Affairs Legislation Committee on the Food Standards Amendment (Truth in Labelling—Palm Oil) Bill 2010 be extended to 16 June 2011.

Question agreed to.

Economics Legislation Committee
Meeting
Senator McEWEN (South Australia) (4.27 pm)—At the request of the Chair of the Economics Legislation Committee, Senator Hurley, I move:

That the Economics Legislation Committee be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate on Thursday, 10 February, Thursday, 3 March and Thursday, 24 March 2011, from 3 pm to 4 pm.

Question agreed to.

Public Accounts and Audit Committee
Meeting
Senator McEWEN (South Australia) (4.27 pm)—At the request of Senator Bishop, I move:
That the Joint Committee of Public Accounts and Audit be authorised to hold public meetings during the sittings of the Senate as follows:

(a) from 10 am to 1.30 pm on Monday, 28 February 2011 to take evidence for the committee’s inquiry into the review of the Defence major projects report; and

(b) from 11 am to 1 pm on Wednesday, 2 March and Wednesday, 23 March 2011, and from 10 am to 1.30 pm on Monday, 21 March 2011 to take evidence for the committee’s inquiry into the review of Auditor-General’s reports.

Question agreed to.

Legal and Constitutional Affairs Legislation Committee

Extension of Time

Senator McEWEN (South Australia) (4.27 pm)—At the request of the Chair of the Legal and Constitutional Affairs Legislation Committee, 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 Sex and Age Discrimination Legislation Amendment Bill 2010 be extended to 22 March 2011.

Question agreed to.

BUILDING THE EDUCATION REVOLUTION PROGRAM: LEGAL ADVICE

Order

Senator BACK (Western Australia) (4.27 pm)—I move:

That the Senate—

(a) notes that:

(i) the Australian Government has entered into separate bilateral agreements with the states and territories and with Block Grant Authorities (BGAs) in relation to the expenditure of funding granted under the Building the Education Revolution (BER) program,

(ii) the language in the agreements with the states and territories differs from the language in the agreements with the BGAs with respect to the Australian Government’s ability to withhold, suspend or recover monies in the event that the funding is not expended for the purposes of the program and in accordance with the BER Guidelines, and

(iii) the Minister for Tertiary Education, Skills, Jobs and Workplace Relations indicated at a Senate estimates hearing in October 2010 that the Commonwealth has obtained legal advice that confirms that, notwithstanding the differences in language in the agreements, under each of the two types of agreements the Commonwealth has the power to withhold or recover monies; and

(b) orders that there be laid on the table by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, no later than 4 pm on Thursday, 10 February 2011, a copy of the legal advice relied on by the Government to reach this conclusion.

Question agreed to.

WATER ACT 2007

Order

Senator JOYCE (Queensland—Leader of the Nationals in the Senate) (4.28 pm)—I move:

That the Senate—

(a) notes:

(i) the conflicting and confusing positions of the Labor Government in regards to the legal interpretation of the Water Act 2007,

(ii) that the Minister for Sustainability, Environment, Water, Population and Communities tabled legal advice from the Australian Government Solicitor in the House of Representatives on 25 October 2010 stating that, ‘The nature of the decision-making in relation to the Plan involves the application of broad concepts and there is therefore scope for the consideration of how economic,
social and environmental outcomes should be optimised;

(iii) that the Chairman of the Murray-Darling Basin Authority, Mr Mike Taylor, responded by stating that this advice disagrees with previous advice the Authority had received stating, ‘... clearly the advice we’d had to date had indicated that we were obliged to meet the requirements of adhering to international agreement, and ensuring that we met the environmental flows required to maintain and restore key environmental assets and key ecosystems, and that it was not subject to social and economic impacts’, and

(iv) that, in a statement on 26 October 2010, the Authority revealed that this advice had come from the Minister’s Department of Sustainability, Environment, Water, Population and Communities, in close consultation with the Australian Government Solicitor for legal interpretation; and

(b) resolves that, to clear up the confusion on the legal interpretation, and the consequent effect that is having on the prospects for jobs and investment in Basin communities, there be laid on the table by the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, no later than Thursday, 10 February 2011, all the advice that the Department of Sustainability, Environment, Water, Population and Communities, the Murray-Darling Basin Authority, the Minister’s office and the Australian Government Solicitor have received or provided on this matter.

Notice of motion altered on 1 February 2011 pursuant to standing order 77.

Question agreed to.

WHITE RIBBON DAY

Senator LUDLAM (Western Australia) (4.29 pm)—I move:

That the Senate—

(a) notes that:

(i) 25 November is designated by the United Nations as International Day for the Elimination of Violence Against Women, and that the white ribbon is the symbol for this day,

(ii) around Australia on 25 November, thousands of men and women will be wearing a white ribbon to show their support for this cause and taking an oath never to commit, excuse or remain silent about violence against women, and

(iii) White Ribbon Day aims to build cultural change around the issue of violence against women through education and by promoting a culture of non-violence and respect, particularly among men and boys;

(b) recognises that:

(i) violence against women remains the most widespread human rights abuse in the world – one in three Australian women has experienced violence, and one in five Australian women will experience sexual assault,

(ii) violence against women occurs in many forms, including domestic violence, general assault, homicide, femicide, rape and sexual assault, homophobic violence, genital mutilation, enforced prostitution, motherhood and abortion and elder abuse, and

(iii) violence against women and their children was estimated to cost the Australian economy approximately $13.6 billion in 2008-09 and, without a reduction in current rates, will cost the economy an estimated $15.6 billion by 2021-22; and

(c) commits itself to:

(i) supporting the White Ribbon Day campaign,

(ii) the elimination of violence against women, and

(iii) a zero tolerance approach to all violence in our communities.

Question agreed to.
NOTICES
Withdrawal

Senator LUDLAM (Western Australia) (4.29 pm)—Mr Deputy President, I withdraw general business notice of motion No. 148 standing in my name relating to peace negotiations in the Philippines.

MURRAY-DARLING BASIN

Senator HANSON-YOUNG (South Australia) (4.30 pm)—I move:

That the Senate calls on the Government to request the Murray-Darling Basin Authority to agree to produce the modelling for the socio-economic impacts of the sustainable diversion limit scenarios of 5,000, 6,000 and 7,600 gigalitres of water to the basin.

Question put.
The Senate divided. [4.34 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. Arbib, M.V.
Bernardi, C. Bilyk, C.L.
Boswell, R.L.D. Brown, C.L.
Cameron, D.N. Cash, M.C.
Coonan, H.L. Cormann, M.H.P.
Crossin, P.M. Eggleston, A.
Faulkner, J.P. Feeney, D.
Ferguson, A.B. Fielding, S.
Fifield, M.P. Hurley, A.
Johnston, D. Joyce, B.
Ludwig, J.W. Lundy, K.A.
McEwen, A. Mcauran, J.J.J.
McLucas, J.E. Moore, C.
Nash, F. O’Brien, K.W.K.
Parry, S. Polley, H.

Question negatived.

LOWER LAKES, SOUTH AUSTRALIA

Senator HANSON-YOUNG (South Australia) (4.37 pm)—I move:

That the Senate—

(a) notes that:
(i) the bund at Narrung in South Australia is having a negative impact on the Lower Lakes and, in particular, the Lake Albert community, by restricting fresh water flow, and
(ii) the Lower Lakes community wishes to have the bund removed as an urgent priority;

(b) recognises that:
(i) the community was advised by the South Australian Government at the time the bund was constructed that it was a short-term measure and that the Federal Government would provide funding to facilitate its removal, and
(ii) 3 years on, the bund has still not been removed; and

(c) calls on the Minister for Sustainability, Environment, Water, Population and Communities immediately to investigate this matter.

Question agreed to.

SIEV221

Senator HANSON-YOUNG (South Australia) (4.38 pm)—I move:

That the Senate—

(a) notes the tragic events surrounding Suspected Illegal Entry Vessel 221, which saw the drowning of 30 asylum seekers off the coast of Christmas Island on 15 December 2010;

(b) recognises the impact that this tragedy has had on the community as a whole and, in particular, the community of Christmas Island; and
(c) expresses sympathy and conveys its condolences to the friends and family in Australia and abroad of those who lost their lives.

Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator HANSON-YOUNG—I note that this motion is in relation to the tragedy off the coast of Christmas Island the week before Christmas where at least 30 people died and 42 people were rescued. Of course, we do not know the final number of people who perished as part of that incident. The reports are that upwards of 60 people could have died.

I also note that, while importantly and deservedly yesterday we had a lot of time in this chamber put aside for condolences on the natural disasters and the death of an Australian soldier in Afghanistan, it would have been a good idea for the government to schedule some time for us to move an official condolence motion on this tragedy as well. I find it disappointing that the government did not. I hope that all sides of the chamber will support this motion but I would like it noted that I think a formal condolence motion included in yesterday’s list would have been appropriate.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry) (4.40 pm)—I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator LUDWIG—The government supports this motion. I rise today to acknowledge the terrible tragedy that occurred on 15 December last year when the vessel known as SIEV221 succumbed to very rough seas and sank just off the coast of Christmas Island. At least 30 people died that day, along with an unknown number who are missing and presumed dead. Remarkably, and owing to the bravery of the Border Protection Command and Christmas Island residents themselves, 42 people survived the wreck—41 who were rescued from the water and one man who managed to swim ashore. Today, with great sadness and respect, we acknowledge the men, women and children who lost their lives in this tragic accident, express our sincere sympathy and condolences to their families and friends and pay tribute to the courageous men and women who assisted with the rescue efforts. I thank the Senate.

Senator CASH (Western Australia) (4.41 pm)—I seek leave to make a short statement.

The DEPUTY PRESIDENT—Leave is granted for two minutes.

Senator CASH—The opposition too supports this motion. What occurred off the coast of Christmas Island on 15 December 2010 was a human tragedy. However, as we reflect on the loss of life it is also incumbent upon us as legislators to ask why it occurred and what these people actually died for. Unfortunately, we do know what the answer to that question is. They died for a shipwrecked promise sold by people smugglers. On that point we need to be very clear. The people who sent these poor souls to their death were criminal people smugglers and we should be doing what is within our power to end this evil trade.

SIEV221 was the 200th boat to arrive in Australian waters after the Labor government, under the guise of compassion, began unravelling the tough border protection measures it inherited from the previous government in August 2008. When Labor came to government only four unauthorised boat people were in detention and there had been only 10 boats in six years. There are now more than 7,000 people from unlawful boat
arrivals in Australia’s overstretched and unsustainable detention network and more than 1,000 children are included in that number. As well as those who died on SIEV221, there have been well-founded reports of a further 170 deaths of people trying to reach Australia over the open sea since August 2008.

People smugglers must be denied a product to sell, which will stop people from getting on the boats. Until the government admits to its failures, we will continue to count the costs. We mourn those who perished that fateful day and we are ever thankful that lives were saved. Our greatest hope is that we do not have to stand here in this place to mourn again.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Flood Levy

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

The Gillard Government’s continued mismanagement of public finances and intention to compound cost of living pressures on families by introducing a new income tax levy.

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—

Senator CORMANN (Western Australia) (4.43 pm)—The government have a terrible track record when it comes to the management of our public finances. They are big spenders. As they are big spenders that is why they have to come up with one new tax hike after another. They have a track record of waste, mismanagement and incompetence, which is why they are unable to pursue genuine tax reform focused on simpler, fairer and lower taxes. Ad hoc tax grabs from an ad hoc incompetent government—that is what we have experienced under this Labor administration over the last three years.

We have been given all these reasons as to why one tax hike after another is justified. Whenever Labor see a problem they think the only solution to address the problem or challenge is yet another tax. It is important for us to remember that this Labor government’s mismanagement of our public finances started from the word go. It did not start with the global financial crisis, as the Labor government so very often want us to believe.

I remind the chamber and people across Australia that in their first budget Labor increased taxes by a staggering $20 billion and increased net spending by $15 billion. This is a government which inherited from the Howard-Costello government a very strong fiscal position. They inherited no government net debt. They inherited a government with $45 billion in the bank. They inherited a government with a $20 billion surplus.

But since then what have we experienced? We have experienced three successive deficits and, in fact, we have not had a single surplus budget from this government in a year where they have been fully responsible for our nation’s finances. The last surplus budget was the 2007-08 budget, which was the last budget that was crafted by the Howard-Costello government. Since then we have had a $27 billion deficit in 2008-09, a $54.8 billion deficit in 2009-10 and we are looking at an estimated $41.5 billion deficit this year. We are looking at $94.4 billion worth of net debt. Presumably, if the government have a chance to continue in government that will be only the start.

Compare and contrast this with our record in government. When we were in government we had surplus after surplus. We paid
off debt and we implemented income tax cut after income tax cut. Labor fail on all of these grounds.

Labor would say, ‘Our circumstances are more difficult. We have been faced with a global financial crisis and now we are being faced with what are very tragic events in Queensland.’ The events in Queensland are tragic and all Australians should and will pull together to rebuild and to take Queensland and Australia forward again. Of course, that will happen, but we should also put it all into context.

These are tragic events but Australia has faced tragic events in the past. In fact, Australia has faced tragic events under the previous coalition government. Under the Howard government we had the Asian financial crisis, we had all of the events related to the war on terror, the Bali bombings, record droughts, the tsunami in Indonesia, avian flu, the ACT bushfires—an extraordinary tragedy that happened back in 2003—Cyclone Larry and various bushfires in Victoria and South Australia in 2005.

Madam Acting Deputy President, do you think that the response at that time was to whack on another tax? No, it was not. When you have a good government and a strong fiscal position, when you have a government that lives within its means and when you have a government that knows that it has got to balance the books and have a surplus, then you are able to handle the challenges you face as they come along.

The best insurance and the best way to inoculate yourself against the fall-out from these sorts of tragic events is to have a strong surplus. This is the great failure of this government. This government has mismanaged our nation’s finances to such an extent over the last three years that we are now in a position where they think the only way that they can keep some sort of semblance of fiscal responsibility is to whack on one tax after another.

Let us look at some of their track record. We had the response to the global financial crisis. The then Prime Minister, Kevin Rudd, and Wayne Swan clearly panicked. They looked at what was happening in the US and the UK. They noted there was fiscal stimulus happening over there: ‘Let’s go and spend like drunken sailors because that’s what they are doing in the US and the UK. So we should go down the fiscal stimulus path.’ Never mind that the circumstances in Australia were very different from the circumstances in the US and the UK.

In the US and the UK interest rates were close to zero. They were printing money and the governments over there thought there was still further stimulus required so off they went with fiscal stimulus. In Australia our interest rates bottomed out at three per cent. The Reserve Bank did a great job. They reduced interest rates very rapidly from 7.25 per cent down to three per cent. If further stimulus was required there was still scope for monetary policy to achieve it.

But what have we got now? We have a circumstance where the Reserve Bank and the government are going in opposite directions. We have had seven successive interest rate rises from the Reserve Bank at the same time as this government continue to shuffle money out of the door, so the government continue to stimulate the economy with taxpayers’ money and they continue to push the accelerator while the Reserve Bank is applying the brakes. So the Reserve Bank is putting up interest rates to reduce the supply of money in the market and this incompetent, wasteful government continues to put the money out the door.

It is quite rare to have fiscal policy and monetary policy going in opposite directions to the extent that we have experienced it in
Australia over the last 18 months. This government would not know what a tax hike was if it fell over one. We have had more than $40 billion worth of tax hikes over the last three years. And what did the Prime Minister say on Meet the Press on Sunday? She said that over the last three years since 2007 ‘we have implemented more than $80 billion worth of savings’. Madam Acting Deputy President, I am sure that you would have been as surprised as I was to look at the fine detail and see more than half of the $80 billion worth of savings claimed by this dishonest Prime Minister were actually tax hikes. More than $40 billion of the things that this Prime Minister claims as savings are increased or new taxes. They include such pearlers as the increased alcopops tax, the tax that Labor gave us because they said it would reduce binge drinking and the tax that Labor said was going to reduce the consumption of alcopops. All the while, when Treasury were in the background assessing the revenue from that alcopops tax hike they were actually working on the assumption that consumption was going to go up—as it has since. This is the sort of dishonest tax-grabbing type of rhetoric that we get from this government: ‘Tell them that we want to reduce binge drinking while all the time we expect that binge drinking is actually going to go up.’

We have the tax on the North West Shelf and the luxury car tax, which was supposed to be on Maserati drivers and Porsche drivers—never mind that they were a direct tax hit on families with station wagons. We have the mining tax, the carbon tax and now we have another increase in the income tax hit on people across Australia. Why? To raise $1.8 billion to address the fallout from the tragic events up in North Queensland.

A government that has its finances in order and under control is able to deal with these challenges without having to whack on yet another ad hoc tax. It is time that this government took a strategic view of our tax system. It is time that this government delivered on its promise to have a tax summit by June. We were promised a tax summit by the end of June—that is four months away—to discuss openly, transparently and inclusively our tax system moving forward, a fairer, simpler tax system and lower taxes. Wayne Swan, the Treasurer, is running away from it. He does not want to have a tax summit. He does not want to be forced into a strategic look at taxation reform because he wants to continue with ad hoc tax grab after ad hoc tax grab to feed his addiction to spending, to help him cover up the mismanagement of the public finances after three years of Labor. It is high time that a good and strong government took over the Treasury benches so that the finances can be brought back under control. It is not enough for you to put John Fahey in charge of one of your programs to fix up your whole government. It is time that you put Tony Abbott in charge of the whole shop.

Senator BILYK (Tasmania) (4.53 pm)— There are moments when you know the opposition just want to play politics, when they oppose for opposition’s sake, as they have constantly been doing, or because they think they can make some political gain out of an issue. When they argue against a sensible proposal for a modest temporary levy that will contribute to the plan of the government to rebuild after the devastation that has hit Queensland, we know that this is one of those moments. I can tell you now that the people of Australia are much smarter than that. They will see—and have seen—right through the opportunism of Tony Abbott because they can see the cracks that are already appearing in the coalition ranks over this issue. Australia has just gone through one of the biggest natural disasters in its history, if not the biggest. Prime Minister Julia Gillard
has shown strength and leadership and responded decisively to the crisis and those on the other side are just playing politics once again, even though it involves the loss of the worldly goods of people, their homes, their businesses, all their infrastructure and government infrastructure. The coalition do not care. They are just off having a good time playing politics and opposing for the sake of opposing.

The Australian government has already provided $400 million in disaster assistance. We estimate that the total cost of recovery and rebuilding will be in the order $5.6 billion. That consists of $5 billion for rebuilding essential infrastructure—the word there being essential—and $600 million in Australian government disaster recovery payments to be paid to nearly half a million Australians, including people in my home state of Tasmania who have been affected by floods on the east and north-west coasts. Also important to my home state, given the fact that a number of farmers have been affected by the floods, are payments under the disaster income recovery subsidy. This will provide $120 million in assistance to around 70,000 workers, small businesses and farmers who have lost income through the floods.

I just take this opportunity to thank the Tasmanian government for their hardship assistance through grants to help with temporary living expenses, the replacement of damaged and destroyed household items and the re-establishment of homes for people in Tasmania. The Australian government is also assisting employers in flood affected areas by fast-tracking employer sponsored temporary visas and doubling the number of places in the job seeker relocation pilot program. Two-thirds of the cost borne by the government will be met through budget savings and the remainder through a modest, temporary levy.

The coalition are linking this levy to cost-of-living pressures to try to make out that it is going to be some huge impost on Australian taxpayers. They know full well that 50 per cent of taxpayers will pay nothing, including people earning under $50,000 a year, and people who are paid or are eligible for an Australian government disaster relief payment will pay nothing. As for those who do pay the levy, a person on average full-time earnings—or $68,125 per year—will pay only an extra $1.74 per week. The same people have had their income tax bill cut by $20 per week by this government. Even those on $80,000 a year will pay about $2.80 per week, which is less than the cost of a cup of coffee. So this levy is modest, it is progressive, and surely it is a small price to pay to ensure that we rebuild our vital infrastructure destroyed by natural disasters.

If there is any better indication that those opposite are playing politics on this issue it is their record in government. Where does this sudden opposition to levies come from? After all, the Howard government introduced no more than six special levies during its time in power. As Senator Cormann said himself, if a government can manage its budgets it does not have to introduce these new levies. But it had no problem in introducing six special levies during its time in power. For those on the other side of the chamber with short memories, I will remind you what they were: the aircraft noise levy, introduced in the 1995-96 budget to fund amelioration of noise at airports; a 0.2 per cent increase in the Medicare levy to fund the firearms buyback scheme in 1996-97; the stevedoring levy in the 1998-99 budget applying to the loading and unloading of containers to ensure that employees made redundant under the Maritime Restructuring Facilitation Scheme received their full entitlements; the dairy industry adjustment levy to provide assistance to the industry to cope
with deregulation; the Ansett levy imposed on air passenger tickets to fund a special entitlements scheme for former Ansett employees; and the sugar industry levy to fund industry assistance programs for the sugar industry.

In fact I think the memories of those opposite are especially short because it was only during the last federal election that the Leader of the Opposition proposed a levy to fund their maternity leave scheme. It was a scheme that they were happy to support, mind you, that would pay the wages of women on incomes of $150,000 a year in full. They were happy to support that but not happy to help out their fellow Australians in times of natural crises. I find it very funny how that was deemed worthy of a levy back in 2010, but now that we are in 2011 the coalition opposes a levy to help rebuild infrastructure following—from what we have heard today and as we all know—what is arguably Australia’s biggest natural disaster. The coalition obviously thought levies were okay in 1996 and 2001 and even as late as in 2010. But now that we are in 2011 the coalition has somehow decided that they are opposed to levies.

What is the coalition’s alternative? They are going to come up with a proposal for another $1.8 billion worth of savings, or so they say. But why would you trust them when it comes to budget management? They are the same group that, if they had formed government, would have left Australia with an $11 billion budget black hole. You would not put that lot in charge of the cash tin at the local bridge club let alone the federal Treasury. Let’s look at who is in charge of budget policy in the coalition: the opposition leader, Tony Abbott; the shadow Treasurer, Joe Hockey; and the shadow finance minister, Andrew Robb. They are the same three stooges who blew out their 2010 election costings by $11 billion. I think the coalition could have got better advice from their family accountant than from Messrs Abbott, Hockey or Robb.

As a further demonstration of Mr Abbott’s ignorance of fiscal policy he suggested that scrapping the National Broadband Network would help pay for the cost of recovery and rebuilding. He had to back down and concede that one pretty quickly as his argument was flawed because he did not take into account the financial returns from the NBN investment. Mr Abbott’s next gaffe was to claim, on 28 January, that there is $8 billion available in various funds including the Building Australia Fund which is currently uncommitted. This was exposed as a con, and rightly so. But the absolute height of Mr Abbott’s gall was when he emailed Liberal Party supporters and called for donations to fight the flood tax. At a time when many Australians are digging deep to help those suffering from natural disasters Mr Abbott was thinking about what to do to fill the Liberal Party coffers. Where are his priorities?

The coalition have now said they will identify $1.8 billion worth of savings. Since that announcement they have spent a fort-night squabbling over what to cut. In their press conference yesterday Mr Abbott and Mr Hockey could not even agree on the numbers. Their ridiculous savings policy is already unravelling. For example, the Leader of the Nationals, Warren Truss, rejected all of the deferred infrastructure programs in Queensland as pork-barrelling, yet Tony Abbott supported the deferral of three of these projects. It is becoming increasingly obvious to all Australians that the biggest risk to our policy of achieving a budget surplus by 2012-13 would be in accepting any suggestions put forward by those fiscal dunces opposite.

The rhetoric of Mr Abbott and his coalition colleagues is highly hypocritical. If they
want to point to a high-taxing, high-spending government then they should take a good look at themselves. This financial year our tax take is only 20.9 per cent of gross domestic product. In not one single financial year of the 11 years of the Howard government did the tax take drop below 22.1 per cent of GDP. The opposition should stop making petty political points and they should get on and support this levy because it is in the interests of the nation. If they continue to cling to their dodgy accounting it will only serve to demonstrate one thing. (Time expired)

Senator IAN MACDONALD (Queensland) (5.04 pm)—This is supposed to be a serious debate, but after hearing the last speaker one would very much doubt that. I tried to table, and at the end of my speech will again seek permission to table, a list of major cyclonic and other natural disasters that have occurred in our country since 1864. That list will show that every year there are one or two cyclones, one or two major flood events and continuing droughts. Never before in any of those cyclones, floods or droughts has any Australian government ever imposed a tax on infrastructure recovery. Why is that? It is because that is the normal function of government. The normal function of government is to deal with these natural calamities that everybody knows will confront our nation at some time in any one year or series of years.

I can go through this list and tell you some of the major cyclone events that I have had the misfortune to be involved in. There was Cyclone Agnes in 1956, a cyclone that came across Ayr where I lived in 1957 and Cyclone Beatrice in 1959. In fact there was also Cyclone Connie and another cyclone further north all in the one year. Was there any levy by the then Australian government to pay for the rebuilding of those towns? Was there ever any levy for rebuilding Darwin when it was flattened by a cyclone? Was there ever any levy for Cyclone Larry rebuilding? There was not because these rebuilding efforts by governments are part of the natural services of government. Any prudent government—and even prudent Labor governments in the past—has been able to manage infrastructure repair without the imposition of a levy.

It is important to make those who may be listening to this debate aware that the money from Labor’s proposed new tax is not going to go to individuals to help assuage some of the personal hurt that many people have suffered as a result of these floods, cyclones and fires. It is not going to go towards rebuilding houses or replacing refrigerators or getting a new wardrobe for those people who have lost everything; it is to go to state governments, mainly state Labor governments I regret to say, for them to do the repair work that is part of their normal activity of government. This levy is not going to go to individuals—and this needs to be made very clear—it is simply going to go to state Labor governments and other governments to do the work that those governments would normally be expected to do.

The previous speaker, Senator Bilyk, accused the coalition of playing politics. This is certainly an issue where politics should not be played. But let me tell you about the Labor Party. There was a devastating flood in Queensland, with the loss of life. What did the Queensland Premier do? She established the Premier’s flood relief fund. The Premier started that fund off with the Premier donating, I think, $1 million. Sorry, Premier Bligh, you did not give a $1 million donation. I and every other Queensland taxpayer donated $1 million. The flood relief fund is not the Premier’s flood relief fund; it is the Queensland people’s flood relief fund. Yet the coalition is accused by the Labor Party of playing politics, when the basest form of politics has
been played by the Labor Party in this whole episode.

Senator Bilyk, who spoke before me, said, ‘This levy is for only one year.’ Can you believe the Labor Party imposing any tax for just one year? Let me remind you that, before the last federal election, Ms Gillard got on the soapbox, hand on heart, and said, ‘There will be no carbon tax.’ And, as a result of that assurance, many people who were a bit hesitant about voting for the new taxes that the Labor Party is so addicted to, took her at her word. They said, ‘We’re a bit uncertain, but she’s promised no new taxes, so we’ll vote for her.’ Those people rightly feel that they have been conned. They voted for Julia Gillard because she promised not to impose a tax and, within a couple of weeks of becoming Prime Minister, after a dirty deal with the Greens and the Independents, she said, ‘We’re going to have a carbon tax.’

Can you believe the Labor Party then when it says, ‘This levy will be for only one year?’ Nobody believes that. Not even senators sitting opposite would believe that. They know that the Labor Party is addicted to spending other people’s money—never their own—and it is addicted to taxing people to pay for their profligacy in these areas. You simply cannot trust Labor with money.

The most common comment I had from people in my electorate—before, after and during the cyclone—was to the effect, ‘When the flood came along and the public appeal went out, we donated money. Because of the extent of the flood we were even more generous than (a) we could afford to be, or (b) we have ever been before.’ Here was a major flood. The altruism of the Australian public came to the fore, and they said, ‘We will give till it hurts, because this is a huge disaster and the appeal will help individuals overcome their problems.’ Many people have told me the amount of money they gave—amounts that I know those people cannot really afford, but they wanted to give them. But, after being so generous, they then find that the Labor government comes in and double dips. It taxes them again for the same sort of generosity that they themselves showed. This is what is really annoying people. That is why, when you take a real survey—not the survey that was in the newspapers, which asked: would you support a levy to help people get over the flood?—and ask people, ‘Are you prepared to pay a levy to help state governments do the things that they are supposed to do, when you the public have already given very generously to help people?’ you find that most people are totally opposed to this levy. And they do not trust Labor with money.

I would remind you again that, a couple of weeks before the election, hand on heart, Julia Gillard, on behalf of the Labor Party, said, ‘There will be no carbon tax. I promise; trust me. When I say things, I mean them.’ Two weeks after the election, she said, ‘Yes, we’re going to have a carbon tax.’ Why would you believe the Labor Party? Why would you believe Julia Gillard when she says, ‘This levy will be for only one year.’ You can be assured that this is another form of taxation.

The Howard government were renowned for cutting taxation on individuals year after year. By contrast, the Labor Party are back, consistent with their old form, increasing taxation year after year. This proposed flood levy is simply part of Labor’s DNA: they must tax more to pay for their profligacy.

The ACTING DEPUTY PRESIDENT (Senator Pratt)—Order! Senator Macdonald, your time has expired.

Senator Ian Macdonald—I seek leave to table a document which, I think, Senator Lundy has approved and indicated to her
frontbench colleagues that they should agree to it.

Leave granted.

Senator FURNER (Queensland) (5.14 pm)—As a Queensland senator, I rise today in this debate to refute Senator Fifield’s motion about the Gillard government’s continued mismanagement of public finances and intention to compound cost-of-living pressures on families by introducing a new income tax levy. Firstly, this motion is misleading. The federal government is not compounding the cost-of-living pressures on families with an income tax levy. It surprises me that a senator from Victoria, Senator Fifield, who I am sure has seen and witnessed the terrible flood devastation in his state, has put this motion here today. I am sure he is well aware of the national disasters that have happened and are happening around our nation, which include bushfires over in your state, Acting Deputy President Pratt, and flooding and a huge cyclone up in the north of my state of Queensland. Thousands of people have been impacted by the Queensland floods and Cyclone Yasi. Many lost everything that they owned. Along with personal loss, there was also public loss. Roads, bridges and rail lines were destroyed. Vital infrastructure that is imperative for Queenslanders to make a living was destroyed. This is what the temporary flood levy will address. The temporary flood levy—

Senator Ian Macdonald—We didn’t have a levy for Larry.

Senator FURNER—We will get to that in a minute, Senator Macdonald. The temporary flood levy, which will be only collected in the 2011-12 financial year, will go towards rebuilding Queensland infrastructure that was destroyed by the worst natural disaster we have seen in this country. The one-off levy will be payable by those who earn more than $50,000 per year at the rate of 0.5 cents. This equates to less than 50 cents a week for someone who earns $55,000 and less than $1 a week for those on $60,000. Those who earn more than $100,000 will pay one per cent. That is why the opposition opposes this levy: they are worried about their business mates; they are worried about those people who earn over $100,000. That is the only reason that they are standing up here today opposing this levy.

No extra work will be required by Australians for the collection of this levy. It will be paid in the same way as the Medicare levy. Australian residents who have claimed the Australian government disaster recovery payment will be exempt from paying the flood levy. This will give them the opportunity to rebuild their lives after these devastating natural disasters.

The opposition’s scurrilously claims that this levy will push up the cost of living for our families. This levy is 10 times less than the tax cuts Australians have received over the last three years. The Labor government is committed to providing tax cuts for our working Australians. In fact, the former Liberal government was the highest taxing government in our history. Our very own opposition leader, Mr Abbott, along with his Treasury spokesman, Joe Hockey, supported the implementation of the highest tax rate of 24.1 per cent in 2004-05 and 2005-06. Under the Gillard government, the tax rate will only be at 20.9 per cent. Since taking office, we have delivered personal income tax cuts in each of our three budgets. Our tax reforms have cut company tax, cut small business tax, reduced tax on superannuation, reduced tax on other savings and reduced tax for taxpayers through a standard deduction. Conversely, the opposition has been sceptical of the flood levy since day one. This flood levy is needed to get my state of Queensland back on its feet. This is no surprise, as Tony Ab-
bott has been programmed to automatically oppose anything that the Labor government suggests.

I am pleased that Senator Macdonald raised those issues up in North Queensland. Being a Queenslander and having travelled, worked and holidayed in those regions, I understand the impact on regional and northern Queensland. But he fails to understand the overall coverage of this particular disaster. It was a disaster the size of the United Kingdom. None of the cyclones that Senator Macdonald raised in his speech were even close to that size.

The government levy will be used to rebuild infrastructure vital to people earning a living. Without roads, bridges and railway lines, Australians are unable to continue their employment and businesses are unable to function. With no access to their places of employment, those supporting families will find it tough to sustain their day-to-day lives. Without an income, families will struggle to put food on the table. This is what the opposition is supporting by opposing this needed levy. Without this flood levy, our roads, bridges and railways cannot be rebuilt. If you went back and reflected on those media images on the TV just last week after Cyclone Yasi hit North Queensland, you would understand and appreciate the volume of the impact on railways and roads. The bitumen on roads was shifted off the strips that are relied upon for transport. And this opposition opposes rebuilding infrastructure in the north of Queensland and other parts of the state.

The opposition is determined to deny flood and cyclone affected Queenslanders this assistance, even though it has been found that the public support this levy. Senator Macdonald mentioned a survey that the Australian released just last week, the latest Newspoll. It showed that 55 per cent support this levy to help rebuild flood affected areas.

If you rely on some of your surveys, naturally you would come up with a different figure, because that suits your purpose. But this is what Australians do. The community spirit that I experienced during the Brisbane flood was amazing. People who were not affected by the floods got out their gum-boots, their brooms and their hats and set out to assist people who they had never met. Donations to the Premier’s disaster relief appeal were extraordinary, with everyday Australians digging deep to support fellow Australians left devastated after the floods. As of yesterday, $205 million has been raised by this appeal. And people are still committed to raising money for this appeal, because the money is going to people who need it. This levy is to support the rebuilding of infrastructure in the state of Queensland. The support of the public for this levy shows exactly what the community spirit is like in this country. I believe that the majority of Australians will be willing to give up a cup of coffee a week to help rebuild our flood affected areas.

Senator Bilyk—Or less!

Senator FURNER—Or less. I take that interjection, Senator Bilyk. Tony Abbott had no problems in his election promises with implementing a levy on big business to fund paid parental leave last year, but he is not prepared to support a levy on Australians who earn more than $50,000 to help rebuild our flood affected areas. In fact, he commented in the Herald Sun on 13 March last year—note the contradiction:

The difference between a levy and a tax is that a levy is for a specific purpose and this is for a specific purpose.

This is exactly what our proposal for a levy is all about. His hypocrisy is so stark in this debate. This week Tony Abbott announced his alternative to the flood levy—in fact, you would describe it as his own personal view,
with his own opposition cabinet members disagreeing on one of his proposals: to cut foreign aid to Africa.

Despite the flood and cyclone crisis Treasurer Wayne Swan has confirmed that the budget is still on track and is to be in surplus by 2012-13. It is through the federal government’s financial discipline and great economic management during the global financial crisis that we will put the budget back in the black. In the Treasurer’s economic note of 23 January Mr Swan revealed the labour force figures showing that the unemployment rate fell from 5.2 per cent to five per cent in December. In fact, 2010 was a record, with 364,000 jobs created—and 80 per cent of those were filled by full-time positions.

Third parties, including the Business Council of Australia, have also praised our economic management. The BCA stated in its budget submission in 2009-10:

The BCA considers that the government has so far responded well to the downturn in the economy and to the issues related to the global financial crisis. The BCA welcomes recent policy decisions by the government that have redirected spending towards building capacity and longterm growth.

So this government, the Labor government, will act swiftly and appropriately with this particular levy and this particular natural disaster.

In closing, the opposition had another blow recently. The opposition leader came out recently, at a time when Queenslanders are recovering from the greatest natural disaster this country has ever faced, trying to deal with their flood-inundated homes, protecting themselves from the greatest cyclone Queensland has ever faced, and commenced his mudslinging routine. He should hang his head in shame, do the honourable thing and resign. I am sure that those opposite will make sure that happens as soon as possible.

Senator BERNARDI (South Australia) (5.25 pm)—Following the rather laborious contribution from Senator Furner, I was taken back to 1967, when Shirley Bassey sang that immortal number, ‘Hey big spender’, because it seems to have crept back into the Labor government’s vocabulary. The only thing they have contributed to this debate has been trying to mount a justification for taking more money out of the pockets of families. We have to ask about the integrity of their arguments. Senator Bilyk said that this government was a much lower-taxing government than those that went before it, and she quoted a percentage of GDP. What seems to have escaped Senator Bilyk and her colleagues is that they have spent $150 billion more than they have taken in tax, which has mortgaged the futures of our children. It has placed an impediment upon every Australian family. They are going to have to repay the debt that has been established by this government.

The proposition we are debating today is very simple. It is that the mismanagement of the Gillard government of public finances will compound the cost-of-living pressures on families. It is a very simple proposition. It is very simple because the Australian people know about the cost-of-living pressures on families. It is a bit harder to understand it if you do not have a family of your own, because you are not there trying to put food on the table for your children. You are not there trying to pay for child care or living on one income. You cannot understand it until you have to live it. The fact that this government are defending their squandering of public money and saying that imposing a new tax on Australian families is not going to make it harder for them beggars belief. How can a government be so uncaring?

The government dress up their spendthrift manner, and their demands on the taxpayers’ purse, by talking about the disasters that
have befallen Queensland, and they try to play an emotive card. It is very serious what has happened in Queensland. It is going to cost billions to repair it. But they are billions that we would have had they not been wasted through foolish programs, mismanagement and economic incompetence. If you need any further proof, I could give you four words: ‘pink batts’ and ‘school halls’. They have now entered the Australian vernacular as synonyms for waste and stupidity. That is what they mean. Every time you mention pink batts and school halls, people know that that was waste and stupidity at work. And yet those on the other side of the chamber have not been prepared to say this is a problem. They walk around, Mr Swan and the others, in their Mr Magoo like world that rules their fiscal calculations, talking about inflation being at 2.7 per cent. The reality is that the cost-of-living rises for families are much higher than that. Already, economists at Westpac have said that fruit and vegetable prices could rise by up to 60 per cent in the months ahead. We are seeing fuel prices much higher than they have been. We are seeing electricity prices in my state of South Australia up 12 per cent. And, due to the mismanagement in New South Wales, they are going to go up 50 per cent.

All of these things are going to hurt families, and yet the Gillard government says, ‘I don’t want to know about it; we want people to reach into their pockets and pluck out another one per cent.’ That money, the $6 billion or $8 billion or whatever it costs, should have been available through the government budgetary office already. The reason for that is simple: this government were left with a $20 billion surplus. They sent it out to people in $900 cheques. They then went into the pink batts and school halls. They then put up taxes—which, of course, were not going to affect working families; but they were taxes on cigarettes, on ready-to-drink alcohol, on family cars. We forget about that. There were increased taxes, or lower rebates, for private health insurance. This government, and those opposite, have never met a tax they did not like. They can justify it in any number of ways, but every time they do they drive another stake through the heart of Australian families. They are already doing it tough, and you want to make it tougher for them, all because you are not prepared to admit you have got it wrong, you have bungled our national finances.

I come back to my opening remarks. This is going to force Australian families for at least a generation to labour under the yoke of your mismanagement. It is incredible how much damage can be done in only three years of government. It is much more damage than was caused by the biggest floods we have seen in 30 years in Queensland, much more damage than was caused by a massive cyclone in Queensland and much more damage than was caused by bushfires in Victoria or in Western Australia. The human cost of the tragedy that you are imposing on this country should have you hanging your heads in shame. It is an absolute disaster and all because you cannot—your party, your government—manage money.

This is a very simple premise: the Australian people expect governments to step in and help them through times of crisis. They do not expect the government to create a crisis in only three short but very painful years that is going to cost not only this generation but successive generations and make them pay. After squandering a massive surplus and accruing a record debt, which it conveniently seems to have forgotten, this Labor government is intent on imposing additional taxes. It does not want to impose just a flood levy—let us get past that for a moment—but additional taxes such as a carbon tax which it swore it would never impose; a carbon tax which Ms Gillard swore, hand on heart, ‘I
will not impose’, but now she is going to impose; a carbon tax that is unnecessary, except for the fact that the government wants to take more control of people’s lives and take more money out of their pockets. It is going to put up the price of everything for families, and there is nothing the government can say to refute that because it knows it is true. But that is not all, that is not enough. It does not want to just impose a carbon tax; it also wants to impose a mining tax to make mining companies less profitable so that, possibly, there will be less exploration, less investment and less development of mines in this country, which will mean less employment. And if there are fewer people working, you know that that is going to have an impact on families.

For this government, mining is just a golden goose that can continue to be plucked. The government want to pluck the people that work in that industry as well, many of whom earn over $100,000 and would not consider themselves wealthy. Yet Senator Furner said that those who are earning over $100,000 a year are the fat cats and the business magnates—I am paraphrasing here. The simple fact is that the government have targeted people who want to work. Because of their incompetence, the government want to take more out of their pockets. They do not have a plan to balance the budget. I was told before that wagering in the chamber is un-Senate like, but I would lay London to a brick that this government will not ever deliver a surplus, and certainly not by 2013, unless they continue to tax and impose levy after levy.

I do not want to see the burden go up for Australian taxpayers and their families. I do not want to see them have increased pressure on their family budgets. Might I remind senators that families have to live within their means. They do not have a bottomless pit of credit and they do not have access to a compliant legislature. They have to live within their means and if they spend too much money in one area they have to go without in another. That is what every family in this country does, yet the people that we should trust the most to balance the budget and to ensure that people live within their means, the Australian government, cannot seem to do so.

What is it about having $300 billion a year to spend that causes people to spend $400 billion or $500 billion? What is it that causes people, when they come up to this place as part of the ALP, to close their eyes to the impact on working families? They talk, they issue rhetoric and they make promises, but when they get up here they suddenly forget what it is like — what it is like to go to the shop and have to spend twice as much money to buy some bananas or what it is like to put fruit and vegetables on the table. A 60 per cent price increase is expected in the months ahead. What does this government respond with? They respond by saying, ‘We are going to take more money out of your pocket and make it harder for you, every Australian family that is going to be hit by this levy, to pay your bills.’ It is not over yet. We are opposed to this because it is unnecessary. It is unnecessary because this is the most wasteful government in the history of this country.

Senator CAMERON (New South Wales) (5.35 pm)—I am pleased to participate in this matter of public importance and certainly I want to address some of the issues that have been raised by Senator Cormann, Senator Macdonald and Senator Bernardi. Senator Macdonald argued that it was a normal function of government to deal with national disasters. He argued that there should be no levy because there was no levy when Darwin was hit. He argued that it was the natural service of government to deal with these disasters. But Senator Cormann then
really undermined the whole argument from the coalition when he said that a government that has their finances under control does not need a tax or a levy.

Senator Cormann interjecting—

Senator CAMERON—There he goes, the apologist for West Australian big business is in there again, intervening in the debate. I think the public are not interested in the position that you are adopting. The public want Queensland rebuilt, they want northern New South Wales rebuilt, they want Victoria rebuilt—they want recovery from these disasters—and they want Western Australia rebuilt from the fires that are in that state. As Senator Cormann has said, a government that has its finances under control does not need a levy. Let me have a look at some of the levies that the Howard government put on.

The stevedoring levy: obviously no finances were under control by the Howard government when the stevedoring levy went on in 1998. The dairy levy: obviously you did not have your finances under control when you implemented the dairy levy in 2001. You had a surplus of $3.9 billion in 1998-99 when you put a levy on. You had a surplus in 2001 when you put a levy on. No wonder, Senator Cormann, you are walking out of the Senate, because you cannot accept that the reality of what you have just said exposes the nonsense that you have been putting forward in relation to your arguments. You put on an airport levy at a time when there was a surplus of $5.9 billion. You put on a sugar levy when there was a surplus of $7.4 billion. Peter Costello was lying back in his hammock, rocking away watching the money flooding in and John Howard was thrown out every budget on bribes to the public—that is the nature of the so-called fiscal responsibility of the Howard government.

Senator Cormann leaves the chamber because he just does not want to hear the reality of what the Howard government did. They had a superannuation surcharge levy, a gun buyback levy, a stevedoring levy, a milk levy, a sugar levy, an Ansett Airlines levy. They were proposing an East Timor levy. They were proposing a cleaner fuels levy. Yet they have got the gall to come in here and argue with us when we are proposing a one-off 12-month levy to rebuild this country after one of the biggest natural disasters we have ever seen. What a performance it has been from Senators Macdonald, Cormann and Bernardi. What a performance! Senator Macdonald in his usual petty, narrow minded, bitter way was trying to turn a natural disaster into an attack on a government that is determined to rebuild Queensland.

Senator Cormann, as I have said, is the Senate apologist for big business, the Senate apologist for big mining and the Senate apologist for big health. He was in here saying that we should not put a levy on—a modest levy to rebuild this country, to rebuild Queensland, northern New South Wales and Victoria. You see, Senator Cormann has been clear in his position. As long as Western Australia is doing all right, it does not matter about anywhere else. He is simply focused on Western Australia and on sucking up to the big mining lobby in Western Australia so that the Liberal Party of Western Australia can still maintain the money coming in so that it can maintain control within the Liberal Party of Australia. That is what Senator Cormann is about. Let’s not make any bones about what he is about. He is about big business and he is about the Liberal Party—the same as the Leader of the Opposition.

Senator Cormann—Madam Acting Deputy President, I raise a point of order. Senator Cameron is impugning improper motive and
I ask you to call him to order. I think his contribution right now is well out of order.

Senator Arbib—Madam Acting Deputy President, on the point of order, we have just witnessed a number of speeches from coalition senators which have impugned the Labor Party and its economic response to the floods. I think Senator Cormann should be a bit more resilient than to complain about something in a robust debate.

The ACTING DEPUTY PRESIDENT (Senator Pratt)—There is no point of order. I will listen closely to the debate further.

Senator Cormann—Madam Acting Deputy President, on the point of order, you clearly were not listening to the debate that was going on. Senator Cameron made the imputation that somehow the policy position I took in relation to the mining tax was driven by procuring a benefit for the Liberal Party in Western Australia. That is impugning—

The ACTING DEPUTY PRESIDENT—Senator Cormann, you do not have the call. I made a statement as to how I would proceed. Senator Cameron.

Senator CAMERON—I always find Senator Cormann really interesting—full of bluff, full of bluster and, when it really comes down to it, not much ticker, not much ticker at all. Screaming for the help of the chair in a debate like this—what a sook. It is just awful. You really have to get a bit of gumption, you really have to get a bit of guts and you really have to get a bit of backbone, Senator Cormann. It is all right when you are running around muscling up on your fellow Western Australian Liberals, but you will not get away with it with me, let me tell you. You will not get away with it.

Senator Back—Madam Acting Deputy President, I raise a point of order. I ask that you direct Senator Cameron to direct his comments through the chair.

The ACTING DEPUTY PRESIDENT—Senator Cameron, I call you to order. Please direct your comments through the chair.

Senator CAMERON—Senator Cormann is a big sook. He is so weak, so full of bluff and bluff, yet when it comes down to it he has to get the chair to help him in a debate in this Senate. What a pathetic performance. When the public have listened to those three Liberal senators, they will wonder what they are on about. The reality is that the priority for any government—it should be for any opposition—is to get the recovery of this nation underway. Yet what we see the Liberal Party doing is looking at this recovery on the basis of saying, ‘Well, we can actually get some benefit out of this. Let’s put a release out and say, “Give us some money to oppose the levy.”’ When everyone else in the country is putting money in to support Queensland, northern New South Wales, Victoria and now Western Australia, what does the Leader of the Opposition do? The Leader of the Opposition is out there saying, ‘Don’t worry about the levy; don’t worry about putting money in to support the people of Australia that are in trouble—just think about giving more money to the Liberal Party.’

Talk about impugning your motives! I think you have demonstrated quite clearly what your motives are. You are a pathetic rabble. What is happening at the moment is that Tony Abbott’s pasting-over of the differences between the Liberal Party and the National Party is coming apart. We all know that the Liberal Party detests the National Party. We know that the National Party detests the Liberal Party. And we know that those in the Liberal Party detest each other. That is what is driving the response to what should be the most important matter facing any political party in this country, and that is getting the recovery of this nation underway. That is the important thing—the recovery of this nation.
What has been clearly demonstrated by the contributions from the three previous senators is that all they want to do is try to score narrow, meaningless political points when our government is setting about in a decisive manner to repair the damage to this nation and to look after Queensland, New South Wales, Western Australia and Victoria. That is what we will do. We will not be diverted by your petty political points. We will get on with building this nation. We are a government that are always turned to when there is a problem. We handled the financial crisis; we will handle this crisis.

The ACTING DEPUTY PRESIDENT—Order! The time for this debate has expired.

COMMITTEES
Scrutiny of Bills Committee
Report
Senator COONAN (New South Wales) (5.46 pm)—I present the first report of 2011 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 1 of 2011, dated 9 February 2011.

Ordered that the report be printed.

Senator COONAN—I move:
That the Senate take note of the report.
The committee is looking forward to a new year of scrutinising all bills and amendments against its terms of reference.

In 2011 the committee will continue to emphasise the importance of ensuring personal rights and liberties are respected, that administrative powers are appropriately defined, decisions are reviewable and parliamentary oversight is maintained.

The committee reiterates that comprehensive and accurate explanatory memoranda can provide the foundation for avoiding adverse comment by the committee, but a poorly drafted one will attract the committee’s attention. An explanatory memorandum is particularly useful when it contains important context and relevant policy information and justifies the proposed operation of each provision.

In tabling the committee’s Alert Digest No. 1 of 2011 I particularly draw the Senate’s attention to the committee’s comments on the National Vocational Education and Training Regulator Bill. Unfortunately this bill has attracted significant committee concern. The committee is particularly troubled by the range of seemingly excessive powers and the apparent lack of appropriate safeguards. The committee will be seeking the minister’s advice about numerous provisions, including in relation to the operation of search warrant provisions, the abrogation of the privilege against self-incrimination in some circumstances, broad discretionary powers and the adequacy of training for ‘authorised officers’.

Another issue of particular concern to the committee discussed in Alert Digest No. 1 arises from the Human Services Legislation Amendment Bill. Items 74 and 76 seek to reduce Medicare’s obligation to notify a patient that his or her records have been seized as part of an investigation. It is proposed that there will no longer be a need to notify patients in circumstances where an officer examines a record but ‘did not obtain any knowledge of clinical details relating to the patient’.

The committee is particularly interested to understand who will determine whether clinical knowledge was obtained, what training each officer will have and whether any safeguards are in place to protect patients and will seek the minister’s advice about these matters.

Several other bills also contain issues of potential concern under standing order 24 and I draw the Senate’s attention to all of the committee’s comments in Alert Digest No. 1.

CHAMBER
In relation to its first report, the committee has again received comprehensive responses to issues raised in previous Alert Digests. The report includes the minister’s response, for example, to the Defence Legislation (Security of Premises) Bill issues, which provides further detail about the intended operation of the bill which may be of assistance to senators in their consideration of it.

So there is a fair bit in this particular report. I commend Alert Digest No. 1 of 2011 and the first report of 2011 to the Senate.

Question agreed to.

Publications Committee

Report

Senator POLLEY (Tasmania) (5.51 pm)—On behalf of the Chair of the Senate Standing Committee on Publications, I present the committee’s second report.

Ordered that the report be adopted.

BUDGET

Consideration by Estimates Committees

Additional Information

Senator POLLEY (Tasmania) (5.51 pm)—At the request of the chairs of the respective committees, I present additional information received by committees relating to additional, budget and supplementary budget estimates:

Additional estimates 2009-10—

Environment and Communications Legislation Committee—Additional information received between 1 July and 24 November 2010—

Broadband, Communications and the Digital Economy portfolio.

Environment, Water, Heritage and the Arts portfolio.

Finance and Public Administration Legislation Committee—Additional information received between 28 October and 24 November 2010—Climate Change portfolio.

Budget estimates 2010-11—

Community Affairs Legislation Committee—Additional information received between 28 October and 24 November 2010—Health and Ageing portfolio.

Education, Employment and Workplace Relations Legislation Committee—Additional information received on 25 November 2010—Education, Employment and Workplace Relations portfolio.

Environment and Communications Legislation Committee—Additional information received between 28 October and 25 November 2010—

Broadband, Communications and the Digital Economy portfolio.

Climate Change and Energy Efficiency portfolio

Environment, Water, Heritage and the Arts portfolio.

Foreign Affairs, Defence and Trade Legislation Committee—Additional information received between 30 July and 25 November 2010—

Defence portfolio.

Foreign Affairs and Trade portfolio.

Legal and Constitutional Affairs Legislation Committee—Additional information received between 29 September and 23 November 2010—

Attorney-General’s portfolio.

Immigration and Citizenship portfolio.

Rural Affairs and Transport Legislation Committee—Additional information received between 24 June and 24 November 2010—

Agriculture, Fisheries and Forestry portfolio.

Infrastructure, Transport and Regional Development and Local Government portfolio.
Budget estimates 2010-11 (Supplementary)—

Community Affairs Legislation Committee—Hansard record of proceedings and additional information received between 28 October and 24 November 2010—

Health and Ageing portfolio.
Human Services portfolio.
Indigenous issues across portfolios.
Environment and Communications Legislation Committee—Additional information received between 28 October and 25 November 2010—

Broadband, Communications and the Digital Economy portfolio.
Climate Change and Energy Efficiency portfolio

Finance and Public Administration Legislation Committee—Additional information received between 28 October and 24 November 2010—

Parliamentary departments.
Prime Minister and Cabinet portfolio.

Legal and Constitutional Affairs Legislation Committee—Additional information received between 18 October and 23 November 2010—

Attorney-General’s portfolio.
Immigration and Citizenship portfolio.

COMMITTEES
Public Accounts and Audit Committee

Reports

Senator POLLEY (Tasmania) (5.51 pm)—I present the following two reports of the Joint Committee of Public Accounts and Audit: Report 418: Review of Auditor-General’s Reports Nos. 04 to 38 (2009-10) and Report 419: Inquiry into the Auditor-General Act 1997. I move:

That the Senate take note of the reports.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

Mr President, on behalf of the Joint Committee of Public Accounts and Audit, I present the Committee’s Report 418: Review of Auditor-General’s Reports Nos. 04 to 38 (2009-10) and Report 419: Inquiry into the Auditor-General Act 1997. These reports are tabled on behalf of the Committee of the previous Parliament, which undertook all of the work for the inquiries, including the conduct of the public hearings and the preparation of the reports.

With regard to Report 418, the Joint Committee of Public Accounts and Audit, as prescribed by its Act, examines all reports of the Auditor-General, and reports the results of the Committee’s deliberations to the Parliament.

This report details the findings of the Committee’s examination of nine performance audits tabled in 2009 and 2010. As usual, these reports cover a range of agencies and highlight a number of areas of concern, in particular grants administration, the implementation of new technology, risk management and data integrity.

The Committee reviewed the administration of grants by the National Health and Medical Research Council (NHMRC). The Committee acknowledged the benefits to Australian health flowing from research supported by the NHMRC grants system. The Committee also noted the upheaval caused by the NHMRC’s recent separation from the Department of Health and its move to a statutory agency. The Committee recognised that NHMRC is still consolidating its new status but was pleased to see evidence of a tightening in administrative practices, processes and procedure.

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The Committee examined the implementation of the Change Program by the Australian Taxation Office. While the Committee noted the significant productivity gains within the Tax Office, it expressed concern about the extent of ongoing client dissatisfaction with the system and the undermining of confidence in the integrity of Australia’s taxation system. The incoming Committee will continue to monitor this situation at the next
Biannual Hearing with the Taxation Commissioner.

The Committee also expressed concern over the long term issue of staff churn at AusAID, particularly in light of the growing demands placed on the agency by Australia’s expanding aid program. The Committee acknowledged that AusAID is taking positive steps to combat this issue and recommended that AusAID report back to the JCPAA on its efforts to alleviate the problem.

The Committee reviewed audit reports on a number of controversial topics including the National Broadband Network request for proposal process, the coordination and reporting of Australia’s climate change measures and the Building the Education Revolution program. The Committee identified issues with risk management, data integrity and reporting processes and the effect these issues have had on implementation and delivery.

Overall the Committee made four recommendations which, if implemented, will ensure ongoing improvement in public administration of government funds.

Turning to Report 419, this report examines the Auditor-General Act 1997, which sets out the functions and powers of the Commonwealth Auditor-General. The Committee conducted this inquiry to assess whether the powers of the Auditor-General and the Australian National Audit Office remain adequate in the modern public sector environment. It has been nine years since the last such review by the Committee.

The Committee acknowledged the gap in accountability of Commonwealth grants to states and territories. In his evidence to the Committee the Auditor-General indicated the difficulties his office experiences in ‘following the dollar’ with regard to Commonwealth funding for programs and projects administered by the states and territories. He told the Committee that this had been demonstrated with regard to a number of recent programs including the BER. More recently this could prove relevant to the implementation of flood reconstruction programs in Queensland. To improve accountability and transparency therefore, the Committee supports changes to the Act to enable the Auditor-General to access information and records relating to the use of Commonwealth funds and to audit that information under certain circumstances.

The Committee also recognises the increasing use of contractors to implement government programs and services. While acknowledging the benefits of this practice, the Committee is concerned about the potential undermining of Ministerial responsibility and Parliamentary oversight. The Committee wants to see more accountability in this area and accordingly wants the Auditor-General to have the power to audit contractors delivering government programs and services.

The Committee considers that the Auditor-General should have the statutory authority to address these issues. Accordingly, the Committee has made 13 recommendations which, if enacted, will enhance the power of the Auditor-General, including:

- giving the Auditor-General greater authority to ‘follow the dollar’ where non-commonwealth bodies, including contractors and agencies in other levels of government, are in receipt of Commonwealth funding;
- removing outdated restrictions on the Auditor-General’s capacity to initiate audits of Commonwealth-controlled Government Business Enterprises;
- ensuring that the Auditor-General’s full information-gathering powers for traditional performance audits also apply to ‘assurance’ reviews the parliament might wish him to carry out; and
- enhancing the Auditor-General’s role in reviewing the adequacy of agencies’ performance information.

The changes proposed by the Committee will help ensure that Commonwealth funding is fully accounted for and that the taxpayer is receiving value for money.

I would like to take this opportunity to thank the previous Committee, chaired by Sharon Grierson MP, for its work on these inquiries. The incoming Committee recognises the important role of the Auditor-General and his office in holding the executive and its agencies to account and looks forward to continuing to work with the Auditor-General to strengthen accountability and trans-
transparency and public administration across the Australian government.

Mr President, I commend the Report to the Senate.

Question agreed to.

MINISTERIAL STATEMENTS

Indigenous Affairs

Senator ARBIB (New South Wales—Minister for Indigenous Employment and Economic Development, Minister for Sport and Minister for Social Housing and Homelessness) (5.52 pm)—On behalf of the Prime Minister, I table a ministerial statement on Indigenous Australians, together with the Prime Minister’s report of 2011 on closing the gap.

Senator SIEWERT (Western Australia) (5.52 pm)—by leave—I move:

That the Senate take note of the documents.

In responding to the Prime Minister’s closing the gap report, I would also like to draw attention to the shadow report of the Close the Gap steering committee. I seek leave to table the report entitled Shadow report on the Australian government’s progress towards closing the gap in life expectancy between Indigenous and non-Indigenous Australians by 2030. The second one is to ensure the full participation of Aboriginal and Torres Strait Islander peoples and their representative bodies in all aspects of addressing their health needs.

It is the issue of participation that I would particularly like to draw to the Senate’s attention today. It is about much more than consultation, especially the narrow way that consultation is often interpreted by the government and public servants. It is about real partnerships in all aspects of health, life and community. The Prime Minister in her statement today spoke of increased investment, changing behaviours and working together with respect. While we welcome, of course, the continued investment in Indigenous health at a time when government is cutting funding in other areas, I am disappointed to see that there seems to have been little to indicate a change in behaviour by the government. I believe that this is required if we are really going to begin working together with respect and to make real progress on closing the gap.

The original Close the Gap statement of intent, which was signed by the government, the opposition and the Greens in March 2008, signalled a commitment to a list of very important measures. Two of these commitments have not yet been met and seem to have been missing from the programs and funding of the government’s Closing the Gap measures. In fact, this year’s Shadow report draws particular attention to them, as did last year’s report. The first of these two issues is to develop a comprehensive, long-term plan of action that is targeted to need, evidence based and capable of addressing the existing inequities in health services in order to achieve equity of health status and life expectancy between Aboriginal and Torres Strait Islander people and non-Indigenous Australians by 2030. The second one is to ensure the full participation of Aboriginal and Torres Strait Islander peoples and their representative bodies in all aspects of addressing their health needs.
pointed to hear that the focus really was only on the need for individuals, families and communities to change their behaviour, and not on how governments—not only the federal government but also state and territory governments—need to change their behaviours to give and take: to take on a little bit more responsibility on their part and to show a little bit more respect for the needs of real partnerships. There needs to be a change in the way they are addressing some of the issues. In other words, responsibility goes both ways.

As today’s Shadow report says in the statement of intent:

In making these commitments the Australian government demonstrated that it recognised a sound policy foundation was needed if the COAG targets were to be met. It acknowledged that a haphazard, unplanned effort will not deliver health equality within a generation and that Australian governments must work with Aboriginal and Torres Strait Islander peoples and their representatives if the targets are to be achieved.

In other words, a health partnership between Aboriginal and Torres Strait Islander peoples, their representatives and Australian governments was needed. The report goes on to say:

That was three years ago. Since then, there have been significant investments in Aboriginal and Torres Strait Islander health as well as other positive developments, such as the appointment of a Minister for Indigenous Health. However, there has been no sign of a plan or partnership. In fact, policy is still not being developed with the adequate participation of Aboriginal and Torres Strait Islander peoples and their representatives.

It went on to say:

Broken promises litter politics, but there is more at stake here than just the Australian government’s credibility. Without a plan or a partnership, there is a risk that the significant investments made in health since 2008 will be wasted. It should not be forgotten that planning and partnership are efficiency measures too, helping to secure the best bang for the buck in a time of limited resources.

But, more importantly, they said:

... it is the ongoing, unnecessary and preventable fatal impact on Aboriginal and Torres Strait Islander lives and the suffering that will result if the national effort to secure health equality does not proceed on a firm policy footing.

I draw the Senate’s attention specifically to the ongoing problems with the funding and administration of Aboriginal health services, funding that is often fragmentary, short term, over-specific and accompanied by unduly onerous and inappropriate reporting requirements. These problems have been documented and pointed out to the government on many occasions, but specifically in 2009 in the Overburden report by the Co-operative Research Centre for Aboriginal Health. We have yet to see the planned and comprehensive approach to delivering primary healthcare services to Aboriginal Australians that is needed. We are yet to see the investment in building the capacity of Aboriginal controlled health organisations to deliver and support Aboriginal health workers and managers of the future.

We have yet to see from the government the type of mutual respect that is needed if we are to form real partnerships and if we are to turn rhetoric into reality. The bulk of the funding for the Closing the Gap measures continues to be delivered through mainstream health organisations, which do not reach out to many of the people in greatest need. Not enough is being done to invest in and build the capacity of Aboriginal community controlled health services, despite their strong record of reaching those most in need and delivering good outcomes to Aboriginal Australians.

Having said that, although it was not addressed in the Prime Minister’s speech I note from the media today that apparently representatives of Aboriginal and Torres Strait
Islander peak health organisations have been meeting with the Prime Minister, the Minister for Health and Ageing, Ms Roxon, and the Minister for Indigenous Health, Mr Snowdon. I understand that there has been a commitment to start to work together in partnership to follow up on the commitment that I have been talking about—in other words, the development of a more comprehensive plan. I read that in the media just today. We believe this is an important development, and I urge the government to take seriously its new commitment to work in partnership with these and other key organisations. We believe the government needs to ensure that the substance of that partnership and the results that it produces are fed through effectively to COAG, to encourage COAG members to also commit to the development of such partnerships so that all levels of government are committed to full participation and partnership in the ongoing campaign to close the gap.

The reason I believe this is important is that we need to change from the government’s rhetoric to reality. In other words, the government’s actions need to match what it says it is doing. The government says it is committed to closing the gap. The government says it is committed to delivering on the commitments that it has signed up to. Yet it continues to undermine the rights of Aboriginal people. It talks about addressing the issues of disadvantage, but it fails to make the link between Aboriginal and Torres Strait Islanders’ rights and disadvantage. This was highlighted just 10 days ago with the UN Human Rights Committee report on its Universal Periodic Review. There were 145 recommendations made. I admit they were not just on Aboriginal and Torres Strait Islander issues, but many of them addressed the ongoing issues of disadvantage and the undermining of people’s rights. The report asked for the full—I emphasise the word ‘full’—restoration of the application of the Racial Discrimination Act in the Northern Territory. It commented on issues around native title, income quarantining and the implementation of the Declaration on the Rights of Indigenous Peoples. All these issues need to be fundamentally addressed if we are truly going to close the gap for Aboriginal and Torres Strait Islanders in the time frame that the government, the opposition and the Greens have committed to.

Question agreed to.

DOCUMENTS
Tabling

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Pursuant to standing orders 38 and 166, I present documents as listed below which were presented to the President, the Deputy President and Temporary Chairs of Committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised.

The list read as follows—
Documents certified by the President
1. Department of the Senate—Register of Senate senior executive officers’ interests incorporating notifications of alterations of interests of Senate senior executive officers lodged between 22 June and 13 December 2010 (received 15 December 2010, 8.25 am AEST).
2. Correspondence from the Australian Information Commissioner (Professor McMillan) to Clerk of the Senate—Order for the production of documents—Proposed variation to the GST Agreement (received 23 December 2010, 9.18 am AEST).
3. Correspondence from the Australian Information Commissioner (Professor McMillan)—Orders for the production of documents (received 3 February 2011, 1.16 pm AEST).
Committee reports


2. Education, Employment and Workplace Relations References Committee—Report, together with the Hansard record of proceedings and documents presented to the committee—Administration and reporting of NAPLAN testing (presented to the President on 26 November 2010, 3:48 pm).


4. Foreign Affairs, Defence and Trade References Committee—Report, together with the Hansard record of proceedings and documents presented to the committee—The Torres Strait: Bridge and Border (presented to the President on 26 November 2010, 3:48 pm).

5. Rural Affairs and Transport References Committee—Report, together with the Hansard record of proceedings and documents presented to the committee—Australian horse industry and an emergency animal disease response agreement (presented to the President on 26 November 2010, 3:48 pm).


Final report, together with the Hansard record of proceedings and documents presented to the committee (presented to temporary chair of committees, Senator Kroger, on 28 January 2011, 4:49 pm).


Final report, together with the Hansard record of proceedings and documents presented to the committee (presented to temporary chair of committees, Senator Kroger, on 28 January 2011, 4:49 pm).


Government responses to parliamentary committee reports


2. Community Affairs References Committee—Report—Suicide in Australia—Replacement government response of document tabled in the Senate on 24 November 2010 (presented to the President on 22 December 2010, 3:10 pm AEST).
3. Environment, Communications and the Arts References Committee—Report—Australia Post’s treatment of injured and ill workers (presented to the President on 22 December 2010, 3.10 pm AEST).

4. Economics References Committee—Report—Employee share schemes (presented to the President on 7 February 2011, 2.09 pm).

Ministerial statement

Government documents

1. National Residue Survey—Report for 2009-10 (presented to temporary chair of committees, Senator Ludlam, on 30 November 2010, 11.05 am WA time).

2. Fisheries Research and Development Corporation (FRDC)—Report for 2009-10 (presented to temporary chair of committees, Senator Bishop, on 1 December 2010, 1.55 pm).

3. Sugar Research and Development Corporation—Report for 2009-10 (presented to temporary chair of committees, Senator Bishop, on 1 December 2010, 1.55 pm).

4. Gene Technology Regulator—Quarterly reports—
   - for the period 1 April to 30 June 2010 (presented to the Deputy President on 2 December 2010, 11.05 am CDST).
   - for the period 1 July to 30 September 2010 (presented to temporary chair of committees, Senator Troeth, on 24 January 2011, 10.22 am).

5. Department of Broadband, Communications and the Digital Economy—Investigation into access to electronic media for the hearing and vision-impaired: Media access review final report (presented to temporary chair of committees, Senator Moore, on 3 December 2010, 9.35 am Qld time).

6. Australian Communications and Media Authority—Communications Report 2009-10 (presented to temporary chair of committees, Senator Crossin, on 9 December 2010, 2.55pm CST).


10. Australian Landcare Council—Report for 2009-10 (presented to the President on 15 December 2010, 2.43 pm AEST).


15. National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the Research Involving Human Embryos Act 2002 for the period 1 March to 31 August 2010 (presented to the President on 21 December 2010, 1.12 pm AEST).


17. Australian Centre for Renewable Energy Board—Report for 2009-10 (presented to the Deputy President on 13 January 2011, 10.45 am CDST).


23. Centrelink and the Data-Matching Agency—Data-matching program—
   • Report on progress 2007-08
   • Report on progress 2008-09 (presented to temporary chair of committees, Senator Kroger, on 27 January 2011, 11.50 am).


Reports of the Auditor-General


5. Report no. 21 of 2010-11—Performance audit—Indigenous housing initiatives: the fixing houses for better health program: Department of Families, Housing, Community Services and Indigenous Affairs (presented to the President on 15 December 2010, 8.25 am AEST).

6. Report no. 22 of 2010-11—Financial statement audit—Audits of the financial statements of Australian Government entities for the period ended 30 June 2010 (presented to
the President on 16 December 2010, 9.05 am AEST).


Tabling of guidelines pursuant to an Act

Returns to order

1. Health—GST Agreement—Proposed variation (motion of Senator Cormann agreed to 23 November 2010)—Statement (presented to temporary chair of committees, Senator Barnett, on 6 December 2010, 12.05 pm).

2. Environment—Home Insulation Safety Program (motion of Senator Birmingham agreed to 24 November 2010)—Statement (presented to temporary chair of committees, Senator Barnett, on 6 December 2010, 12.05 pm).

3. Administration—Department of Education, Employment and Workplace Relations (motion of Senator Mason agreed to 24 November 2010)—
   - Statements (presented to the President on 13 December 2010, 9.32 am AEST and presented to temporary chair of committees, Senator Troeth, on 14 December 2010, 4.43 pm).
   - Documents (presented to the President on 16 December 2010, 3.09 pm AEST).

Statements of compliance with Senate orders

Indexed lists of departmental and agency files (continuing order of the Senate of 30 May 1996, as amended on 3 December 1998):
- Education, Employment and Workplace Relations portfolio (and attachment) (presented to temporary chair of committees, Senator Bishop, on 2 December 2010, 12.25 pm WA time).

Lists of contracts (continuing order of the Senate of 20 June 2001, as amended on 27 September 2001 and 18 June, 26 June and 4 December 2003):
- Defence portfolio (presented to temporary chair of committees, Senator Fisher, on 4 February 2011, 1.10 pm CST).

Lists of departmental and agency appointments and vacancies (continuing order of the Senate of 24 June 2008, as amended):
- Defence portfolio (presented to temporary chair of committees, Senator Fisher, on 4 February 2011, 1.10 pm CST).

Lists of departmental and agency grants (continuing order of the Senate of 24 June 2008):
- Defence portfolio (presented to temporary chair of committees, Senator Fisher, on 4 February 2011, 1.10 pm CST).
- Australian Organ and Tissue Donation and Transplantation Authority (presented to the President on 7 February 2011, 10.10 am).
- Attorney-General’s portfolio (presented to the President on 7 February 2011, 2.09 pm).
- *one letter covers both Senate orders

Ordered that the committee reports be printed.

The ACTING DEPUTY PRESIDENT (Senator Crossin)—In accordance with the usual practice and with the concurrence of the Senate, the government response will be incorporated in Hansard.

The document read as follows—

CHAMBER
COMMONWEALTH GOVERNMENT RESPONSE TO THE REPORT AND RECOMMENDATIONS OF THE SENATE STANDING COMMITTEE ON COMMUNITY AFFAIRS INQUIRY FUNDING AND OPERATION OF THE COMMONWEALTH STATE TERRITORY DISABILITY AGREEMENT (CSTDA)

MINISTER FOR FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

November 2010

INTRODUCTION

The Commonwealth State Territory Disability Agreement (CSTDA) provided a national framework for the delivery, funding and development of specialist disability services for people with disability.

Under the previous three Agreements all parties were responsible for funding specialist services for people with disability:

- The Commonwealth Government had responsibility for the planning, policy setting and management of specialised employment assistance
- State and Territory governments had similar responsibilities for accommodation support, community support, community access and respite, and
- Support for advocacy and print disability was a shared responsibility between the Commonwealth Government and State and Territory governments.

Intergovernmental Agreement for Federal Financial Relations

The Council of Australian Governments (COAG) reaffirmed its commitment to cooperative working arrangements through an Intergovernmental Agreement (IGA) which provides an overarching framework for the Commonwealth’s financial relations with the States and Territories. The IGA represents the most significant reform of Australia’s federal financial relations in decades. It is aimed at improving the quality and effectiveness of government services by reducing Commonwealth prescriptions on service delivery by the States, providing them with increased flexibility in the way they deliver services to the Australian people.

In addition, the reform provides a clearer specification of roles and responsibilities of each level of government and an improved focus on accountability for better outcomes and better service delivery. This is accompanied by a major rationalisation of the number of payments to the State and Territory governments through Specific Purpose Payments (SPPs), reducing the number of such payments from over 90 to five.

The new arrangements commenced on 1 January 2009 and superseded all previous agreements, including the CSTDA. All aspects will be actively monitored through COAG. The National Disability Agreement (NDA) and Disability Services SPP are both covered by schedules to the IGA.

National Disability Agreement

The main differences under the new financial framework that impact the new NDA are:

- The NDA is based on agreed outcomes and objectives as determined by all Australian governments and does not specify input controls, which provides greater flexibility for State and Territory governments to implement solutions that will meet the agreed outcomes for people with disability.
- The NDA does not specify funding amounts. Funding from the Commonwealth is provided through a separate Disability Services SPP to contribute to the States and Territories efforts to achievement of outcomes under the agreement.
- Delivery of funding through the Disability Services SPP is now the responsibility of the Commonwealth Government Treasury.
- Under the NDA the Commonwealth Government is responsible for the provision of employment services and income support, the State and Territory governments are responsible for the provision of other specialist disability services.
- The NDA is an ongoing living document and does not specify an end date. The NDA is subject to periodic performance and funding reviews to examine funding levels and the
relevance of the agreed objectives, outcomes and outputs.

Summary of government response
The Commonwealth Government has implemented, or is implementing, a number of reforms which were developed in response to the Community Affairs Senate Committee Inquiry. These include:

- Bringing $962 million in funding for disability services, which was outside the CSTDA, into the National Disability Agreement and providing it to the States and Territories on a dollar for dollar matching basis.
- Providing $100 million in capital funding to the States and Territories to deliver over 300 new supported accommodation places for people with disability with ageing carers;
- Providing $60 million over three years from 2011 to community based organisations to deliver up to 150 additional supported accommodation places;
- Developing and implementing a new NDA with State and Territory governments.
- Identifying priority areas in the NDA for reform of the disability service system. Reform priorities include:
  Better measurement of current and future need for disability services.
  The development of a national population benchmark framework for disability services. Making older carers a priority for NDA funded disability services.
  The development of a National Disability Quality Framework with a National Quality Assurance system to enable a consistent approach to quality assurance and the continuous improvement of disability services.
  The provision of a person-centred approach to service delivery and simplified access to services.
- An increased focus on early intervention and prevention strategies to ensure clients receive timely and appropriate support.
- The development of a national workforce strategy to address qualifications, training and cross sector career mapping issues to establish the disability sector as an industry of choice.

Improving Indigenous access to disability services.

More consistent access to Aids and Equipment.

- Developing a National Disability Strategy with the States and Territories to drive future reforms in the both mainstream systems and the disability service system for people with disability, their families and carers.¹
- Undertaking a feasibility study on a national disability long-term care and support scheme. This will include an examination of a no-fault social insurance model.
- Building six long day care centres to provide early intervention for children with autism in addition to the $190 million Helping Children with Autism package.
- An additional $122 million investment in early intervention through A Better Start for Children with Disability package.
- Establishing a National Companion Card Scheme and achieving national consistency on disability parking.
- Giving people with disabilities who are ageing access to Community Aged Care Packages.
- Creating a two year transition period for people working in Australian Disability Enterprises, previously known as Business Services, who want to move to open employment.
- Reviewing the need for legislative reform to recognise the role and rights of carers through the Office of Work and Family.

¹The Commonwealth Government has released a draft of the National Disability Strategy (NDS) and is committed to taking the strategy to COAG for national endorsement. A copy of the draft NDS can be found at: http://www.alp.org.au/agenda/more policies/draft-national-disability-strategy/

Structure of the response
Where a recommendation has a number of parts that need to be responded to separately, these have been numbered for ease of reference.
RECOMMENDATION 1
That State and Territory governments provide a specific service that assists people with disability transferring between jurisdictions to negotiate programs and services to achieve a comparable level of support.

AGREED-IN-PRINCIPLE
Although portability of support for people with disability is principally a State and Territory issue, the Commonwealth Government continues to be a strong advocate through Commonwealth-State forums and supports the principle of interstate portability of disability services and work undertaken by states and territories to achieve improvements in this area.

Under the National Disability Agreement (NDA) jurisdictions have agreed to concentrate efforts in several priority areas to achieve the outcomes of the agreement and reform of the disability service system. Under the “Improved Access to Disability Care” priority, jurisdictions will look at systems to improve access to disability care, and ensure people are referred to the most appropriate disability service and supports. This includes consideration of single access points and nationally consistent assessment processes in line with nationally agreed principles. This work will help to ensure that people moving between jurisdictions receive a comparable level of support.

Under the “Access to Aids and Equipment” reform priority of the NDA, jurisdictions have agreed to more consistent access to aids and equipment by the end of 2012.

The Interstate Portability Protocol has been agreed to by all Disability Ministers and was developed in the context of the third Commonwealth State Territory Disability Agreement but was not part of that Agreement. It facilitates access to service systems for people with disability seeking to move interstate.

The Protocol is currently being reviewed by the Disability Policy and Research Working Group (DPRWG) of the Community and Disability Services Ministers Advisory Council (CDSMAC).

RECOMMENDATION 2
That the next CSTDA clearly recognise the complex and interacting needs of, and specialist services required by, people with dual and multiple diagnosis, and people with acquired brain injury.

AGREED-IN-PRINCIPLE
The Commonwealth Government acknowledges the importance of recognising the complex and interacting needs and specialist services required by all people with disability, including people with dual and multiple diagnoses and people with acquired brain injury.

The National Disability Agreement (NDA) includes Commonwealth, State and Territory government agreement to reform the disability service system and create a system which enhances the social and economic participation for people with disability. This includes the need to identify, plan and respond to the development and support needs for people with disability at an early stage and at key life transition points, to ensure services are person-centred and provide timely access to supports based on assessed needs. Over time this will mean that service delivery will change to meet the needs of a person with disability.

The Commonwealth, State and Territory governments are in the process of developing a National Disability Strategy under the auspices of the Council of Australian Governments. The Strategy will drive future reforms in both mainstream systems and disability services for people with disability including those with complex needs and multiple disadvantages. As part of the National Disability Strategy, the Commonwealth Government has commissioned an Inquiry into a long-term care and support scheme for people with disability in Australia. It will examine a social insurance model on a no-fault basis, reflecting the shared risk of disability across the population, as well as other options that provide incentives to focus on early intervention. While Australia’s social security and universal health care systems provide an entitlement to services based on need, there is currently no equivalent entitlement to disability care and support services. The Commission has been asked to report to the Commonwealth Government by July 2011.
RECOMMENDATION 3

3.1 That the next CSTDA should include – A whole-of-government, whole-of-life approach to services for people with disabilities.

AGREED

Through the National Disability Agreement, the Commonwealth, State and Territory governments have agreed to concentrate national efforts of reforms in several key priority areas to focus on providing person centred approaches to service delivery and simplifying access to specialist disability services. The reforms will mean: a system comprising single access points; nationally consistent assessment processes and quality assurance systems; and more consistent access to disability aids and equipment. Service providers will be better able to develop, train and employ care workers; and governments will work together to better measure the level of unmet demand for disability services. The reform areas include:

- Better Measurement of Need
- Population Benchmarking for Disability Services
- Making Older Carers a Priority
- Quality Improvement Systems based on Disability Standards
- Service Planning and Strategies to Simplify Access
- Early Intervention and Prevention, Lifelong Planning and Increasing Independence and Social Participation Strategies
- Increased Workforce Capacity
- Increased Access for Indigenous Australians
- Access to Aids and Equipment
- Improved Access to Disability Care.

A specific reform that will support a whole-of-life approach to services for people with disability is the “Early Intervention and Prevention, Lifelong Planning and Increasing Independence and Social Participation Strategies” priority. Under this priority, an Early Intervention and Prevention Framework will be developed by mid 2011 to increase governments’ ability to be effective with early intervention and prevention strategies and to ensure that clients receive the most appropriate and timely support.

3.2 That the next CSTDA should include – A partnership between governments, service providers and the disability community to set policy priorities and improve outcomes for people with disability.

AGREED

The Intergovernmental Agreement for Federal Financial Relations, agreed to by the Council of Australian Governments in November 2008, clarifies funding and administration responsibilities. The objective of the Intergovernmental Agreement is the improvement of the well-being of all Australians including through:

- collaborative working arrangements, including clearly defined roles and responsibilities and fair and sustainable financial arrangements, to facilitate a focus by the Parties on long term policy development and enhanced government service delivery;
- enhanced public accountability through simpler, standardised and more transparent performance reporting by all jurisdictions, with a focus on the achievement of outcomes, efficient service delivery and timely public reporting.

As part of an ongoing commitment to the rights of people with disability, the Commonwealth Government, in partnership with State and Territory governments, is developing a National Disability Strategy. The Strategy is being developed in consultation with the Australian community, disability and carer peak bodies, employers and industry experts. The Strategy aims to address the barriers that are faced by Australians with disability, their families and carers and promote social inclusion.

The development of the National Disability Strategy has included a formal public consultation process and the establishment of the 28 member National People with Disabilities and Carer
Council (NPWDACC). The Council provides expert advice to government on the development and implementation of the Strategy and represents a diverse range of backgrounds and experience. The NPWDACC includes people with disability and their families, carers, industry representatives and academic experts.

There was an overwhelming response to the consultations on the National Disability Strategy, with more than 2,500 people attending capital city forums and focus groups in regional and remote areas and more than 750 written submissions received.

The National Disability Strategy consultation report, “Shut Out: The Experience of People with Disabilities and their Families in Australia”, was launched and presented to the Commonwealth Government by the Council on 5 August 2009. This report highlights that people with a disability have the same desires as everyone else for a fulfilling and productive life, yet all too often struggle to access the things most people take for granted. It also demonstrates the determination and strength of people with disability, their resourcefulness and innovation. The Commonwealth Government commissioned this report because it wanted to hear what people with disability, their carers and families wanted to see in a National Disability Strategy. The report will inform the Strategy and help governments to identify the barriers and issues facing people with a disability, their families and carers, and guide solutions.

3.3 That the next CSTDA should include – A clear allocation of funding and administration responsibilities based on the most effective arrangements for the delivery of specialist disability services.

AGREED-IN-PRINCIPLE

As stated in response to Recommendation 3.2, the Council of Australian Governments reaffirmed its commitment to cooperative working arrangements through the Intergovernmental Agreement for Federal Financial Relations (IGA) which provides an overarching framework for the Commonwealth’s financial relations with the States and Territories.

The IGA provides a clearer specification of roles and responsibilities of each level of government and an improved focus on accountability for better outcomes and better service delivery.

Commonwealth-State financial relations are now placed on a secure footing with the creation of five new national Specific Purpose Payments, including a National Disabilities Services Specific Purpose Payment.

The National Disability Agreement (NDA) is a schedule to the IGA and outlines the roles and responsibilities of the Commonwealth, State and Territory governments in the delivery of payments and services for people with disability and their carers. The NDA acknowledges that all jurisdictions will work cooperatively together and be accountable to the community in order to realise the objectives and commitments outlined within it.

The NDA also acknowledges that specialist disability services are complemented by mainstream services. Achieving improved outcomes for people with disability, their families and carers is contingent upon the effective coordination of both specialist disability and mainstream government services.

3.4 That the next CSTDA should include – A clear articulation of the services and support that people with disability will be able to access.

AGREED-IN-PRINCIPLE

The National Disability Agreement (NDA) includes Commonwealth, State and Territory government agreement to reform the disability service system and create one where services are person-centred with an early intervention and lifelong planning approach. This will assist people with disability, their families and carers to negotiate the system and receive services and support when they are needed.

The NDA includes high level outcomes focussed performance benchmarks and targets. The NDA includes the following performance benchmarks which will demonstrate improvements in performance relevant to the delivery of disability services:

- an increase in the proportion of people with disability in employment;
• a decrease in the proportion of potential population with unmet demand for services;
• an increase in the proportion of people with disability accessing services who have an individualised service plan;
• an increase in the proportion of younger people in, or at risk of entering, residential aged care assisted with more appropriate forms of accommodation, diversionary strategies and/or enhanced services;
• an increase in the proportion of Indigenous people with disability receiving disability services; and
• all services are subject to quality improvement systems consistent with National Standards by 2010.

The NDA will ensure that services and supports provided to people with disability, their families and carers are provided in a nationally consistent and simplified manner through:

• a National Framework for Service Planning and Access that focuses on a person centred approach to service delivery and simplifying access to specialist disability services;
• more consistent access to aids and equipment; and
• an Early Intervention and Prevention Framework to increase governments’ ability to be effective with early intervention and prevention strategies and to ensure that clients receive appropriate and timely support.

Further to this, all Australian governments have agreed to develop a national population benchmarking framework. This will include the implementation of initial population benchmarking of disability services based on available information to improve the evidence base and assist in policy service and planning decisions.

3.5 That the next CSTDA should include – A commitment to regular independent monitoring of the performance of governments and service providers.
AGREED

The Council of Australian Governments (COAG) Intergovernmental Agreement on Federal Financial Relations (IGA) which commenced on 1 January 2009, includes enhanced public accountability through simpler, standardised and more transparent performance reporting by all jurisdictions. The new IGA focuses on the achievement of outcomes, efficient service delivery and timely public reporting.

The performance reporting framework of the IGA focuses on the achievement of results, value for money and timely provision of publicly available performance information.

The National Disability Agreement (NDA) includes performance indicators which indicate progress towards the outcomes specified in the Agreement. To aid public accountability, data collected against the performance indicators will be published annually by the COAG Reform Council.

The COAG Reform Council will report to the Prime Minister, as chair of COAG, on National Agreements and National Partnerships. To assist the COAG Reform Council in its role, the Productivity Commission will also report to COAG on the economic impacts and benefits of COAG’s agreed reform agenda every two to three years.

Performance of Service Providers

The Commonwealth Government strongly supports independent accreditation of quality assurance systems to monitor the performance of service providers.

Through the NDA jurisdictions have agreed, in reforming the disability services system, to introduce a national approach to quality assurance and the continuous improvement of disability services through the development of a National Disability Quality Framework with a National Quality Assurance System for disability services.

Commonwealth, State and Territory Disability Ministers have also endorsed:

• An Interim National Quality Framework for Disability Services in Australia (National Quality Framework); and
• An implementation plan which includes a revision of the national standards for disability services, as the approach to implementing a National Quality Framework.

3.6 That the next CSTDA should include – A transparent and clear mechanism to enable
people with disability and their carers to identify and understand which level of government is responsible for the provision and funding of services.

AGREED

The Intergovernmental Agreement on Federal Financial Reform provides a clear specification of roles and responsibilities of each level of government and an improved focus on accountability for better outcomes and better service delivery.

Under the National Disability Agreement (NDA) State and Territory governments are responsible for delivering specialist disability services. The NDA articulates the following roles and responsibilities:

**Shared roles and responsibilities**

All Australian governments are responsible for:

- development of national policy and reform directions to meet the agreed objectives and outcomes of the agreement;
- funding and pursuing research that provides an evidence base for national policy and reform directions;
- working together to develop and implement reforms to improve outcomes for Indigenous people with disability; and
- the provision of data, including a commitment to providing data for the national minimum data set and a commitment to the improvement of data.

**Role of the Commonwealth**

The Commonwealth undertakes responsibility for:

- provision of employment services for people with disability, which includes:
  - regulation, service quality and assurance;
  - assessment;
  - policy development;
  - service planning; and
  - workforce and sector development
- in a manner which most effectively meets the needs of people with disability, their families and carers, consistent with local needs and priorities.

- provision of income support targeted to the needs of people with disability, their families and carers;
- provision of funds to States and Territories to contribute to the achievement of the objective and outcomes;
- where appropriate, investing in initiatives to support nationally agreed policy priorities, in consultation with States and Territories; and
- ensuring that Commonwealth legislation is aligned with national priority, reform directions and the UN Convention on the Rights of People with Disabilities.

**States and Territories roles and responsibilities**

All State and Territory governments are responsible for:

- the provision of specialist disability services (except disability employment services), including:
  - regulation, service quality and assurance;
  - assessment;
  - policy development;
  - service planning; and
  - workforce and sector development
- in a manner which most effectively meets the needs of people with disability, their families and carers, consistent with local needs and priorities.

- ensuring that State and Territory legislation and regulations are aligned with the national policy and reform directions; and
- where appropriate, investing in initiatives to support nationally agreed policy priorities, in consultation with the Commonwealth Government.

**RECOMMENDATION 4**

That in the life of the next CSTDA, signatories agree to develop a National Disability Strategy which would function as a high level strategic policy document, designed to address the complexity of needs of people with disability and their carers in all aspects of their lives.
AGREED

The National Disability Strategy, being developed under the auspices of the Council of Australian Governments, will provide a national framework to drive future reforms for people with disability, their families and carers, in mainstream systems and the disability service system. The Australian Local Government Association is assisting with the development of the Strategy.

Australia ratified the United Nations Convention on the Rights of Persons with Disabilities in 2008. The National Disability Strategy will be an important mechanism to ensure that the principles underpinning the Convention are incorporated into policies and programs affecting people with disability, their families and carers.

The development of the National Disability Strategy has included a formal public consultation process and the establishment of the 28-member National People with Disabilities and Carer Council (NPWDACC). Further detail about the consultation process and the NWPDACC can be found in response to Recommendation 3.2.

The Commonwealth Government has also announced that, as part of the National Disability Strategy, the Government has commissioned a feasibility study into a national long-term care and support scheme for people with disability in Australia. The Commonwealth Government is committed to finding new approaches to funding and delivering disability services. The Productivity Commission will undertake the feasibility study which will include an examination of a no-fault social insurance model.

The appointment of the Productivity Commission to undertake a feasibility study on a national disability long-term care and support scheme recognises that this is a complex area which directly impacts families and people with disabilities in Australia.

The Inquiry will consider costs, implementation and design issues, governance arrangements and administrative issues, including for a social insurance model that reflects a shared risk of disability across the population.

When the Commission reports to the Commonwealth Government in July 2011, the Government will consider the findings in detail and provide a response in due course.

The opportunities offered by the Productivity Commission’s Inquiry are important but should also be seen in the context of the reforms which were put in place under the National Disability Agreement, and the development of the National Disability Strategy.

The Commonwealth Government and the Productivity Commission will also be advised by an Independent Panel of seven people who bring considerable experience across the disability sector. The Panel members include:

- Mr Bruce Bonyhady (President of Philanthropy Australia and Chair of Yooralla);
- Mr David Bowen (Chief Executive Officer of the Lifetime Care and Support Authority in NSW);
- Dr Rhonda Galbally AO (Chair of the National People with Disabilities and Carer Council);
- Dr Andrew Pesce (Federal President of the Australian Medical Association);
- Ms Robyn McKay (previously served in Senior Executive positions in the Department of Families, Housing, Community Services and Indigenous Affairs);
- Ms Ann Sherry AO (former Chief Executive Officer of Westpac New Zealand); and
- Mr Ian Silk (Chief Executive of AustralianSuper).

The Commonwealth Government has also provided community engagement grants totalling $640,000 to 17 disability and carer peak body organisations. This funding will enable these organisations to engage people with disability, their families and carers in the Productivity Commission’s Inquiry into a long-term care and support scheme.

RECOMMENDATION 5

That the next CSTDA incorporate a nationally-consistent assessment process to objectively and comprehensively determine the support and care needs of each person with a disability. These assessment processes should also assist people with disability by making determinations of eligibility for services and priority
of need as well as facilitating access to appropriate services.

AGREED-IN-PRINCIPLE

The Commonwealth Government strongly supports greater consistency in assessment processes. Through the National Disability Agreement all jurisdictions have agreed to concentrate initial national efforts in several priority areas to improve access to and appropriateness of care including consideration of single access points and nationally consistent assessment processes in line with nationally agreed principles by the end of 2011.

Jurisdictions have agreed to focus on providing a person-centred approach to service delivery and to improve governments’ ability to improve the effectiveness of early intervention and prevention strategies. The reforms will improve the ability to plan and respond to the development and support needs for people with disability at an early stage and at key life transition points providing timely access to supports based on assessed needs.

The Commonwealth Government will work with State and Territory governments to progress these reforms to ensure that the support and care needs of people with disability are accessible and determined appropriately.

As mentioned in the response to Recommendation 4, the Commonwealth Government has also announced that, as part of the National Disability Strategy, the Government has commissioned a feasibility study into a national long-term care and support scheme for people with disability in Australia. The Government is committed to finding new approaches to funding and delivering disability services.

The Productivity Commission will undertake the feasibility study which will include an examination of a no-fault social insurance model.

The Inquiry will consider costs, implementation and design issues including assessment processes, governance arrangements and administrative issues, including for a social insurance model that reflects a shared risk of disability across the population.

The appointment of the Productivity Commission to undertake a feasibility study on a national disability long-term care and support scheme recognises that this is a complex area which directly impacts families and people with disabilities in Australia.

RECOMMENDATION 6

That the Commonwealth, State and Territory governments ensure that:

- administrative burdens of assessment procedures are reduced for those with lifelong and permanent disabilities and their carers; and
- flexible assessment options are available to people with disabilities who have needs that may change rapidly.

AGREED-IN-PRINCIPLE

The Commonwealth Government supports reducing administrative burden, allowing appropriate accountability and flexibility and ensuring the most effective delivery of services provided through the National Disability Agreement (NDA) – that is, as many people as possible can access the services they need, when they need them.

The NDA includes agreement to reform the disability service system and create a system where services are person-centred with a focus on an early intervention and lifelong planning approach. This will assist people with disability, their families and carers to negotiate the system and receive services and support when they are needed.

The reforms will introduce national tools to identify service benchmarks; plan for changing needs including key transition points; identify people at risk; and work towards program and service delivery consistency across jurisdictions.

The NDA includes three priorities that will help to ensure that services are person-centred and provide timely access to supports, including consideration of single access points and nationally consistent assessment processes. These priorities are:

- Service Planning and Strategies to Simplify Access;
- Early Intervention and Prevention, Lifelong Planning; and
Increasing Independence and Social Participation Strategies and Improved Access to disability services.

They will also ensure that services are able to identify, plan and respond to the development and support needs of people with disability at an early stage and at key life transition points and support the role of families and carers including strengthening their informal support networks.

In addition to reforms to improve assessment processes under the NDA, the Commonwealth Government has implemented changes to improve access to income support for carers of children with a disability. These changes, which were implemented on 1 July 2009, relate to both Carer Payment and Carer Allowance and include:

- a new assessment process for Carer Payment (child) based on the level of care required by the care receiver and provided by the carer, that moved away from the narrow set of medical and behavioural criteria previously specified by the Social Security Act 1991;
- the qualification requirement in relation to care provided to a child with severe disability or severe medical condition, two or more children with disability or medical conditions, a disabled adult and one or more children each with disability or medical conditions;
- amendments to the terminal conditions provisions to extend qualification from 12 months to 24 months and based on an assessment of the average life expectancy of a child with the same or similar condition rather than the actual life expectancy;
- changes to qualification for Carer Payment for a divorced or separated parent who exchanges care of two or more children with disability or medical condition with the children’s other parent;
- access to income support for carers providing care on a short-term or episodic basis, for a minimum period of three months but less than six months;
- amendments removing the 63 day limit on hospitalisation, enabling carers to continue receiving Carer Payment and Carer Allowance while the care receiver is in hospital as long as they continue to participate in the care of the child; and
- automatic qualification for Carer Allowance on the basis of qualification for Carer Payment in respect of a child aged under 16 years.

The most significant reform was the introduction of a new assessment for Carer Payment in respect of a child aged under 16 years. The new assessment, the Disability Care Load Assessment (child) recognises and assesses the total care load of the child, that is, the care required by the child and the care provided by the carer.

As well as these reforms, the Commonwealth Government is introducing better and fairer assessment procedures for Disability Support Pension (DSP). From 1 July 2010, DSP assessment will be simplified to fast track more claimants who are clearly or manifestly eligible due to a catastrophic, congenital disability or cancer, enabling them to receive financial support more quickly.

New Guidelines for Job Capacity Assessors will be introduced for assessing a person’s work capacity and Job Capacity Assessors will have access to information about a person’s employment history.

DSP claimants requiring a Job Capacity Assessment will be assessed by senior, appropriately qualified DSP Assessors. DSP Assessors will be supported by a new Health Professional Advisory Unit in Centrelink.

Centrelink is also introducing measures to improve the Job Capacity Assessment process for DSP claimants and recipients, including reducing red tape and unnecessary multiple assessments, as well as reducing the numbers of people being sent for Job Capacity Assessments when they have a medical review. Centrelink will also make customer medical information currently available in hard copy available on-line as an electronic document to Job Capacity Assessors.

**RECOMMENDATION 7**

Given the reality that a large proportion of costs in disability services will always be wages and salaries of care providers, the Committee strongly recommends that the Commonwealth...
consider removing the efficiency dividend from the indexation formula for funds allocated through the CSTDA.

NOTED
No efficiency dividend was applied to previous CSTDA agreements and there is no efficiency dividend applicable to the new Disability Services Specific Purpose Payment.

RECOMMENDATION 8
That the Commonwealth set an indexation level in line with the actual costs of delivering services. This rate should be applied as a minimum indexation rate by State and Territory governments.

NOTED
The Commonwealth Government funds the Disability Services Specific Purpose Payment so that it has a growth rate based on the five year rolling average of year-on-year growth in nominal gross domestic product. This has averaged 7.0% over the period 2004-05 to 2009-10, compared with 1.8% under the Commonwealth State Territory Disability Agreement. The new indexation is the highest ever level of indexation for a Commonwealth/State disability agreement.

RECOMMENDATION 9
That the next CSTDA incorporate appropriate benchmarks and annual targets in relation to identified unmet need for specialist disability services.

AGREED
The National Disability Agreement (NDA) includes high level outcomes-focused performance benchmarks. The agreement includes the following performance benchmarks which will demonstrate improvements in the delivery of disability services:

• an increase in the proportion of people with disability in employment;
• a decrease in the proportion of potential population with unmet demand for services;
• an increase in the proportion of people with disability accessing services who have an individualised service plan;
• an increase in the proportion of younger people in, or at risk of entering, residential aged care assisted with more appropriate forms of accommodation, diversionary strategies and/or enhanced services;
• an increase in the proportion of Indigenous people with disability receiving disability services; and
• all services are subject to quality improvement systems consistent with National Standards by 2010.

In addition, parties to the NDA have agreed to develop a national population benchmarking framework. This framework will include the implementation of initial population benchmarking of disability services, based on available information, to improve the evidence base and assist in policy, service and planning decisions. This work is an identified priority area under the NDA to assist with reform in the disability services system.

Ministers have further agreed that population, service and outcome benchmarks will be phased in over time subject to data availability.

Please see the responses to Recommendations 15 and 21 for more information about improvements to identification of unmet need.

RECOMMENDATION 10
That the next CSTDA ensure ‘matched funding’ commitments do not provide a disincentive for governments to provide additional funding for specialist disability services.

AGREED
The Intergovernmental Agreement on Federal Financial Relations has a number of schedules including the National Disability Agreement (NDA). The NDA is based on agreed outcomes and objectives as determined by all Australian governments and does not specify input controls. This provides greater flexibility for State and Territory governments to implement solutions that will meet the agreed outcomes for people with disability.

RECOMMENDATION 11
That the Commonwealth have responsibility in the lead up to the next CSTDA for developing an equitable distribution formula of Commonwealth base funding which takes into account differences between States and Territo-
ries in terms of potential population and costs of service delivery.

AGREED

Through the Council of Australian Governments, the Commonwealth, State and Territory governments have agreed to implement new arrangements. The funding for National Disability Agreement will be based on per capita distribution which is being phased in at 20% per year;

- 2009: distribution based on historic split of funding as per the previous CSTDA (CSTDA Distribution).
- 2010 80% CSTDA Distribution & 20% per capita
- 2011 60% CSTDA Distribution & 40% per capita
- 2012 40% CSTDA Distribution & 60% per capita
- 2013 20% CSTDA Distribution & 80% per capita

RECOMMENDATION 12

That, in addition to that funding “platform”, arrangements be put in place to allow specific services or programs to be initiated on the basis of cost-sharing or matched funding between the Commonwealth and particular State and Territory governments which commit additional funding for specialist disability services.

AGREED

The Commonwealth Government agrees to this recommendation, recognising the value of collaborative support to address key areas of concern.

One of the key elements of the new Federal Financial Relations Framework is the provision of National Partnerships between Commonwealth, State and Territory governments to support the delivery of specified projects or to drive reforms of national importance.

A key element of the new framework for federal financial relations is the ability to enter into National Partnerships with the State and Territory governments to facilitate or reward reforms of national importance.

There are two types of National Partnership payments that will be available:

- National Partnerships payments to support the delivery of specified outputs or projects; and
- National Partnerships payments to facilitate the implementation, or reward the delivery, of nationally significant reforms.

The Community and Disability Services Ministers Conference will be responsible for considering and proposing possible new specific projects in relation to the support of people with disability, their families and carers for consideration by the Council of Australian Governments.

RECOMMENDATION 13

That realistic outcomes based performance reporting requirements be added to the CSTDA.

AGREED

One of the objectives of the Intergovernmental Agreement on Federal Financial Relations is the improvement of the well-being of all Australians through enhancing public accountability for the outcomes achieved or outputs delivered under National Agreements. The National Disability Agreement has mutually agreed objective, outcomes and outputs and performance indicators:

Objectives

That realistic outcomes based performance reporting requirements be added to the CSTDA.

One of the objectives of the Intergovernmental Agreement on Federal Financial Relations is the improvement of the well-being of all Australians through enhancing public accountability for the outcomes achieved or outputs delivered under National Agreements. The National Disability Agreement has mutually agreed objective, outcomes and outputs and performance indicators:

Outcomes

That realistic outcomes based performance reporting requirements be added to the CSTDA.

The Agreement will contribute to the following outcomes:

(a) people with disability achieve economic participation and social inclusion;
(b) people with disability enjoy choice, well-being and the opportunity to live as independently as possible; and
(c) families and carers are well supported.
Outputs
The Agreement will contribute to the following outputs in support of the agreed outcomes:
(a) services that provide skills and supports to people with disability to enable them to live as independently as possible;
(b) services that assist people with disability to live in stable and sustainable living arrangements;
(c) income support for people with disability and their carers; and
(d) services that assist families and carers in their caring role.

Performance Indicators
To aid public accountability, data will be published annually by the COAG Reform Council on the following performance indicators which indicate progress towards the outcomes specified in this Agreement:
(a) labour force participation rate for people with disability aged 15-64 years;
(b) proportion of people with disability who participate in social and community activities;
(c) proportion of the potential population accessing disability services;
(d) proportion of people with disability who are satisfied with the range of disability service options and quality of support received;
(e) proportion of potential population expressing unmet demand for disability support services;
(f) number of Indigenous people with disability receiving disability services as a proportion of the Indigenous potential population requiring services;
(g) labour force participation rate for carers aged 15 to 64 of people with disability;
(h) proportion of carers of people with disability accessing support services to assist in their caring role;
(i) proportion of carers of people with disability who are satisfied with the range of disability service options and quality of support received; and
(j) proportion of people with disability receiving income support.

RECOMMENDATION 14
That the Commonwealth take the lead in developing consistent cross jurisdictional performance monitoring and reporting of specialist disability services to promote greater coordination and accountability between jurisdictions.

AGREED
As noted in the response to Recommendation 13, the Council of Australian Governments (COAG) has agreed to national performance indicators and reporting requirements relating to outcomes for people with disability, their families and carers. The COAG Reform Council will monitor each jurisdiction’s progress in achieving objectives and outcomes through the performance indicators and benchmarks.

The current governance arrangements featuring the Community and Disability Services Ministers Conference and Disability Policy and Research Working Group will continue to drive and monitor achievement of reforms as outlined in the Agreement.
Monitoring the achievements of disability services will be improved through the National Disability Quality Framework which will introduce a national approach to quality assurance and continuous improvement of disability services.

RECOMMENDATION 15
That additional funding be made available under the next CSTDA to:
• enable further analysis using the CSTDA data collections, to better inform policy makers and the public about the effectiveness of disability services; and
• enable jurisdictions and service providers to improve CSTDA NMDS data.

AGREED
As noted in the response to Recommendation 13, the Commonwealth, State and Territory governments have agreed to a set of performance indicators and benchmarks which will be used to monitor the provision of disability services.
Under the “Better Measurement of Need” priority, Commonwealth, State and Territory governments have commenced work to improve the data collected through the Survey of Disability, Ageing and Carers (SDAC) and the quality of data reported under the Disability Services National Minimum Dataset (‘the NMDS’) (formerly the CSTDA NMDS) and jurisdiction level unmet demand data.

New data items were included in the 2009 SDAC. In addition, the survey sample was expanded to improve the quality of estimates at both national and State levels. The SDAC content was expanded to collect additional information on unmet demand for disability services and services for the elderly, labour force participation, and carers.

The 2009 SDAC was conducted between May and December 2009 and the results may be accessed on the website of the Australian Bureau of Statistics at http://www.abs.gov.au in late 2010.

Future work will consider options for the development of common principles data items, definitions and systems and processes. This will improve the consistency of data and be used to inform stakeholders about the effectiveness of disability services.

As well as work to improve the data available under SDAC continuous improvement in data quality and timeliness remains a key priority for data collected by AIHW for the NMDS.

Commonwealth, State and Territory officials have agreed to investigate the redevelopment of the NMDS. Issues to be considered include:

- improving data and comparability;
- enhancing the flexibility of the data collection for responding to the policy and service system environments of the future;
- increasing jurisdictions and the disability sectors’ ability to meet strategic and policy information needs.

This work will also support new information and reporting requirements under the National Disability Agreement (NDA).

Commonwealth, State and Territory governments have agreed that due to the lack of research into disability issues, compared to other human services they would contribute a total of $10 million over 5 years from the NDA for research in this area. This is in addition to the funding provided through Specific Purpose Payments by the Commonwealth and in addition to funding provided by State and Territory governments for disability services.

The effectiveness of the ability of jurisdictions to achieve the outcomes of the NDA will be monitored by the Council of Australian Governments Reform Council through the performance indicators and benchmarks specified in the NDA.

RECOMMENDATION 16
That the Commonwealth ensure that outcomes data is included in the CSTDA National Minimum Dataset.

AGREED
The National Disability Agreement is an outcomes based agreement, including performance indicators and benchmarks which will be used to monitor performance and progression against outcomes. To aid public accountability the Council of Australian Governments Reform Council will report annually on achievement of outcomes based on these performance indicators and benchmarks.

A number of initiatives are being developed to improve data and ensure that outcomes can be measured.

See the responses to Recommendations 13, 14 and 15 for more information.

RECOMMENDATION 17
That the Commonwealth, State and Territory governments implement a national equipment strategy as part of the next CSTDA.

AGREED-IN-PRINCIPLE
The Commonwealth Government strongly supports the idea of a national equipment strategy. Under the National Disability Agreement (NDA) the Commonwealth has responsibility for employment and income support and the State and Territory governments have responsibility for the provision of other specialist disability services, including aids and equipment.

State and Territory governments have agreed, under the NDA, to work with the Commonwealth as a priority to create more consistent access to
aids and equipment for people with disability by the end of 2012.

**RECOMMENDATION 18**
That the next CSTDA include a commitment of additional funding for early intervention.

**AGREED**
Additional funding was provided under the National Disability Agreement (NDA) to reform the disability service system. The NDA includes Commonwealth, State and Territory government agreement to reform the disability service system and create a system which enhances the social and economic participation for people with disability. This includes the need to identify, plan and respond to the development and support needs for people with disability at an early stage and at key transition life points, to ensure services are person-centred and provide timely access to supports based on assessed needs. Over time this will mean that service delivery will change to meet the many needs of a person with disability.

“Early Intervention and Prevention, Lifelong Planning and Increasing Independence and Social Participation Strategies” is one of the priorities of the NDA that will assist this reform. Under this priority, jurisdictions will develop an Early Intervention and Prevention Framework. This framework will increase governments’ ability to be effective with early intervention and prevention strategies and to ensure that clients receive the most appropriate and timely support.

Early intervention is supported by Commonwealth Government initiatives such as the Helping Children with Autism programs, which commenced on 1 July 2008, and Better Start for Children with Disability program, which will commence on 1 July 2011.

**RECOMMENDATION 19**
That the Commonwealth increase the number of places in the Disability Employment Network for people on the Disability Support Pension who do not have mutual obligation requirements.

**AGREED**
On 1 March 2010, the Department of Education, Employment and Workplace Relations launched the new Disability Employment Services. Previous caps on services have been removed so that job seekers with disability no longer have to wait for the services they need to find work.

**RECOMMENDATION 20**
That the importance of access to appropriate transport and Patient Assisted Travel Schemes for people with disabilities be reflected in the terms of the next CSTDA.

**AGREED-IN-PRINCIPLE**
All Australian governments have recognised the importance of mainstream services, including access to transport, in supporting outcomes for people with disability, their families and carers. Through the National Disability Agreement, Commonwealth, State and Territory governments have agreed to undertake further work to ensure that all people have access to mainstream government services within their jurisdiction, including health care services such as Patient Assisted Travel Schemes. The provision of health transport services is a responsibility of State and Territory governments and is provided through programs such as the Patient Assisted Travel Scheme (PATS). PATS assists people living in rural Australia with travel and transport to access specialist medical services provided in city or regional centres.

Australia ratified the UN Convention on the Rights of Persons with Disabilities (the Convention) in 2008. Article 9 of the Convention states in part that ‘States Parties shall take appropriate measures to ensure to persons with disabilities access, on an equal basis with others, to the physical environment, to transportation, to information and communications, including information and communications technologies and systems, and to other facilities and services open or provided to the public, both in urban and in rural areas’.

The National Disability Strategy will address the performance of mainstream and specialist systems for people with disability, their families and carers, such as transport and health. Commonwealth Departments, such as those responsible for health and transport, and States and Territories have been developing the National Disability Strategy as a vehicle for improved outcomes for people with disability through mainstream pro-
grams under the auspices of the Council of Australian Governments.

The Disability Discrimination Act 1992 (DDA) and the associated Disability Standards for Accessible Public Transport 2002 (the Standards) recognise the importance of access for people with disability to public transport.

The Standards establish minimum accessibility requirements to be met by providers and operators of public transport conveyances, infrastructure and premises and take into the range of disability covered by the DDA and apply to most public transport. They also set out requirements in relation to issues such as access paths, manoeuvring areas, ramps and boarding devices, allocated spaces, handrails, doorways, controls, symbols and signs, the payment of fares and the provision of information.

The Standards require the Minister for Transport and Regional Services, in consultation with the Attorney-General, review the efficiency and effectiveness of the Standards within five years after they take effect, and every 5 years thereafter. These Standards were subject to a review in 2007. The final report on the review is currently being considered by the Australian Government. The Government intends to release the report and its response as soon as possible.

The Commonwealth Government will articulate its future strategy on disability access issues in the transport context when it responds to the final report of the review of Transport Standards under the DDA. This strategy will involve a range of measures underpinned by a commitment to more inclusive and ongoing consultation on disability issues.

**RECOMMENDATION 21**

That Commonwealth, State and Territory governments jointly commit as part of the fourth CSTDA to substantial additional funding to address identified unmet need for specialist disability services, particularly for accommodation services and support.

**AGREED**

Through the Disability Specific Purpose Payment, from 1 January 2009 to 30 June 2014, the Commonwealth Government will be providing more than $6.2 billion to the State and Territory Governments for increased and improved specialist disability services. This means that in 2013-2014, the Commonwealth Government’s contribution will exceed $1.35 billion, compared to $620 million in 2006-07. This significant increase in funding will help to provide more services and drive important reforms which will create a more effective and accessible disability service system.

Funding will be used for growth and reform and to provide more accommodation, respite, in-home care and individualised packages. Additional funding has also been provided by State and Territory governments to provide further support for accommodation, respite, in-home care and individualised packages.

The Commonwealth Government provided $100 million to the State and Territory governments in May 2008, specifically to provide supported accommodation for people with disability who are cared for by an older carer. The Commonwealth Government will also provide an additional $60 million over three years from 2011 to community organisations to deliver up to 150 additional supported accommodation places.

The Commonwealth Government will fund the Disability Services Specific Purpose Payment so that it has an indexation rate based on the five year rolling average of Nominal Gross Domestic Product - this has averaged 7.8% over the period 2003-04 to 2008-09.

The Commonwealth Government will maintain its oversight, coordination and leadership role in disability policy and will continue to work cooperatively with State and Territory governments to implement these reforms.

**RECOMMENDATION 22**

That funding arrangements and eligibility requirements should be made to allow supplemental aged care services to be made available to people with disabilities who are ageing, allowing them to age in place. Administrative funding arrangements should not impede access to aged care services for people with a disability who are ageing.

**AGREED-IN-PRINCIPLE**

The Commonwealth Government will take full funding responsibility for all national aged care services and full funding responsibility for spe-
cialist disability services delivered under the Na-
tional Disability Agreement (NDA) for people aged 65 and over. This will enable more simpli-
ified and integrated assessment across all forms of care and more integrated provision of aged care,
including to people with a disability who are age-
ing.

RECOMMENDATION 23
Access to generic services should continue to be a priority for the next CSTDA, particularly access to health care services.

AGREED
All Australian governments have recognised the importance of mainstream services in supporting outcomes for people with disability, their families and carers. Through the National Disability Agreement, Commonwealth, State and Territory governments have agreed to undertake further work to ensure that all people have access to mainstream government services within their jurisdiction, including health care services.

In addition, the National Disability Strategy will set out a ten year national plan for improving life for Australians with disabilities, their families and carers. It will address the performance of main-
stream systems, such as the health system, and also the disability service system, for people with disability, their families and carers.

RECOMMENDATION 24
That Commonwealth, State and Territory gov-
ernments, as part of their commitment to life
long planning for people with disabilities, en-
sure:

• that transitional arrangement options are available for people with disabilities who are cared for by ageing family members; and

• that there are adequate options for people with a disability and their carers to plan for their futures.

AGREED
As previously noted, the Commonwealth Gov-
ernment has provided significant funding to State and Territory governments for supported accom-
modation. This includes the $100 million provided to State and Territory gov-
ernments in May 2008 and $60 million that will be provided to community based organisations from 2011 to provide supported accommodation facilities for people with disabilities, especially those being cared for by ageing carers. These additional facilities will allow older carers to plan for the transition of their children with disability from home to other accommodation arrangements and will provide older carers with greater peace of mind when they are no longer able to provide care on a full time basis.

In responding to the House of Representatives Standing Committee on Family, Community, Housing and Youth ‘Who Cares...?’ report on the inquiry into better support for carers, the Com-
monwealth Government committed to developing a National Carer Recognition Framework. A Na-
tional Carer Strategy will be developed under the Framework, which will consider transitional ar-
rangement options for people with disability and their carers, including older carers.

Transition arrangement options for people with disability who are cared for by ageing family members and support for people with disability and their carers to plan for the future are sup-
ported through the National Disability Agree-
ment.

In addition, in September 2006, the Common-
wealth Government established Special Disability Trusts (SDT) to assist families who wish to make private financial provision for the future care and accommodation of their family member with se-
vere disability, by providing social security and veterans’ affairs means test concessions. SDTs enable immediate family members who are of age pension age, to gift up to $500,000 into the trust without having the social security gifting rules apply. An SDT can hold assets worth up to $563,250 (indexed annually and current as at 1 July 2010) and income from the trust can be used for the care and accommodation of the benefici-
ary (that is, the person for whom the trust is es-
tablished) without these funds impacting on their Disability Support Pension.

The Commonwealth Government will work with State and Territory governments through these initiatives to ensure that the support and care needs of people with disability are determined appropriately and easy to access.
RECOMMENDATION 25
That a review of alternative funding arrangements be undertaken through the research and development program of the next CSTDA which specifically considers, amongst other elements:

- the likely costs and benefits of individualised funding;
- the issues encountered in the introduction of alternative funding overseas;
- provisions and alternatives to allow people with disabilities to choose the level of self-sufficiency with which they are comfortable;
- the provision of decision support tools and services to assist people with disabilities, their families and carers; and
- that the findings of the review be reported to the relevant Ministerial Council.

AGREED-IN-PRINCIPLE
Options to allow people with disabilities to choose the level of self-sufficiency with which they are comfortable; and the provision of decision support tools and services to assist people with disabilities, their families and carers will be explored through the policy and reform directions of the National Disability Agreement (NDA).

As noted in the response to Recommendation 15, Commonwealth, State and Territory governments have agreed that, due to the lack of research into disability issues compared to other human services, they would, subject to an agreed agenda and governance structure, contribute a total of $10 million over 5 years from the National Disability Agreement (NDA) for research in this area. This is in addition to the funding provided through Specific Purpose Payments by the Commonwealth and in addition to funding provided by State and Territory governments for disability services.

The Commonwealth Government is currently investigating possible models for developing and implementing the NDA research agenda.

RECOMMENDATION 26
That additional funding for research and development should be committed under the next CSTDA within agreed policy priorities.

AGREED-IN-PRINCIPLE
As noted in the responses to Recommendations 15 and 25, Commonwealth, State and Territory governments have agreed that, due to the lack of research into disability issues, compared to other human services they would contribute a total of $10 million over 5 years from the National Disability Agreement (NDA) for research in this area. This is in addition to the funding provided through Specific Purpose Payments by the Commonwealth and in addition to funding provided by State and Territory governments for disability services.

The Commonwealth Government has commissioned a feasibility study into a national long-term care and support scheme for people with disability in Australia. This decision demonstrates the Commonwealth Government’s commitment to researching and finding new, alternative approaches to funding and delivering disability services. The Inquiry will consider costs, implementation and design issues, governance arrangements and administrative issues, including for a social insurance model that reflects a shared risk of disability across the population.

RECOMMENDATION 27
That the Commonwealth defer the implementation of its restructuring of the national disability advocacy program and incorporate planning for advocacy services, including carers advocacy, in the negotiation of the next CSTDA.

AGREED
Through the National Disability Agreement, all Australian governments agreed to consider improvements in administration of advocacy services, with a focus on improving service delivery and access to advocacy services for people with disability. Disability officials are currently progressing this priority and have developed a na-
tionally consistent framework for disability advoca-
y that covers both individual and system-wide
vocacy, common desired outcomes and data
ss. The framework is intended to promote
greater national consistency and coordination
n across government programs to ensure advocacy
ort is provided in a more accessible and effi-
cient manner. The framework includes common
definitions, outcomes, principles and policy and
orm directions that all governments will use
n when planning and delivering disability advocacy
grams. Consultations with disability advocacy
nd peak organisations about the draft framework
re finalised and Disability Ministers will con-
sider a final version before the end of 2010.

RECOMMENDATION 28

That the next CSTDA continue to incorporate
prominent role for disability and carer advisory
odies as well as the new National Disability
nd Carer Ministerial Advisory Council. These
odies should be able to provide advice to
government on service delivery, progress
ade in meeting objectives and priorities and
directions for research and development.

AGREED-IN-PRINCIPLE

The Commonwealth Government values input
m from people with disability, their families and
carers provided through a variety of consultative
isms. This includes the 28 member Na-
tional People with Disabilities and Carer Council
(NPWDACC) and national disability peak bodies
which have a prominent role in providing advice
to the Commonwealth Government on disability
and carer issues.

The Commonwealth Government provides fund-
ing to a number of service, consumer and pro-
vider peak bodies to provide it with advice on
social policy issues. In particular, it funds the
following twelve dedicated national disability
peak bodies to contribute to government policies
about disability issues affecting Australian fami-
lies and communities, to carry information be-
 tween government and the community on social
policy issues, and to represent constituent views.

- Australian Federation of Disability Organisa-
tions;
- Blind Citizens Australia;
- Brain Injury Australia;
- National Council on Intellectual Disability;
- National Ethnic Disability Alliance;
- Physical Disability Australia;
- Women With Disabilities Australia;
- First Peoples Disability Network (Australia);
- Children with Disability Australia; and
- National Disability Services.

This is in addition to conducting other consulta-
tion processes to inform policy and program de-
velopment when required. For example the
Commonwealth Government in partnership with
the NPWDACC, undertook a consultation process
on the National Disability Strategy. The response
to this process was extensive with over 2,500
people attending capital city forums and focus
groups in regional and remote areas and over 750
submissions were received. Submission respon-
dents and consultation participants included indi-
viduals (people with disability, their families and
carers) and representatives from a range of back-
grounds, including service providers, community
and advocacy organisations, peak bodies and
State, Territory and Commonwealth government
agencies.

The National Disability Strategy consultation
report, “Shut Out: The Experience of People with
Disabilities and their Families in Australia”, was
launched and presented to the Commonwealth
Government by the Council on 5 August 2009.
The Commonwealth Government commissioned
the Shut Out report because it wanted to hear
what people with disability, their carers and fami-
lies wanted to see in a National Disability Strat-
egy. The Shut Out report has been instrumental in
informing the Strategy, helping governments to
identify the barriers and issues facing people with
a disability, their families and carers, and guide
solutions.

The Commonwealth consults with the
NPWDACC on an ongoing basis on the devel-
opment and implementation of the National Dis-
ability Strategy.
RECOMMENDATION 29
That Commonwealth, State and Territory governments ensure that people with disabilities and their families are not discouraged from accessing care services in their homes because of potential occupational health and safety liability.

AGREED-IN-PRINCIPLE
The Commonwealth Government is concerned about the wellbeing of carers, and provides substantial assistance through Carers Payment, Carers Allowance and other supports to assist them continue in their role. Occupational health, safety and welfare matters for in-home care are broader than National Disability Agreement (NDA) services and are regulated under State and Territory legislation. Service providers are provided with Program Guidelines that include relevant Commonwealth Government, State, Territory and local government legislation.

Under the NDA, State and Territory governments are responsible for delivering specialist disability services. State and Territory governments have indicated they have not received any feedback which indicates people with disabilities and their families have been discouraged from accessing care services in their home because of a potential occupational health and safety liability.

Community Affairs References Committee—Report—Suicide in Australia—Replacement government response of document tabled in the Senate on 24 November 2010 (presented to the President on 22 December 2010, 3.10 pm AEST).

[The replacement government response is available from the Senate Table Office]

List of corrections re replacement copy of government response to report of the Community Affairs References Committee's inquiry into suicide in Australia (original document tabled in the Senate on 24 November 2010)

DOHA APPROVED AMENDMENTS
Table of Contents
- error in numbering (replace page)

- typo error under Appendix B “Tackling” AMENDED TO “Taking”

New inclusion at Page vi.

LIST OF ABBREVIATIONS
ABS Australian Bureau of Statistics
ACE Australian Cost Effectiveness study
AIHW Australian Institute of Health and Welfare
AISRAP Australian Institute for Suicide Research and Prevention
AHP Allied Health Professional
ANFPP Australian Nurse Family Partnership Program
ASPAC Australian Suicide Prevention Advisory Council
ATAPS Access to Allied Psychological Services
BTH Bringing Them Home program
COAG Council of Australian Governments
DOHA Department of Health and Ageing
DVA Department of Veterans’ Affairs
DHS Department of Human Services
FAHCSIA Department of Families, Housing, Community Services and Indigenous Affairs
Fourth Plan Fourth National Mental Health Plan: an agenda for collaborative action in mental health 2009-2014
GLBTI Gay, Lesbian, Bisexual, Transgender and Intersex
GP General Practitioner
ISWG Indigenous Strategies Working Group
LIFE Living Is For Everyone
MBS Medical Benefits Scheme
MHSRRA Mental Health Services for Rural and Remote Areas Program
NCESP National Centre for Excellence in Suicide Prevention
NCIS National Coronial Information System
NHHN National Health and Hospital Network
NHMRC National Health and Medical Research Council
NPAs National Partnerships Agreements
establishment of the National Centre of Excellence in Suicide Prevention to increase the emphasis on research and to share evidence and findings.

Page 4, under “Work ahead” para 1
AMENDED TO – Appendix B

Page 5, Para 3, Line 3
AMENDED TO - $178.5 million

Page 20 Line 19 (DVA)
Work is currently underway to identify current funding and activities that promote male health and wellbeing in priority groups for Indigenous males, veterans and defence personnel.
DELETE apostrophe

Page 23, Line 10 (DVA)
In addition the VVCS - Veterans and Veterans Families Counselling Service will continue to provide case management services in close consultation with treatment facilities, treating or consultant psychiatrist, general practitioner and other relevant community based agencies.
ADD to Title, “VVCS -”

Page 23, dot point 2
AMENDED TO – $21.6 million

Page 24, Recommendation 32
Insert comma - gay, bisexual

Page 29, Line 8 (DVA)
There are also population-wide and targeted programs administered by various Commonwealth agencies, particularly where their client groups are at higher risk of suicide. DELETE, such as Centrelink, Department of Veterans’ Affairs and the Child Support Agency.

Page 31, Line 38 (DVA)
The Government also provides follow-up support and case management services for veterans and their families through the VVCS - Veterans and Veterans Families Counselling Service.

Page 33, Line 15
The VVCS - Veterans and Veterans Families Counselling Service provides a Crisis Assistance Time Out Program to provide short-term accommodation to Vietnam veterans in crisis for up to five days, allowing time for the individual to seek VVCS assistance to help address the issues that precipitated the crisis, and to reintegrate them into the family and/or community.
DELETE - Veterans are at particular risk of suicide and

Page 35, Line 19 & 20
The Department of Veterans’ Affairs (DVA) training for peer support of suicidal veterans through Operation Life offers Applied Suicide Intervention Skills Training to veterans. DELETE “and support through Family Relationship Centres to help families manage.”

Page 45, Para 1, Line 8
AMENDED TO –
National Centre of Excellence in Suicide Prevention

Page 46, Para 1
AMENDED TO –
In 2008, the Government established the National Centre of Excellence in Suicide Prevention (the Centre) through the Australian Institute for Suicide Research and Prevention (Griffith University), to provide advice on and evidence of national and international best practice of suicide prevention. The Centre supports governments, non-government organisations, academics and community groups in their work on suicide prevention. It offers direct support to stakeholders to undertake new and emerging suicide prevention activities, particularly where this pertains to selective interventions to individuals who have attempted suicide or self-harm. A publicly available half-yearly critical literature review outlines recent advances and promising developments in suicide prevention research. Research is disseminated via the Griffith University website at

Page 52 – totals in table amendments 2010/11 to $9.5; 2012-13 to $87.6; and Total to $274

Page 56 – figures in line with MYEFO

4 - Promoting good mental health and resilience in young people $61.3 million (delete $65.9)
KidsMatter Expansion - $18.4m (delete $19.6m)
Services for children with mental health and developmental issues - $21.6m (delete $24m) Expanding online mental health and counselling services - $21.3m (delete $22.3m)

SENATE ENVIRONMENT, COMMUNICATIONS AND THE ARTS REFERENCES COMMITTEE

Inquiry into Australia Post’s treatment of injured and ill workers

Australian Government Response to the Committee’s Report

December 2010

Introduction

On 29 October 2009, the Senate referred the matter of the Australian Postal Corporation’s (Australia Post) treatment of injured and ill workers to the Senate Environment, Communications and the Arts References Committee (the committee) for inquiry and report by 2 February 2010. The reporting date for the inquiry was subsequently extended, on three occasions, to 17 March 2010, 12 May 2010 and 24 June 2010.

The terms of reference for the inquiry covered the appropriateness and application of Australia Post’s policies relating to the treatment of injured and ill workers, including whether or not suitable relationships existed between Australia Post management, workers and facility nominated doctors (FND).

The committee received 37 submissions including from past and present Australia Post employees, medical experts, advocates in Canada and the United States and a joint submission from Australia Post and the Communications, Electrical and Plumbing Union (CEPU). On 24 June 2010, the committee tabled its report to the President of the Senate. The report contains four recommendations, and one additional recommendation in a minority report from Senator Fielding, for increasing the effectiveness of Australia Post’s injury management system.

On 19 August 2010, Australia Post advised the Government that it had accepted and adopted all the recommendations in the committee’s report, giving them effect through the new Fair Work Agreement (negotiated with the CEPU and the Community and Public Sector Union (CPSU) in July 2010), which commenced operation from 28 October 2010.

About Australia Post

Australia Post is a Government Business Enterprise that operates under the legislative and administrative framework of the Australian Postal Corporation Act 1989, the Commonwealth Authorities and Companies Act 1997 and the Governance Arrangements for Commonwealth Government Business Enterprises. It operates on a commercial basis, at arms-length from Government, and has an independent board that is responsible for the day-to-day running of the organisation.

Australia Post is one of Australia’s largest employers with some 35,000 people working in over 1700 facilities across the country. Among other activities, Australia Post collects, processes and distributes letters and parcels, and provides third-party agency services such as bill payment and money orders.

Commonwealth employers, including Australia Post, must provide a safe workplace for employees as well as a compensation and rehabilitation scheme for employees who sustain work-related injury or illness. The Occupational Health and Safety Act 1991 (OHS Act) regulates safety in the workplace and the Safety, Rehabilitation and Compensation Act 1988 (SRC Act) provides the legislative basis for the Commonwealth workers’ compensation scheme.

Australia Post holds a self-insurance licence, granted by the Safety, Rehabilitation and Compensation Commission acting under Part VIII of the SRC Act. Australia Post has recently been
The Government’s role, as shareholder of Australia Post, focuses on determining the broad strategic policy framework and goals for the Corporation and maintaining oversight of its performance, financial returns and accountability.

Australian Government Response to the Committee’s Recommendations

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

Recommendation 1

3.51 Noting the in-principle agreement reached for the use of Facility Nominated Doctors, the committee recommends that Australia Post and the unions representing its employees continue to work in good faith to develop the details of the new policy within the context of the new enterprise agreement. The committee urges both parties to ensure that once a lawful and fair agreement has been reached, both sides work to ensure that employees and managers are well-informed of their rights and obligations with respect to injury management processes.

The Australian Government notes that Australia Post has accepted and adopted this recommendation.

On 26 July 2010, Australia Post, the CEPU and the CPSU finalised negotiations on the Australia Post Fair Work Agreement (FWA). Australia Post advised that the parties had also agreed in-principle to a new Work Ready Program (WRP) which would deal with matters in relation to injury management.

The framework of the WRP was subsequently finalised and concluded with the approval of the FWA by Fair Work Australia on 21 October 2010. Australia Post advise that key components of the program relevant to this recommendation are:

- the WRP will be reviewed at the Australia Post, CEPU and CPSU National Consultative Meeting on a six monthly basis; and
- an audit program will be established to ensure ongoing compliance with the WRP.

Australia Post also advises that it is continuing to consult with the CEPU and CPSU to finalise supporting policies and documents.

In addition, in early 2011, Australia Post intends to roll-out a training program that will support its managers and employees in understanding and applying the WRP. Australia Post advises that it will undertake an audit process to monitor outcomes and verify compliance with the new system.

Recommendation 2

4.23 The committee recommends in the strongest terms that Australia Post consider ceasing the practice of using medical assessments obtained under the Injury Management (Early Intervention) Policy for workers’ compensation purposes.

Australian Government Response

The Australian Government notes that Australia Post has accepted and adopted this recommendation.

Australia Post advises that the WRP provides for an employee, after attending a facility nominated doctor, to elect to consult their own doctor. In such instances, any certificate produced by the facility nominated doctor would not be required to be attached to any workers’ compensation claim made by the employee.

Given the requirement under the SRC Act for workers compensation claims to include a medical certificate, Australia Post advises that where an employee elects to consult a facility nominated doctor as their treating doctor, they would need to provide medical evidence from this doctor should they lodge a workers’ compensation claim. Medical reports arising from a fitness for duty examination arranged by Australia Post would not be used in workers’ compensation matters without written consent from the employee.

4.24 The committee further recommends that Australia Post ensure that every time an employee attends a FND, whether voluntarily or compulsorily, the employee is advised of the uses to which the FND’s medical assessment may be put. The committee urges Australia Post to consult with the unions representing Australia Post employees to develop appropri-
ate material to inform employees of the implications of FND visits.

Australian Government Response
The Australian Government notes that Australia Post has accepted and adopted this recommendation.

Australia Post has informed the Government that the wording of the WRP makes it clear that the program is completely voluntary and that FND certificates will not be attached to workers’ compensation claims unless provided by the employee to whom the claim relates. The WRP includes an Employee Benefits and Responsibility section which will be provided to employees who participate in the program.

Recommendation 3

5.65 The committee recommends that Australia Post develop processes through which injured workers have buy-in to their return to work program, and which ensure that all injured workers are given appropriate work to undertake on their return. Specifically, the committee advises that in each instance, a manager should discuss with an injured employee what duties they are physically capable of, would find satisfying, and would be happy to perform.

Australian Government Response
The Australian Government notes that Australia Post has accepted and adopted this recommendation.

Australia Post advises that the provisions of the WRP include detailed information on the various duties and physical requirements of each of its main employment functions. This is intended to assist doctors to identify the type of work an employee would be able to perform having regard to any restrictions on their capacity to work. The program also requires that employees be provided with safe and meaningful duties.

Australia Post has undertaken to expand the program wording and instruction sheets to specifically require employees to have ‘buy-in’ to their return to work program and that the responsible manager must discuss with the employee the duties they would find satisfying and be capable of performing.

Recommendation 4

The committee recommends in the strongest terms that Australia Post consider directing managers that they are not to be present in employee medical consultations unless their presence is specifically requested by the employee. The Injury Management (Early Intervention) Policy ought to be revised accordingly.

Australian Government Response
The Australian Government notes that Australia Post has accepted and adopted this recommendation.

Australia Post advises that the WRP wording specifically indicates that managers are not to be present at employee medical examinations unless their presence is specifically requested by the employee.

Recommendation Family First Party

In addition to the recommendations made by the committee, one further recommendation was made by Senator Steve Fielding concerning financial rewards and the health and wellbeing of employees.

Family First recommends that Australia Post conduct a complete review of its salary bonus policies and eliminates any policies which raise a conflict of interest between the financial rewards paid to managers and the health and wellbeing of employees.

Australian Government Response
The Australian Government notes that Australia Post has accepted and adopted this recommendation.

In March 2010 Australia Post, the CEPU and CPSU signed a Memorandum of Understanding (MOU) aimed at creating a more effective working relationship between the parties. Included in the MOU was an agreement that Australia Post would immediately remove the use of Lost Time Injury Frequency Rates (LTIFR) from bonus targets for managers. Australia Post advises that it has implemented this. Australia Post explains that all managers are to receive new performance scorecards upon which bonus payments will be made, depending on key performance indicators being reached. LTIFR will be a gateway performance measure, which means that managers either
do or do not get a bonus based on the Corporation’s overall performance against the national target, not an individual or workplace target. Individual performance components of the scorecard provide for individual managers to be assessed against compliance with general OH&S management at the workplace level, rather than managers being held to account and rewarded or penalised based on a workplace LTIFR score, which used to apply under its previous performance management system.

Concluding remark

Australia Post’s reported actions are consistent with the advice provided by Australia Post to the Safety, Rehabilitation and Compensation Commission, which recently approved Australia Post’s application for the renewal of its self-insurance licence. In September 2010, the Commission welcomed Australia Post’s positive response to the Senate committee’s recommendations and was encouraged by progress that had already been made.

The Government would like to thank all the witnesses that gave evidence before the committee.

Senate Economics References Committee
Inquiry into Employee Share Schemes

Government Response

Recommendation 1: The committee recommends that in consultation with but not limited to employee share ownership groups, unions and academics, the Australian Bureau of Statistics conduct a survey of employee share schemes in Australia every five years, starting at the end of the 2009-10 financial year. The survey should collect data on, but not limited to, the following:

- number and type of employee share schemes;
- number, size and industry of companies offering these schemes;
- number of employees and equity held by them;
- breakdown of employees by occupation, educational level and wage;
- reasons for offering (employers) and participating (employees) in the scheme;
- perceived effects and effectiveness of the schemes for both employers and employees;
- perceived barriers in the take-up of the schemes; and
- breakdown of general employee (broad-based) versus executive (narrow) schemes in terms of the number of shares offered; number of participants and equity held.

The Government supports the reporting of such information.

The Government put in place a new reporting regime as part of the 2009 reforms to employee share scheme rules. The new law requires employers who provide employee share scheme interests to annually report certain information to the Commissioner of Taxation. The reporting requirements apply to all employee share scheme interests under the new rules.

Subject to some timing differences in reporting, and administrative concessions to exclude low compliance risk transactions, most of the information sought by the Committee can be derived from the new employee share scheme returns and tax return data.

The Commissioner is expected to include the employee share scheme information as part of his annual taxation statistics publication.

Recommendation 2: The committee recommends that the Government delay the introduction of the employee share scheme tax legislation in order to take note of the other reviews in this area, including the Productivity Commission and Board of Taxation and the Henry reviews, to maintain legislative integrity and coherence.

The Government’s reforms to employee share scheme rules, that are relevant to the recommendations of the Committee, received Royal Assent on 14 December 2009.

COMMITTEES

Economics References Committee

Reporting Date

Senator McEWEN (South Australia) (6.04 pm)—by leave—at the request of the Chair of the Economics References Committee, I move:
That the final report of the Economics References Committee on the decision of the Australian Competition and Consumer Commission on the proposed acquisition of Franklins by Metcash Trading Limited be presented by 28 February 2011.

Question agreed to.

Legislation and References Committees

Reports

Senator McEWEN (South Australia) (6.04 pm)—by leave—I move:

That consideration of each of the committee reports tabled earlier today be listed on the Notice Paper as separate orders of the day.

Question agreed to.

DOCUMENTS

Australian Information Commissioner

Senator CORMANN (Western Australia) (6.05 pm)—by leave—I move:

That the Senate take note of the documents tabled earlier today.

I am very disappointed to have to move to take note of the correspondence from the Information Commissioner responding to various orders that have been passed by this Senate. We have asked him to make an assessment and report back to the Senate about the government’s refusal to release information in relation to a number of matters. Mainly the Senate was seeking some detail which the government is refusing to make public in relation to the mining tax and some detail the government is refusing to make public in relation to the proposed GST clawback as part of the broader health package.

Of course, our grief here is with the government. We do have a very secretive government. Contrary to the promises that were made by the Prime Minister after her re-election, this government has actually become more secretive instead of becoming more open and transparent. This government has now made it a practice to refuse to provide information without following the proper processes in our standing orders. For example, if the government want to refuse to provide information, they are required—and they well understand this—to point to a public interest reason as to why release of this information is not in the public interest, and they are required to provide a statement of reasons.

This has been quite a frustration for the Senate under this government for some time. I congratulate the Greens and Independent members Tony Windsor and Rob Oakeshott in the lower house for having tried to come up with a process to resolve this. The proposal was that, where there are disputes between the executive government of the day and the houses of parliament about release of information, the information commissioner would review the circumstances, provide a report and, if necessary, arbitrate on those disputes. We have now been told by the Information Commissioner that he is not able to do any such thing.

I will make some observations, but before I do I will thank the Clerk of the Senate, Ms Rosemary Laing, who has been excellent in providing me with advice on these matters. The first thing to note is that the Information Commissioner appears not to appreciate that the houses of the Commonwealth parliament have powers that exist independently of his individual statute. The reason these powers are not constrained by the individual statute is simple: section 49 of the Constitution confers certain powers on the houses and requires that any modification of them be made by statutory declaration—that is, by legislation. The Australian Information Commissioner Act does not contain any modification of those powers. Therefore, the powers of the Senate in section 49 of the Constitution apply to the Information Commissioner, who seems to be basing his reluctance to comply with the Senate’s orders on the absence of...
specific legislative authority for him to respond. This is a misconception. I note that there have been some suggestions that legislation should be introduced to deal with these matters. I am personally very concerned about that, because if the parliament were to pass such legislation then it would be a recognition by the parliament that the executive government has more power than it should have and that the parliament has less power than we currently have under the Constitution. So I would like to continue to work very closely with the Greens in this chamber to resolve this, in particular Senator Ludlam, who I know has taken a very close interest in these matters as well.

The reality is that each house of the Commonwealth parliament undoubtedly has the power to order the holders of offices that the parliament has created to produce documents. Furthermore, the formulation or publication of a document pursuant to an order of a house is explicitly defined as a proceeding in parliament under section 16 of the Parliamentary Privileges Act 1987 and therefore absolutely protected by parliamentary privilege. I guess it is possible—who knows?—that the Information Commissioner is somehow worried that the government may take action against him if he were to comply with these orders of the Senate. On the contrary: he is more at risk of action being taken by the Senate for his not complying with the orders.

I think it is important to note that there are only very few cases in which the parliament has chosen to limit its powers with respect to offices that it has created. One such case, of course, concerns the Auditor-General, where there is an explicit limitation. My advice from the Clerk of the Senate is that the Senate Standing Committee of Privileges has conducted a long campaign to improve the standard of knowledge and awareness of parliamentary matters among senior public servants and statutory office holders. I recommend that the privileges committee has another look at this and considers stepping up that campaign yet again.

The other important thing to note is that under previous governments of both persuasions—Labor or coalition, whether it was the Keating government or the Howard government—statutory agencies like the Office of the Australian Information Commissioner or like the Productivity Commission, for that matter, did comply with these sorts of orders. I will seek leave to table a document which the Clerk’s office has very kindly prepared for me. I now seek leave to table a document which was previously circulated in the chamber to various groups.

Leave granted.

Senator CORMANN—I table this document and draw the attention of the Senate to a whole series of precedents in which the Senate has passed orders and statutory agencies have complied with these orders. During the time of the Keating government, back in 1992, then Senator Harradine initiated an order seeking a statement by the Auditor-General on matters relating to Australia Post. It was agreed to by the Senate, the document was tabled and subsequently the motion was removed from the Notice Paper. Senator Spindler sought a report in relation to leases in the Casselden Place building in Melbourne. It was agreed to, documents were tabled and the order was removed from the Notice Paper. That was in the time of the Keating government.

Going forward into the time of the Howard government, Senator Murray sought a report by the ACCC, a statutory agency, relating to grocery retailers. The motion was agreed to by the Senate, the document was tabled and the order was eventually removed from the Notice Paper. Then Democrats Senator Allison sought an ACCC report on
tobacco and health related issues—the same thing occurred: the order agreed to, documents were tabled and the order was removed from the Notice Paper. Senator Conroy, now the Acting Leader of the Government in the Senate, in opposition back in March 2002 initiated a motion which was passed by the Senate directing certain officers of the Advisory Board of the Australian Office of Financial Management to appear before the Economics Legislation Committee and to provide relevant documentation relating to foreign currency. After the Senate agreed to this order, the documents were provided to the committee as requested. Again, Senator Allison sought documents and information from the ACCC in relation to tobacco companies. The documents were tabled and the order was removed from the Notice Paper. Senator Conroy, again, later sought a report by the ACCC relating to a competition notice issued to Telstra to be provided on a confidential basis to a particular committee. The motion was agreed to on those terms, it was complied with and the notice was removed from the Notice Paper.

In more recent times there have been some precedents too. Senator Xenophon initiated a reference to the Productivity Commission requiring modelling of alternative emissions trading schemes. It was agreed to by the Senate, some documents were presented out of sitting, some other documents were tabled and there is at present partial compliance. Senator Fielding sought reports by the Australian Securities and Investments Commission and the Future Fund Board of Guardians relating to disposal by the Future Fund of shares in Telstra. The order was complied with and the motion removed from the Notice Paper.

There is a whole plethora of examples. I guess what I am concerned about is that since Julia Gillard became Prime Minister we have had a number of examples of statutory agencies like the Office of the Australian Information Commissioner and the Productivity Commission saying that these sorts of referrals have to be initiated by the minister; that somehow the Senate or the House of Representatives does not have the power to seek the information that we have been seeking for a very long time. Governments of both persuasions, Labor or coalition, and statutory agencies under the administration of previous governments have complied with the orders. This government is going down the path of becoming more secretive, not less secretive. A secretive government makes for bad government, and we have seen a lot of that over the past three years.

The job of this parliament, and the Senate in particular, is to hold the government to account. To be able to hold the government to account we have to have access to information and these processes have to be respected by the government. It is time that Julia Gillard, as Prime Minister, listened to her own advice and started to let the sunshine in. It is also important that this Senate enforces its intentions with these orders. We can refuse to pass legislation. If we do not think we have got the information we need, we can refuse to deal with the government’s relevant legislation. (Time expired)

Senator LUDLAM (Western Australia) (6.15 pm)—I will probably pick up in more or less the same vein as Senator Cormann. People by now are probably quite well aware of the issue that is at stake here, and that is what we do when the executive and one of the chambers of parliament disagree about whether it is in the public interest that particular material be tabled and put into the public domain. We have processes under freedom of information legislation that apply to journalists or members of the general public who are seeking to get information, but what happens when one of the chambers of the parliament is seeking information and a
minister of the Crown decides that it is not appropriate for it to be handed over? At the moment the remedies that the parliament can pursue are actually quite severe. In Victoria, for example, ministers have been prevented from entering the chamber and it has become a bit of a debacle.

The remedies that the Senate can choose to pursue are equally severe, but I am not aware of any instances in which either house of parliament has, when push has come to shove, used its considerable powers to compel a minister to hand over a document or suffer some kind of sanction. We do have that ability. It is just, to my knowledge, unheard of that such a motion would be passed by the chamber. What eventually happens in practice is that the parliament backs down. We have seen documents—in the case of the NBN, a couple that I have been tracking most closely; Senator Cormann has a number and the Greens have a number of others—that ministers might have quite legitimate reasons to preclude from putting into the public domain, but we have to take their word for it. On no occasion that I am aware of has parliament pushed the issue and said, ‘No, hand those documents over or suffer some kind of sanction.’

This is quite a sensible proposal. Senator Cormann is referring to something that has been operating in the New South Wales parliament for 10 years or so relatively well. It has not been without problems but it has worked. It has not worked very well in Victoria because the executive—and maybe the new Victorian state government will have a different view—has opposed the idea of an independent umpire. When we are deadlocked, when we make an order for production and the minister says, ‘You can’t have it,’ our proposal is that the matter be referred off to the Information Commissioner, a newly established office, to make the call and then both sides of the argument would respect that call. But the parliament will not pursue its remedies if it turns out that, in the view of the Information Commissioner, it is in the public interest that the material not be disclosed either in full or in part.

We think that proposal is entirely sensible. We would be willing to respect the role of the umpire if the system is set up appropriately. I trust now that, on the basis of a negotiation signed between the Australian Greens and the Prime Minister, the government feels the same way. It is ironic that Senator Cormann, who puts these arguments with quite a degree of clarity and obviously great sincerity, comes from a tradition of a government that turned its back on just such an initiative for the previous 13 years. It is not that this is a secretive government; it is that government is secretive. It does not really matter who is in the chair. It does not really matter who is on the ministerial benches. The executive will seek to preclude this information for reasons understood by themselves. I believe it is the job of the rest of the parliament, when we feel it is in the public interest for this material to be produced, to do so. It is not something that has to do with the Labor Party or the Liberal Party or whoever. If we had had Green government for the last century, perhaps we would be running the same argument as was run by the major parties. No, Senator Siewert disagrees with that, but perhaps I am just a little more cynical.

Senator Cormann—I am with you.

Senator LUDLAM—It is something about the nature of power. It is also something that we can improve. This is a mechanism that the Australian parliament needs. We are in negotiations with the government over this matter, as we are in a number of other matters that relate to the agreement that was signed with the Prime Minister by Senator Brown. I am therefore not in a position to really update the parliament as to how that is
going, except to say that negotiations are underway. However, we are hopeful that there will be some kind of sensible outcome that will see the Information Commissioner take up this role.

As for the issue that Senator Cormann raised about whether we would pursue a legislative path or not, I think the senator has raised an extremely important issue. That is, if we go down this track, are we in fact closing a very important argument about whether parliament has this power to request an officer of the Public Service to undertake a certain function? I respectfully disagree with the views of the Information Commissioner. I think this chamber’s clerk has the correct view, based on a longstanding Senate precedent, that a resolution of the Senate actually carries that kind of compulsion that is not an unreasonable request. The Information Commissioner has respectfully disagreed with the view. We think this needs to be solved before too many more orders for production of documents pile up on the Information Commissioner’s desk or lie here gathering dust, as some of those relating to the NBN have for a period of nearly two years. We think this can be brought to a sensible conclusion. I look forward to the concurrence of all parties and I hope that this is something that we can resolve. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Committees

Reports: Government Responses

The Acting Deputy President (Senator Crossin)—In accordance with the usual practice, I table a report of parliamentary committee reports to which the government has not responded within the prescribed period. The report has been circulated to honourable senators. With the concurrence of the Senate, the report will be incorporated in Hansard.

The report read as follows—

President’s Report to the Senate on Government Responses Outstanding to Parliamentary Committee Reports as at 25 November 2010

Preface

This document continues the practice of presenting to the Senate twice each year a list of government responses to Senate and joint committee reports as well as responses which remain outstanding.

The practice of presenting this list to the Senate is in accordance with the resolution of the Senate of 14 March 1973 and the undertaking by successive governments to respond to parliamentary committee reports in timely fashion. On 26 May 1978 the Minister for Administrative Services (Senator Withers) informed the Senate that within six months of the tabling of a committee report, the responsible minister would make a statement in the Parliament outlining the action the government proposed to take in relation to the report. The period for responses was reduced from six months to three months in 1983 by the incoming government. The Leader of the Government in the Senate announced this change on 26 August 1983. The method of response continued to be by way of statelement. Subsequently, on 16 October 1991 [tabled 5 Nov 1991] the government advised that responses to committee reports would be made by letter to a committee chair, with the letter being tabled in the Senate at the earliest opportunity. The government affirmed this commitment in June 1996 to respond to relevant parliamentary committee reports within three months
of presentation. The current government indicated on 26 June and 4 December 2008 that it is committed to providing timely responses to parliamentary committee reports.

Although, on 29 September 2010, the House agreed to a resolution which places a six month response time on House and joint committee reports tabled in the House, the Senate has not agreed to a similar resolution. Therefore, this report is prepared on the basis of a three month reporting requirement for Senate and joint committee reports tabled in the Senate.

This list does not usually include reports of the Parliamentary Standing Committee on Public Works or the following Senate Standing Committees: Appropriations and Staffing, Privileges, Procedure, Publications, Regulations and Ordinances, Scrutiny of Bills, Selection of Bills and Senators’ Interests. However, such reports will be included if they require a response. Government responses to reports of the Public Works Committee are normally reflected in motions in the House of Representatives for the approval of works after the relevant report has been presented and considered.

Reports of the Joint Committee of Public Accounts and Audit (JCPAA) primarily make administrative recommendations but may make policy recommendations. A government response is required in respect of such policy recommendations made by the committee. However, responses to administrative recommendations are made in the form of an executive minute provided to, and subsequently tabled by, the committee. Agencies responding to administrative recommendations are required to provide an executive minute within six months of the tabling of a report. The committee monitors the provision of such responses.

An entry on this list for a report of the JCPAA containing only administrative recommendations is annotated to indicate that the response is to be provided in the form of an executive minute. Consequently, any other government response is not required. However, any reports containing policy recommendations are included in this report as requiring a government response.

Committees report on bills and the provisions of bills. Only those reports in this category that make recommendations which cannot readily be addressed during the consideration of the bill, and therefore require a response, are listed. The list also does not include reports by committees on estimates or scrutiny of annual reports, unless recommendations are made that require a response.

A guide to the legend used in the ‘Date response presented/made to the Senate’ column

* See document tabled in the Senate on 24 November 2010, entitled Government Responses to Parliamentary Committee Reports--Response to the schedule tabled by the President of the Senate on 24 June 2010 for Government interim/final response.

** Report contains administrative recommendation – any response to those recommendations is to be provided to the JCPAA committee in the form of an executive minute.

1See House of Representatives Hansard, 26 June 2008, p6131 and 4 December 2008, p1263, and Journals of the Senate, 4 December 2008, p1447

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#### Community Affairs References

| Inquiry into hearing health in Australia                                                       | 13.5.10            | *(interim)*                                | No                                              |
| The hidden toll: Suicide in Australia                                                        | 24.6.10            | 24.11.10                                  | No                                              |
| Inquiry into gene patents                                                                    | 28.9.10 (presented 26.8.10) | Not required                            | -                                               |
| Consumer access to pharmaceutical benefits                                                    | 28.9.10 (presented 26.8.10) | Not required                            | -                                               |
| Planning options and services for people ageing with a disability                             | 28.9.10 (presented 2.9.10) | Not required                            | -                                               |
| The prevalence of interactive and online gambling in Australia                               | 28.9.10 (presented 2.9.10) | Not required                            | -                                               |
| Consumer access to pharmaceutical benefits                                                    | 24.11.10           | -                                          | Time not expired                                 |

#### Community Affairs Standing

| Funding and operation of the Commonwealth State/Territory Disability Agreement                | 8.2.07             | *(interim)*                                | No                                              |
| Towards recovery: Mental health services in Australia                                         | 25.9.08            | *(interim)*                                | No                                              |

#### Corporations and Financial Services (Joint Statutory)

<p>| Review of the Managed Investments Act 1998                                                   | 12.12.02           | <em>(interim)</em>                                | No                                              |
| Inquiry into Regulation 7.1.29 in Corporations Amendment Regulations 2003 (No. 3), Statutory Rules 2003 No. 85 Corporations Amendment Regulations 7.1.29A, 7.1.35A and 7.1.40(h) | 26.6.03           | <em>(interim)</em>                                | No                                              |
| Corporate responsibility: Managing risk and creating value                                   | 15.6.04            | <em>(interim)</em>                                | No                                              |
| The structure and operation of the superannuation industry                                   | 21.6.06            | <em>(interim)</em>                                | No                                              |
| Better shareholders - better company—Shareholder engagement and participation in Australia   | 7.8.07             | <em>(interim)</em>                                | No                                              |
| Corporations and Financial Services (Joint Statutory) (continued)                           | 24.6.08            | <em>(interim)</em>                                | No                                              |</p>
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Immigration detention in Australia—Community-based alternatives to detention—Second report of the inquiry into immigration detention  | 15.6.09 (tabled HoR 25.5.09)  | *(interim)  | No
Immigration detention in Australia—Facilities, services and transparency—Third report of the inquiry into immigration detention Migration (Joint Standing) (continued)  | 18.8.09  | *(interim)  | No
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1 Amended version presented 22.12.10 and tabled 8.2.11.

**Publications Committee**  
**Report: Response**  
The ACTING DEPUTY PRESIDENT (Senator Crossin)—I present a response to those recommendations in the report of the Joint Committee on Publications on the development of a digital repository and electronic distribution of the Parliamentary Paper Series which relate to the responsibilities of
the Presiding Officers. With the concurrence of the Senate, I ask that the response be incorporated in Hansard.

The response read as follows—

RESPONSE OF THE PRESIDING OFFICERS TO THE REPORT OF THE JOINT COMMITTEE ON PUBLICATIONS: INQUIRY INTO THE DEVELOPMENT OF A DIGITAL REPOSITORY AND ELECTRONIC DISTRIBUTION OF THE PARLIAMENTARY PAPERS SERIES

November 2010

Inquiry into the development of a digital repository and electronic distribution of the Parliamentary Papers Series

Response of the Presiding Officers to the report of the Joint Committee on Publications

Introduction

On 24 June 2010 the Joint Committee on Publications tabled its report on its Inquiry into the development of a digital repository and electronic distribution of the Parliamentary Papers Series.

The committee examined the feasibility of developing an electronic Parliamentary Papers Series. The Parliamentary Papers Series (PPS) is a comprehensive collection of information that documents public policy formulation and administration of government since Federation. It includes all the documents of a substantial nature that have been tabled in either or both the Senate and the House of Representatives, such as parliamentary committee reports but also documents provided by the executive. Although the PPS includes papers prepared by and for the executive, it is administered by the Departments of the Senate and the House of Representatives.

The committee made seven recommendations. All relate to the responsibilities of the Parliament. The Presiding Officers are pleased to respond to those recommendations, noting that the response to recommendation 5 relates only to those documents that originate within the Parliament. It is also a matter for Government to respond to, in relation to the documents prepared on their behalf.

**Recommendation 1**

The committee recommends that an electronic PPS be developed and implemented.

**Agreed in principle.** The Presiding Officers agree that emergent technology and widespread acceptance of these developments now are such that there is an expectation that the documents provided to Parliament to inform its deliberations be available on line. Other Parliaments are already making similar papers available on line to foster an open and transparent democratic process. While the majority of government documents presented to the Parliament are available online, they are not accessible from a central repository and long-term access is not assured.

The response to this recommendation will be further informed by the business case (recommendations 2 and 4).

**Recommendation 2**

The committee recommends that the parliamentary departments undertake a business case to examine issues relating to the maintenance of electronic records and long-term archival requirements that would be required in developing an electronic PPS.

**Agreed.** The Presiding Officers have asked for a business case to be prepared. The business case is to address this recommendation as well as the issues outlined in recommendation 4. The business case is to be provided to the Presiding Officers by early 2011, to facilitate a timely commencement of the digital repository (see recommendation 6).

**Recommendation 3**

The committee recommends that the parliamentary departments develop a digital repository for the PPS based in the Parliament.

**Agreed in principle.** The Presiding Officers note the Government’s response to the Joint Committee on Publications’ report on the Distribution of the Parliamentary Papers Series (PP No. 114/2006) indicating that the ‘[R]esponsibility for ensuring that documents presented to Parliament are permanently available online rests with ...’ the parliamentary Chamber departments. The Presiding Officers are prepared to accept that this is a responsibility of the Parliament. However, author agencies are responsible for providing the documents for tabling and, to allow the develop-
ment of a cost effective digital repository, author agencies will need to provide electronic copies on a timely basis and in the required formats as recommended by the business case (see recommendation 5).

**Recommendation 4**
The committee recommends that a business case, referred to in recommendation 2, also include:

- The scope for other tabled documents not in the PPS to be made available through the repository; and

- The costs placed on the parliamentary departments to provide the repository.

**Agreed.** See comments under recommendation 2.

**Recommendation 5**
The committee recommends that author departments and agencies be required to provide electronic copies of documents at the same time print copies are provided for tabling in the Parliament.

**Agreed.** The Presiding Officers support this recommendation. Electronic copies of documents which have been ordered to be printed or made a parliamentary paper and which have originated with either chamber department or the Department of Parliamentary Services will be provided for inclusion in the digital PPS.

It is our view that the provision of the electronic documents at the same time the print copies are provided for tabling will assist in ensuring the documents included in the series are identical to those that are tabled. We have no reservations about the misuse of embargoed documents as access will be dependent on tabling. Such issues are routinely managed by the Table Offices of the Chamber departments.

This is also a matter for the Executive as many of the documents currently included in the PPS originate with executive departments. The Presiding Officers note the current requirements by AGIMO for departments and agencies to verify that the on-line versions of documents tabled in Parliament that are posted on websites, are identical to the documents that have been tabled. The use of this process in the provision of electronic copies of documents for inclusion in the PPS will vouch for the integrity of the electronic and tabled versions. Ultimately, the responsibility for ensuring that both versions are identical can only lie with the author agency.

**Recommendation 6**
The committee recommends that a digital repository for the PPS be in production and accessible to users by early 2011, to coincide with the start of the 2011 PPS.

**Agreed in principle.** The Presiding Officers note that the scope of the digital project will be subject to the findings of the business case. The Executive’s preparedness to provide the electronic format for inclusion in the PPS will be a very important consideration.

**Recommendation 7**
The committee recommends that the chamber departments administer a digital repository for the PPS.

**Agreed in Principle.** The Presiding Officers note that the administration of the printed Parliamentary Papers Series resides with the Department of the Senate and the Department of the House of Representatives and agrees that their responsibilities should be extended to include responsibility for a digital repository.

The Presiding Officers note that the Parliamentary departments may have some additional capital outlays in establishing the digital PPS. The business case will examine the costs associated with it and these will be considered in the budgetary context of the Parliamentary departments.

1 Parliamentary Joint Committee on Publications (2010), Inquiry into the development of a digital repository and electronic distribution of the Parliamentary Paper Series

2 Departments of the Prime Minister and Cabinet and Finance and Administration, 2006, Government response to Parliamentary Joint Committee on Publications (2010)

**AUDITOR-GENERAL’S REPORTS**

**Report Nos 16 and 26 of 2010-11**

The **ACTING DEPUTY PRESIDENT (Senator Crossin)**—In accordance with the provisions of the Auditor-General Act 1997, I present the following reports of the Auditor-General: Report Nos 16 and 26 of 2010-11: Report No. 16 of 2010-11 – Performance

DOCUMENTS
Tabling
The ACTING DEPUTY PRESIDENT (Senator Crossin)—I present the following documents:
Supplement to the 12th edition of Odgers’ Australian Senate Practice – Updates to 31 December 2010
Business of the Senate: 1 January to 31 December 2010
Questions on notice summary: 28 September to 31 December 2010
Ordered that Business of the Senate for the period 1 January to 31 December 2010 be printed.

Responses to Senate Resolutions
The ACTING DEPUTY PRESIDENT (Senator Crossin)—I present the following responses to various Senate resolutions:
Minister for Immigration and Citizenship (Mr Bowen) - 29 September 2010 - Government responses outstanding to reports of the Joint Standing Committee on Migration
Attorney-General (Mr McClelland) - 16 November 2010 - Anti-discrimination laws
Minister for School Education, Early Childhood and Youth (Mr Garrett) and the Parliamentary Secretary for Disabilities and Carers (Senator McLucas) - 18 November 2010 - Education centres for the blind and vision impaired
Minister for Foreign affairs (Mr Rudd) - 18 and 24 November 2010 (x2) - A global framework for action on water and sanitation, and Sakineh Mohammadi-Ashtiani and the Maguindanao massacre in the Philippines, respectively

Charge d’affaires, Embassy of the Philippines (Ms Padua) - 24 November 2010 - Maguindanao massacre in the Philippines
Minister for Home Affairs (Mr O’Connor) - 24 November 2010 - Human trafficking and slavery
Chairman of the Productivity Commission (Mr Banks) (to the Clerk of the Senate) - 16 November 2010 - Order for the production of documents concerning a report by the Productivity Commission on superannuation funds

AUSTRALIAN NATIONAL DISASTERS
The ACTING DEPUTY PRESIDENT (Senator Crossin)—I present messages of condolence relating to the recent flood devastation from the following:
Chairman of the Council of the Federation Assembly of the Russian Federation (Mr Sergey Mironov)
Chairman of the Shura Council, Kingdom of Bahrain (His Excellency Ali bin Saleh Al Saleh)
Embassy of the Republic of Poland
Presiding Officer of the Scottish Parliament (the Right Honourable Alex Fergusson, MSP)
Secretary-General of the Commonwealth Parliamentary Association (Dr William F. Shija)

AUSTRALIA DAY
The ACTING DEPUTY PRESIDENT (Senator Crossin)—I present a letter relating to Australia Day from the Ambassador of the Russian Federation, Mr Vladimir N Morozov.

DOCUMENTS
Tabling
Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.26 pm)—I table the following documents relating to travel:
Parliamentarians’ expenditure on entitlements paid by the Department of Finance and Deregulation for the period 1 January to 30 June 2010
Former parliamentarians’ expenditure on entitlements paid by the Department of Finance and
Deregulation for the period 1 January to 30 June 2010
Parliamentarians’ overseas study travel reports for the period 1 January to 30 June 2010
Schedule of special purpose flights paid for by the Department of Defence for the period 1 January to 30 June 2010

DELEGATION REPORTS

Australian Parliamentary Delegation to the Holy See and Italy for the Canonisation of the Blessed Mary MacKillop, from 13 to 19 October 2010

Senator STEPHENS (New South Wales) (6.26 pm)—by leave—I present the report of the Australian parliamentary delegation to the Holy See and Italy for the canonisation of the Blessed Mary MacKillop, from 13 to 19 October 2010. I seek leave to move a motion in relation to the report.

Leave granted.

Senator STEPHENS—I move:

That the Senate take note of the document.

For completeness, it is important that the delegation report be presented to the parliament because the canonisation of Blessed Mary MacKillop was such a historic event. It was a great pleasure to be present. For those who are interested in history, the report of the delegation, as well as a compilation video and booklet of all of the speeches made in the Senate and the House of Representatives on this issue, will be provided to the archives of the Sisters of St Joseph in Sydney. This delegation report will add to the completeness of the history for the Sisters of St Joseph.

The delegation went beyond the issue of Mary MacKillop’s canonisation—the chancery at the Holy See was also opened and we gained a very explicit understanding of the work that the Ambassador to the Holy See, Tim Fischer, is doing in respect of the World Food Program, interfaith dialogue and international peace. I want to make sure everyone here knows about the significant investment of not Australian government funds but Australian funds into the establishment of what is called Domus Australia, which is Australia House in Rome—a house of pilgrimage and a fantastic facility for all Australians travelling to Rome. I am sure that those of you who intend to be in Rome sometime will avail yourselves of what is going to be a spectacular Australian facility there for all of us.

Question agreed to.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Crossin)—The President has received letters from party leaders requesting changes in the membership of committees.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.29 pm)—by leave—I move:

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

Economics Legislation Committee—
Discharged—Senator Williams
Appointed—
Senator Eggleston
Participating member: Senator Williams

Economics References Committee—
Discharged—Senator Williams
Appointed—
Senator Eggleston
Participating member: Senator Williams

Rural Affairs and Transport Legislation Committee—
Discharged—Senator Crossin
Appointed—
Senator O’Brien
Participating member: Senator Crossin
Rural Affairs and Transport References Committee—
Discharged—Senator Hutchins
Appointed—
Senator O’Brien
Participating member: Senator Hutchins.
Question agreed to.

NATIONAL SECURITY LEGISLATION AMENDMENT BILL 2010
PARLIAMENTARY JOINT COMMITTEE ON LAW ENFORCEMENT BILL 2010
HIGHER EDUCATION SUPPORT AMENDMENT (2010 BUDGET MEASURES) BILL 2010
SOCIAL SECURITY LEGISLATION AMENDMENT (CONNECTING PEOPLE WITH JOBS) BILL 2010
CORPORATIONS AMENDMENT (No. 1) BILL 2010
HIGHER EDUCATION SUPPORT AMENDMENT (FEE-HELP LOAN FEE) BILL 2010
INTERNATIONAL FINANCIAL INSTITUTIONS LEGISLATION AMENDMENT BILL 2010
AUSTRALIAN NATIONAL PREVENTIVE HEALTH AGENCY BILL 2010
VETERANS’ AFFAIRS LEGISLATION AMENDMENT (WEEKLY PAYMENTS) BILL 2010
TAX LAWS AMENDMENT (2010 MEASURES No. 4) BILL 2010
FISHERIES LEGISLATION AMENDMENT BILL (No. 2) 2010
HEALTH INSURANCE AMENDMENT (PATHOLOGY REQUESTS) BILL 2010
TERRITORIES LAW REFORM BILL 2010
TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER SAFEGUARDS) BILL 2010
THERAPEUTIC GOODS AMENDMENT (2010 MEASURES No. 1) BILL 2010
NATIONAL MEASUREMENT AMENDMENT BILL 2010
SERVICE AND EXECUTION OF PROCESS AMENDMENT (INTERSTATE FINE ENFORCEMENT) BILL 2010
NATIVE TITLE AMENDMENT BILL (No. 1) 2010
TAX LAWS AMENDMENT (CONFIDENTIALITY OF TAXPAYER INFORMATION) BILL 2010
RADIOCOMMUNICATIONS AMENDMENT BILL 2010
FAMILY LAW AMENDMENT (VALIDATION OF CERTAIN PARENTING ORDERS AND OTHER MEASURES) BILL 2010
FINANCIAL FRAMEWORK LEGISLATION AMENDMENT BILL 2010
AIRPORTS AMENDMENT BILL 2010
CORPORATIONS AMENDMENT (SONS OF GWALIA) BILL 2010

Assent
Messages from the Governor-General reported informing the Senate of assent to the bills.

AIRPORTS AMENDMENT BILL 2010
TAX LAWS AMENDMENT (CONFIDENTIALITY OF TAXPAYER INFORMATION) BILL 2010
TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER SAFEGUARDS) BILL 2010
Returned from the House of Representatives

Messages received from the House of Representatives agreeing to the amendments made by the Senate to the bills.

NATIVE TITLE AMENDMENT BILL (No. 1) 2010

SERVICE AND EXECUTION OF PROCESS AMENDMENT (INTERSTATE FINE ENFORCEMENT) BILL 2010

Returned from the House of Representatives

Messages received from the House of Representatives returning the bills without amendment.

FEDERAL FINANCIAL RELATIONS AMENDMENT (NATIONAL HEALTH AND HOSPITALS NETWORK) BILL 2010

First Reading

Bill received from the House of Representatives.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (6.31 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) (6.32 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 Federal Financial Relations Amendment (National Health and Hospitals Network) Bill 2010 will implement the key financial elements of the National Health and Hospitals Network reforms. These reforms are among the most substantial improvements to Commonwealth-State relations in memory. They are all about getting better value for all Australians from the money we invest in health.

The changes will recast health funding between the Commonwealth and the States, making the system more sustainable in the face of rising health spending.

They will dedicate around one-third of GST revenue to health and hospital services and guarantee growth funding to the States of at least $15.6 billion over the period from 2014-15 to 2019-20.

The changes will deliver value for money by creating a new system that provides funding according to efficient prices - what particular health services should cost, not by writing blank cheques.

In April this year, COAG, with the exception of Western Australia, reached an historic agreement on health reform —the establishment of a National Health and Hospitals Network.

This represents the most significant reform to Australia’s health and hospital system since the introduction of Medicare and one of the largest reforms to service delivery since Federation.

We need to reform the health system so that future generations can continue to enjoy world class, universally accessible and affordable health care.

The truth is that while Australia has one of the best health systems in the world, it is under significant and growing pressures.

Australia’s health and hospital system faces significant growth in demand as our population ages and as a result of emerging technologies.

On the basis of current trends, health and hospital spending would consume all tax revenues collected directly by state governments by 2045-46.

We need reform to end the blame game and cost shifting.

We want to provide national leadership on health and hospitals, but also allow greater control at the local level.
That's why we are committed to working with State and Territory Governments to deliver the National Health and Hospitals Network. Our reforms focus on three key objectives. First, they will reform the governance of our health and hospital system and ensure funding sustainability for the future. The Commonwealth will take responsibility for funding the majority of Australia's health and hospital system. We will implement system wide reform to health services across the country. We will strengthen governance, report on performance transparently and put in place new national standards. Second, these reforms will deliver better access to high quality integrated care that is patient-centric. We will deliver health care that is designed around the needs of patients, not the needs of the health system. And we will focus on prevention, early intervention and providing care in the community. Patients should only be in hospital if they need to be there for clinical reasons. Third, these reforms will provide better care and better access to services for patients right now, through increased investments in hospitals, better infrastructure, and more doctors and nurses. The Commonwealth’s $7.3 billion investment will deliver immediate health and hospital service improvements, as well as supporting the new health network.

This Bill deals with the funding elements of the reforms. Under the National Health and Hospitals Network, the Commonwealth Government will become the majority funder of Australian public hospitals. The Commonwealth will fund 60 per cent of the efficient price for all public hospital services, and 60 per cent of capital, research and training in our public hospitals. We will also take full funding and policy responsibility for general practitioner and primary health care services and for aged care services. To reduce cost shifting and better integrate hospital and community settings, we will, over time, also move to fund 100 per cent of the efficient price of primary health care equivalent outpatient services. This investment is fully funded over the forward estimates, wholly consistent with our fiscal strategy and does not add to the Budget deficit. Fiscal responsibility is a key component of these reforms. We will establish an Independent Hospital Pricing Authority to determine how much it will cost to deliver hospital services funded by the Commonwealth efficiently. Funding paid by the Commonwealth in the future will be based on how much the independent authority says that it should cost. This will ensure that taxpayers receive the best value from investments in health care and will drive greater efficiency in the delivery of health services.

Funding Arrangements
This Bill amends the Federal Financial Relations Act 2009 to implement these major reforms. The Bill creates a National Health and Hospitals Network Fund through which payments will be made to the States or joint inter-governmental funding authorities for the States out of:

- funding sourced from the previous National Healthcare Specific Purpose Payment;
- an agreed amount of GST revenue, retained and dedicated to health and hospital services; and
- additional top-up funding to be paid by the Commonwealth from 1 July 2014. As the Commonwealth takes on greater responsibility for financing growth in health and hospital costs through these reforms, top-up funding will apply when spending growth exceeds the growth in the GST and funding sourced from the existing National Healthcare Specific Purpose Payment.

Each State’s dedicated GST revenues will be allocated to health and hospital services in that state. This will be revenue-neutral for both the Commonwealth and the States over the forward estimates.
The amount of GST to be dedicated to health and hospitals services will then be fixed from 2014-15, based on 2013-14 costs indexed for the GST growth rate.

From 2014-15, an additional Commonwealth top-up payment will be provided, reflecting that hospital costs have been growing at close to 10 per cent per annum in recent years and are expected to grow at around 8 per cent per annum over the medium term.

This means that hospital costs are expected to outpace growth in GST, of around 6 per cent per annum over the medium term, as well as growth in the existing National Healthcare Specific Purpose Payment.

Consistent with the National Health and Hospitals Network Agreement struck between the Commonwealth and the States, the Bill guarantees that Commonwealth top-up funding will be at least $15.6 billion over the period 2014-15 to 2019-20, provided that all States and Territories are participating in the reforms.

States will be no worse off in the short term, and significantly better off over the longer term, under these reforms.

The Bill preserves the existing federal financial relations arrangements for Western Australia until it becomes a signatory to the National Health and Hospitals Network Agreement.

In addition, the Bill introduces a new process to protect Western Australia’s existing healthcare funding.

The process includes requiring the Western Australian Premier to agree to any change to the existing financial arrangements which would result in a substantial financial detriment to Western Australia.

Payment Arrangements

The Bill also deals with payments out of the National Health and Hospitals Network Fund.

The National Health and Hospitals Network Fund, along with the other governance arrangements set out in the National Health and Hospitals Network Agreement, will ensure transparency around the services being provided in individual hospitals, the cost of these services, and who is paying.

The price the Commonwealth pays for hospital services will be determined by an Independent Hospital Pricing Authority. This Authority will be independent of all levels of government. One of the first tasks for the Authority will be to advise the Government on appropriate transitional arrangements to new efficient price settings.

Each Local Hospital Network will be funded for the services it provides and the information on the funding provided will be transparent to communities.

All payment flows through the National Health and Hospitals Network Fund will be transparently reported in Commonwealth Budget papers.

Impact on Federal Financial Relations

The introduction of the National Health and Hospitals Network represents a significant change to Australia’s federal financial relations.

The Commonwealth is becoming a majority funder of the Australian hospital system and taking full funding and policy responsibility for primary health and aged care.

This will improve three broad elements of Australia’s federal financial relations.

First, the gap between what the States are currently required to pay and their revenue raising capacities, referred to as vertical fiscal imbalance, will be reduced over time. This will help to secure the funding base for health and hospital services into the future.

Second, roles and responsibilities between the Commonwealth and the States have been clarified. This will reduce duplication of activities and improve coordination.

Finally, those States experiencing a more rapidly ageing population should receive a greater benefit from the Commonwealth’s increased funding responsibilities due to higher growth in demand as their population ages—this will reduce horizontal fiscal imbalance over time.

As a result, these reforms will put Australia’s federal financial relations on a more sustainable footing for the future and allow us to better manage health expenditure growth.

These changes will deliver value for money from our spending on important health services.
Debate (on motion by Senator Feeney) adjourned.

COMMITTEES
Corporations and Financial Services Committee

Reference

The ACTING DEPUTY PRESIDENT (Senator Crossin)—A message has been received from the House of Representatives forwarding a resolution agreed to by that House to refer a matter to the Parliamentary Joint Committee on Corporations and Financial Services.

The House of Representatives message read as follows—
The House of Representatives acquaints the Senate with a resolution agreed to this day in the following terms:

That the Parliamentary Joint Committee on Corporations and Financial Services be required to inquire into and report on the access for small and medium business to finance, with particular reference to:

(1) the types of finance and credit options available to small and medium business (SMEs) in Australia;
(2) the current levels of choice and competition between lending institutions, but not limited to, credit availability, fees, charges, comparative interest rates and conditions for business finance;
(3) credit options available from banks, non-bank lenders and second tier lenders;
(4) the impact of financial institution prudential requirements and banking guarantees on lending costs and practices;
(5) comparison between the credit options available to SMEs located in regional Australia and metropolitan areas;
(6) the impact of lenders’ equity and security requirements on the amount of finance available to SMEs;
(7) policies, practices and strategies that may restrict access to SME finance, and the possible effects this may have on innovation, productivity, growth and job creation;
(8) the need for any legislative or regulatory change to assist access by SME to finance; and
(9) any other related matters;

and report by 30 April 2011.
Speaker House of Representatives
25 November 2010

MENTAL HEALTH

The ACTING DEPUTY PRESIDENT (Senator Crossin)—A message has been received from the House of Representatives informing the Senate of a resolution agreed to by the House relating to mental health.

The House of Representatives message read as follows—
The House of Representatives acquaints the Senate with a resolution agreed to in the following terms, and requests the concurrence of the Senate therein:

That this House:

(1) notes that:

(a) mental illness afflicts more Australians than almost all other health disorders, only ranking behind cancer and heart disease in prevalence;
(b) forty-five per cent of the nation’s population will experience a mental health disorder at some point in life;
(c) younger Australians—those between 16 and 24—bear the brunt of mental illness, with prevalence of problems declining with age;
(d) with early and targeted treatment, many people can overcome mental illness or lower the incidence of progression or relapse;
(e) expansion of the headspace and Early Psychosis Prevention Intervention Centres (EPPIC) models could help an estimated 200,000 young Australians, and in doing so, free-up existing services for others with mental illnesses whilst alleviating pressures on public hospitals and emergency departments; and

(f) the Government has moved to cut services in mental healthcare; and

(2) requires the Government to:

(a) expand the number of headspace centres to a minimum of 90 nationally;
(b) establish a national network of 20 EPPIC centres;
(c) provide an additional 800 beds for mental health, associated with the EPPIC centres;
(d) appropriate funds necessary to provide these critical steps to expanding mental health treatment facilities; and
(e) immediately provide additional funds for existing headspace centres.

Ordered that consideration of the message be made an order of the day for the next day of sitting.

SOCIAL SECURITY AMENDMENT (INCOME SUPPORT FOR REGIONAL STUDENTS) BILL 2010

Report of Education, Employment and Workplace Relations Legislation Committee

Senator McEWEN (South Australia)
(6.33 pm)—On behalf of the Chair of the Standing Committee on Education, Employment and Workplace Relations Legislation Committee, Senator Marshall, I present the report of the committee on the Social Security Amendment (Income Support for Regional Students) Bill 2010 together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

COMMITTEES
Legal and Constitutional Affairs Legislation Committee

Report

Senator McEWEN (South Australia)
(6.33 pm)—On behalf of the Chair of the Senate Legal and Constitutional Affairs Legislation Committee, Senator Crossin, I present the report of the committee on the provisions of the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Budget and Other Measures) Bill 2010, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Economics Legislation Committee

Report

Senator McEWEN (South Australia)
(6.33 pm)—On behalf of the Chair of the Senate Economics Legislation Committee, Senator Hurley, I present the report of the committee on the provisions of the Federal Financial Relations Amendment (National Health and Hospitals Network) Bill 2010 together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator CORMANN (Western Australia)
(6.34 pm)—by leave—I move:

That the Senate take note of the report.

Even though the bill has just been introduced by the senator representing the government, I am convinced it will never be debated in this chamber. Over the last week we have seen Prime Minister Julia Gillard laying the groundwork for a massive backdown when it comes to this ill-considered proposal to take one-third of the GST away from the states and territories. We are in the very unusual circumstance where the government senators on this committee are recommending that
this legislation be passed when the Prime Minister is actually preparing for the legislation to be canned. All the while Minister Roxon is out there today saying how important it is for the states and territories to hand over a third of their GST, when it is well understood that this was an ill-considered proposal right from the word go. Let us remind ourselves of how this all started.

In the lead-up to the 2007 election, then Leader of the Opposition, Kevin Rudd, promised that he had a plan to fix public hospitals and that he was going to implement that plan in government, and that by the middle of 2009 if he had not made enough progress he was going to take over the running of all our public hospitals. What happened after that? Instead of a plan there was an 18-month inquiry. We thought he had a plan. Of course, after that inquiry reported, we had a review into the review. People will remember then Prime Minister Rudd and Minister Roxon travelling around all the hospitals, and the images of them in surgeon’s uniforms with their glasses on looking like they were very concerned about our hospitals. They were ‘consulting’. But they still did not have a plan. As we got closer and closer to the next election there was a debate about health reform at the National Press Club with the Leader of the Opposition, Tony Abbott. The Prime Minister needed something—he needed to pull a rabbit out of the hat. What did he do? After having argued for cooperative federalism, after having argued for ending the blame game, he came up with the good, old-fashioned answer: pick a fight with the states and make it look like you are doing something. ‘Let’s pick a fight with the states. Let’s say we’re going to take away a third of their GST revenue and try to make it look as if we are proposing genuine health reform.’

Coalition senators are just aghast at how a proposal to take $200 billion worth of GST revenue away from the states over a 10-year period to 2020, in return for handing $15.6 billion back to the states and territories by 2020, could be seen as health reform. Professor John Deeble, the father of Medicare, an advisor to the Hawke and Whitlam governments about Medibank and Medicare, and hardly an apologist for the coalition, pointed out that the $15.6 billion put on the table by the Rudd and Gillard governments towards state and territory health and hospital funding is, from his point of view, not more than what the federal government would have been expected to pay as part of normal growth patterns. Here we have a government that is trying to sell a revenue shift as health reform without putting any additional money on the table and trying to do a deal that offers less to the states than what they would have expected from the federal government in the absence of this deal.

As we went through this inquiry it was extraordinary how many problems and issues became apparent. First of all, the Treasurer, Wayne Swan, sought to press this legislation through the parliament without having unanimous agreement from all states and territories. When the GST was introduced back in 2000, after having been agreed to by the then Prime Minister, the state premiers and the territory chief ministers back in 1999, there was a very important safeguard: you could not make any changes to GST arrangements without unanimous agreement.

Of course, Treasurer Swan knew this because in the incoming government brief from Treasury it was drawn to his attention. He was told that he did not have unanimous agreement, that he may well have to find alternative ways of funding these so-called health reforms and that it would be preferable if he could resolve these issues before reintroducing the legislation. He did not resolve these issues. He reintroduced the legislation and thought he could get away with it.
This is where the job of the Senate is so important. Through this committee we were able to ask a series of questions of Treasury and to the Department of Health and Ageing. The more questions we asked the more concerned we became. I commend the report by coalition senators to the Senate. There are large variations in the share of GST transfers, for example. The government will tell you, ‘We’ve always recognised that there will be some variation.’ ‘Some variation’, all right! The variation goes from a requirement for the Northern Territory to hand over 14 to 16 per cent of its GST, to the requirement for Queensland to hand over 40 to 44 per cent of its GST, to the requirement for the ACT to hand over 50 to 51 per cent of its GST, and all the way over to the requirement for the state of Western Australia—if Western Australia had agreed to it—to hand over 60 to 63 per cent of the remaining share of its GST. How is that fair and equitable?

Do you know the reason for these big variations? After promising to take over the whole public health system and not quite getting there, Kevin Rudd came up with this arbitrary figure: ‘We are going to become the dominant funder. We are going to fund 60 per cent of a whole series of services.’ So he decided that in each state he wanted to bring that benchmark up to 60 per cent. As it happens, some states invest more in their health and hospital services and do a better job than others. Under these reforms, if a state on average invests more of their own money into their health and hospital services, and if the federal government invests on average less in these health and hospital services in that state, that state would have to hand over a larger share of their GST. They would actually get penalised for doing the right thing.

The second reason for these big variations is that those states that are doing less well through the Commonwealth Grants Commission process—the processes of horizontal fiscal equalisation—have to hand over a larger share of their remaining GST. That is just the way it works. How is that fair?

The real concern here is that states, by the look of it, would actually be worse off. We asked a whole series of questions to the government to explain to us where the additional funding between 2014-15 and 2019-20 was going to come from, other than the $15.6 billion, because according to work done by the Parliamentary Library, over the last three healthcare agreements—over a period of 15 years—federal funding on average increased by about 8.9 per cent per annum. If you project that to what federal expenditure would have been for health and hospitals in the period from 2014-15 to 2018-19—just to look at five years—that would have been $103.2 billion, or an increase of $38.8 billion compared to the previous healthcare agreement. The government’s offer is $20 billion less than what would have been the case if past growth trends had continued—that is, it is a cut.

We thought we must have been getting this wrong, that there must have been something we were missing. So we asked the government to lay out for us in detail whether there was anything else on the table they could quantify for us, any other committed and quantifiable increases in federal funding for health and hospitals over that period. The answer during the inquiry was: Not under that period, no.

We found that unbelievable. How can it be that a federal government could take $200 billion away from the states over a 10-year period, give $15.6 billion back to the states from 2014-15 onwards, over six years, and actually give them less than what they could have expected if growth trends over the past 15 years had continued? That remains an unresolved issue.
There are many other issues in this bill, which I strongly recommend the Senate have a very close look at. As I have mentioned, I do not think this bill will ever see the light of day because clearly the Prime Minister is cutting her losses. She realises that the then Prime Minister, Kevin Rudd, and the Treasurer, Wayne Swan, who is still the Treasurer, did not do their homework. They did not get the support of the states and territories. Not a single state or territory government has signed up to the GST handover. No state or territory Labor government has signed up to this. Of course the state governments in Western Australia and Victoria have already made it clear that they are not in favour of the GST handover. This is an important issue. We need health reform and not just another grab for cash, which is what this legislation would have been.

Senator FIERRAVANTI-WELLS (New South Wales) (6.44 pm)—I also rise to take note of this report and to add some comments in relation to the so-called ‘health changes’. I do not call them ‘reforms’ because, quite frankly, what we are starting to see is a debacle which, as Senator Cormann indicated, began before the 2007 election and which is now effectively ending up in the rubbish bin of history. It is important to go back and have a look at this because to some extent the debacle of these health changes, which were so lauded in 2007, has become almost an embodiment of the failures of this government.

I would like to take the Senate back to 2007. There was Kevin Rudd saying, ‘Yes, we have a grand plan to fix the hospitals.’ But when push came to shove in estimates, the secretary of the department had to concede that there was no plan—there was not even anything on the back of an envelope. So much for Kevin Rudd’s grand hospital plan. The government therefore had to scramble to find something and that is when, as Senator Cormann says, they suddenly decided, ‘We shall set up a commission.’ In the true style of the Rudd era, when all else failed another inquiry was commissioned and they would say, ‘Let’s bring out another committee, another review, another inquiry and that will get the thing off the front page for the time being.’ And that is what we had.

Then Christine Bennett was given terms of reference and she went to work and produced a comprehensive report, which has become known as the Bennett report. But that meant that Kevin Rudd and Nicola Roxon were faced with actually having to make a decision. So they thought: ‘Are we going to make a decision? No, we will now review the review.’ This led to nightly scenes on television with the Prime Minister in his little white coat and Minister Roxon there as virtually a nurses’ aide. There they were, tracking around the countryside for photo opportunities. It was all about photo opportunities and where did those photos end up going? They went on the MyHealth website and the MyHospital website.

We trawled through all that at estimates and it was all revealed when, I remember, there was an article written called ‘Yes Minister meets Alice in Wonderland’. The government was very embarrassed by this article because it told the story of this journalist who was taken on in the Department of Health and Ageing and whose team was given the job, on a Friday afternoon, of organising a major launch for the Monday because his boss had been told just that day that the Prime Minister was going to make a major health announcement. It was most amusing—not amusing to the government—to see how they did business on the smell of an oily rag and on the back of an envelope.

Finally we ended up having the blue books. The blue book came out with one version of this so-called plan. Then it became
a green book, but the version in the green book was different from the version in the blue book. After that, COAG was about to happen and the government really had to go out there with something—and so we got the red book. And the red book was very different again. When you go back and look, the provisions in the red book are totally different from what we originally began with. And that is when it began to unravel. We started this grand agreement at COAG in April and—

Senator Polley interjecting—

Senator FIERRAVANTI-WELLS—No, you have never read the agreement, because if you had read the agreement, Senator Polley, you would know that that agreement is not binding on anybody. That is why this whole thing is unravelling. It is unravelling because the agreement is not binding and the states have finally worked out that they are going to be done over under this supposed plan.

Debate interrupted.

DOCUMENTS

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Order! It being 6.50 pm, the Senate will proceed to consideration of government documents.

Australian Public Service Commission

Senator CAMERON (New South Wales) (6.50 pm)—I move:

That the Senate take note of the document.

In moving to take note of the State of the service report 2009-10, I note that the report says that employee identity perceptions within the public sector are very high. Workers in the public sector are proud of working in the public sector, they are proud to work in the APS, they would recommend their work agency as a good place to work and they would recommend the APS as a good place to work. Over the 2½ years I have been here, I have been really surprised at the talent and diversity and capacity of the public service to act in the national interest. Nothing will be more important in the forthcoming period, when we have to deal with the floods in Queensland, the flooding in northern New South Wales, the fires in Western Australia and the flooding in Victoria, than having the public service operate effectively and efficiently to deliver the restructuring and rebuilding of this country.

That is why I am concerned that we still have the opposition arguing for cuts to the Australian Public Service. The policy that they took to the election was that there should be no replacement of anyone who leaves the Australian Public Service. This would create great problems within the Public Service. At a time of national disaster, a time when the national interest must come first, I call on the opposition to say that they will ensure that the resources in the public sector are supported. They should be supporting the work of public servants.

I do not normally quote the Australian but I will quote the Weekend Australian of 5 February because it said:

In confronting the economic impact of the floods and the cyclone, Ms Gillard is facing the competing aims of funding billions of dollars in reconstruction while boosting the government’s economic credentials by working to return the budget to surplus. So far, she has got the balance right.

Rupert Murdoch and the Australian—they recognise that what we are doing, in association with the work that the Australian Public Service will have to be involved in, is correct and best thing that can be done.

It really does highlight the narrow-minded, venal approach of the opposition to the flood levy and the lack of support they have for the Australian Public Service when we are about a national issue of such importance—that being to ensure that we can re-
construct this country; that we can rebuild those areas that have been devastated—yet all we have is carping criticism. That carping criticism, I predict, will be vented on public servants at the next round of estimates when the coalition set about trying to vilify the Public Service and the issues that they have taken on board under very extreme circumstances. The Public Service of this country have stood up well in most of areas. There have been areas with problems.

I want to place on record my support for the Public Service, who helped this government manage through the global financial crisis—when the opposition tried to deny there ever was one—and who will help us work our way through the program that will be required to rebuild Queensland, Victoria, northern New South Wales and Western Australia, given the problems we have faced over the summer period.

I think the Public Service have done well. The Public Service were instrumental in providing support to the government so we could deal with the global financial crisis in a timely, temporary and targeted manner that meant hundreds of thousands of jobs were saved and we came out of the global financial crisis better than any other country in the world. That was a combination of this government taking the steps that were required and working with a professional Public Service, a Public Service who should be supported, not attacked by the opposition as they normally are. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**Pharmaceutical Benefits Pricing Authority**

**Senator BARNETT** (Tasmania) (6.57 pm)—I move:

That the Senate take note of the document.

I rise to take note of the Pharmaceutical Benefits Pricing Authority annual report 2009-10. I have the report with me—it is the annual report for the year ended 30 June. A section of this report relates to reforms. One of the reforms that the government is not considering relates to preventative health and the fact that Australia is one of the fattest nations on earth. Just today we have received a report commissioned by the National Heart Foundation and the Cancer Council of Australia—and I congratulate both organisations on their leadership. It is called the National Secondary Students Diet and Activity Survey 2009-10. Twelve thousand students were surveyed, and what did the survey come up with? Some shocking figures.

I know perhaps some of the senators on the other side are concerned because there has been a lack of action, a sitting-on-their-hands approach to preventative health and making a difference in that sphere with respect to obesity and chronic disease in particular. What did the survey say? The survey, which was released today, said that only 14 per cent of students were found to have met the recommended daily intake of both vegetables and fruit, while 85 per cent did not engage in enough activity for it to have a health benefit. They were two of the key findings.

Other fascinating findings were that 47 per cent of all students reported having three to four televisions in their home, while 17 per cent had five or more—that is a fair few. Seventy-one per cent spent more than the recommended two hours watching TV or using electronic media for recreation on an average school day and 83 per cent on weekends. Seventy-six per cent did not meet the recommended intake of at least four serves of vegetables a day, and 56 per cent the recommended three serves of fruit. Thirty per cent reported drinking at least four cups of soft drink or sports drink a week, and 43 per cent ate from fast food or takeaway outlets at least once a week. Nineteen per cent of boys
were overweight, while 5.4 per cent were obese. For girls, 17.1 per cent were overweight and 5.5 per cent were obese.

What that means, in summary, is that we are about to have on our hands a crisis that is coming our way. It is a time bomb. It is called chronic disease and it is coming Australia’s way big time. What we know is that secondary students have very poor eating and exercise habits. We know that one in four teenagers is either overweight or obese. This is not good enough. This should send alarm bells ringing in the government’s ear.

We already know from Access Economics, as was released at one of my Healthy Lifestyle forums, that the cost of obesity in Australia today is estimated at $58 billion each year and we know that in 2007 Labor, prior to its coming into government, announced that obesity would become a national health priority. But I am sad to say that they have been sitting on their hands. I refer in particular to the National Preventative Health Taskforce report, which is getting more and more dust. There are so many recommendations in that report that are very worthy of consideration and merit but the do-nothing approach of this government is awful. We cannot just sit around and wait for this problem to fix itself. It will not. The problem is getting worse, not better.

The Active After-Schools Communities program, an initiative under the Howard government, was announced in 2004 at one of my Healthy Lifestyle forums in Launceston by the then Prime Minister, John Howard, with the then sports minister, Senator Rod Kemp. That has been proved to have been a very popular initiative. We proved it to Senator Mark Arbib and he has agreed to extend it for one year, and that means to the end of this year with no further life in it after that. That is not good enough. It needs to be extended, and a do-nothing approach is not on. We need to remove unhealthy food and fizzy and sugary drinks from our tuckshops and canteens so that healthy food is the only option for the children in our schools. There are so many further initiatives that could be implemented by this government and, indeed, the state and local governments around Australia. This is a time bomb waiting to go off and the crisis is fast approaching, so this report today confirms that one of the reforms that should be considered is action—and fast—on obesity and chronic disease in this country. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Australian Agency for International Development

Senator BARNETT (Tasmania) (7.07 pm)—I move:

That the Senate take note of the document.

This excellent report of the Australian Agency for International Development reviews development effectiveness in 2009 and is incredibly important. I notice that today in the parliament at 10 am the Independent Review of Aid Effectiveness was undertaking its consideration and deliberations and gaining feedback from senators and members of the House of Representatives. I thank Melissa Parkes and her group, the Parliamentary Friends for UNICEF, and also the Parliamentary Friends of the UN. I was there as a joint convenor of the Parliamentary Friends of the Millennium Development Goals. Julie Owens, my co-convenor, likewise was there with a number of other members of parliament. I acknowledge the contribution this morning of Sandy Hollway, who is leading that review of aid effectiveness, which was announced on 16 November last year by the Minister for Foreign Affairs, Mr Rudd. He supported the review, together with Professor Stephen Howes, former senator Margaret Reid AO, Bill Farmer AO and Chris Tinning, who is running the secretariat. It was a very
useful feedback session on the importance of our aid program.

I did not have the opportunity to speak directly to Mr Hollway and his colleagues, but some of the points I wanted to make—and I know others made them around the table—were along the lines that aid effectiveness is absolutely critical. In terms of the four key points, the first is that education and awareness of the program and its effectiveness across the country to the members of the public—to the mums and the dads and the families out there—is critical to the success of our aid program. Frankly, at the moment I think there is a brand problem. People do consider that we are just doling out money. We are not. What we are into is certainly aid, but it is international development. It is the Australian Agency for International Development, so this inquiry is looking at aid effectiveness and aid and international development. There needs to be more of a focus on international development and the development process. Unless we can make that clear to members of the public, I am concerned that the level of confidence in our aid program will not be at the level that we would want it to be. It needs to be at a higher level. So we need confidence in our aid program and that can be built upon with a better education and awareness program.

Secondly, in my view it does not obtain adequate scrutiny by a parliamentary committee within this parliament. There needs to be a parliamentary committee having a careful focus and a look at it. Yes, there is the Joint Parliamentary Committee on Foreign Affairs, Defence and Trade and I acknowledge the wonderful work they do. They work very hard, but obviously across a very broad range of issues. A subcommittee of that committee does have some interest in the aid program, but clearly within the parliament there is not adequate consideration and scrutiny of that program.

Thirdly, I am very supportive of microfinance and the role of government interacting and partnering with business and the NGO sector. They can make a real difference by working and partnering with those wonderful hardworking non-government organisations—in many cases they have volunteers working with them and for them—and with the business community. Opportunity International, for example, do a wonderful job in promoting microbusiness and microfinancing around the world and around the Third World.

The fourth point is that the burden of chronic disease is now starting to impede the ability of the world to achieve the Millennium Development Goals. There is a clear focus on infectious disease at a global level, and that is absolutely right, with TB, malaria and AIDS and the like, but there needs to be far more focus and strength of effort and resources looking at chronic disease. I know there is a UN meeting coming up in September this year to look at exactly that point. I think that is very important, and I hope that the review process takes that into account. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following government documents tabled earlier today were considered:


National Security Information (Criminal and Civil Proceedings) Act 2004—Non-disclosure and witness exclusion certificates—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thurs-
day at general business, Senator Adams in continuation.

Airservices Australia—Corporate plan 1 July 2010 to 30 June 2015. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Australian Electoral Commission (AEC)—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Murray-Darling Basin Authority—Report for 2009-10. Motion to take note of document moved by Senator Nash. Debate was adjourned till Thursday at general business, Senator Nash in continuation.

Wheat Exports Australia—Report for 2009-10. Motion to take note of document moved by Senator Nash. Debate was adjourned till Thursday at general business, Senator Nash in continuation.


Treaty—Bilateral—Agreement between the Government of Australia and the Government of the Republic of South Africa concerning the Co-Production of Films, done at Pretoria on 18 June 2010—Text,
together with national interest analysis and annexure. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Treaty—**Bilateral**—Agreement between Australia and the Slovak Republic on Social Security, done at New York on 21 September 2010—Text, together with national interest analysis. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Treaty—**Multilateral**—Third Protocol Amending the Treaty of Amity and Cooperation in Southeast Asia, done at Hanoi on 23 July 2010—Text, together with national interest analysis. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Treaty—**Multilateral**—Amendments to the Convention Establishing the Multilateral Investment Guarantee Agency to Modernise the Mandate of the Multilateral Investment Guarantee Agency, done at Seoul on 11 October 1985—Amendment to the International Finance Corporation Articles of Agreement, done at Washington DC on 20 July 1956—Text, together with national interest analysis. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

National Residue Survey—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Fisheries Research and Development Corporation (FRDC)—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Sugar Research and Development Corporation—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Gene Technology Regulator—Quarterly report for the period—1 April to 30 June 2010. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Gene Technology Regulator—Quarterly report for the period—1 July to 30 September 2010. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Department of Broadband, Communications and the Digital Economy—Investigation into access to electronic media for the hearing and vision-impaired—Media access review final report, dated December 2010. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Australian Communications and Media Authority (ACMA)—Communications report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Coal Mining Industry (Long Service Leave Funding) Corporation—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Department of Finance and Deregulation—Consolidated financial statements for the year ended 30 June 2010. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Australian Landcare Council—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.


Equal Opportunity for Women in the Workplace Agency (EOWA)—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the Research Involving Human Embryos Act 2002 for the period 1 March to 31 August 2010. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

National Rural Advisory Council (NRAC)—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Australian Centre for Renewable Energy Board—Report for the period 28 October 2009 to 30 June 2010. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Australian Health Practitioner Regulation Agency (AHPRA)—Report for the period 1 March 2009 to 30 June 2010. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.


Department of Finance and Deregulation—Certificate of compliance—Report for 2009-10. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

Australia and the International Financial Institutions—Reports for 2008-09. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.


Centrelink and the Data-Matching Agency—Data-matching program—Report on progress—2008-09. Motion to take note of document moved by Senator Adams. De-
bate was adjourned till Thursday at general business, Senator Adams in continuation.


Private Health Insurance Administration Council—Report for 2009-10 on the operations of the registered health benefits organisations. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.


Privacy Act 1988—Privacy reforms: Credit reporting—Exposure draft. Motion to take note of document moved by Senator Adams. Debate was adjourned till Thursday at general business, Senator Adams in continuation.

**COMMITTEES**

**Treaties Committee**

**Report**

Senator LUDLAM (Western Australia) (7.12 pm)—by leave—I move:

That the Senate take note of the report tabled earlier today.

I speak to the 114th report of the Joint Standing Committee on Treaties. Senators might be interested to know why I am choosing to speak on this treaty. This is a 30-year agreement that the Australian government is signing with the United States for our uranium exports. Occasionally I am asked why we speak out about uranium exports to China or to Russia or whether material is making its way to Iran but do not always take on the issue of uranium exports to a country like the United States where there is at least formal distinction between the civil and military nuclear arms. The fact also that this does lock us into a 30-year commercial arrangement that cannot be renegotiated is interesting in itself, no matter what commodity is at stake. That period of 30 years is going to take us into very interesting times. The US is our largest uranium customer and one of the reasons for that is that peak uranium in the US occurred some time ago. The United States had extensive uranium mining, caused an extraordinary amount of harm, particularly in the south-west, and worked out many of their deposits, and now they are our largest uranium customer. The agreement that has just gone through the Joint Standing Committee on Treaties which we are discussing tonight locks us into a 30-year treaty arrangement with the United States on these exports.

As I said, this is not China or Russia. The United States has had a formal distinction between civil and military nuclear arms for quite some time. It is obviously a porous border. It is the same technology being used for different ends but there is a regulatory system in the US that holds a distinction between civil and military nuclear weapons industries. Most of us in this chamber, I think, and most citizens of the world believe that nuclear weapons are obscene and should be abolished, but obviously there are much stronger differences of opinion around uranium mining. The ALP is now grappling with this issue. The conservative side of politics made its mind up quite some time ago as did the Greens. This treaty arrangement locks us into commercial uranium sales with the United States.

The debate certainly is changing and I think some members of parliament and senators have an open mind about uranium. I want to draw senators’ attention to a resolution that was passed at the September 2010 Congress of the Nobel Peace Prize winning...
organisation, International Physicians for the Prevention of Nuclear War, who are on the side, I think, of most world citizens in seeking the abolition of nuclear weapons. They have never before, to my knowledge, taken a strong position on the issue of uranium mining. They are doctors and health practitioners who have dedicated part of their work to prevention rather than cure, prevention of the use of nuclear weapons in civil or military applications. They passed the following motion in September:

Uranium ore mining and the production of uranium oxide ... are irresponsible and represent a grave threat to health and to the environment. Both processes involve an elementary violation of human rights and their use leads to an incalculable risk for world peace and an obstacle to nuclear disarmament.

That is fairly strong language. I have no doubt that some in this building, at least, will simply disregard the words of these health professionals. I think we disregard them at our peril. Minister Martin Ferguson, some of his colleagues and some folks on the conservative benches and all the others, members of parliament and advocates who are hitching their political fortunes to this most volatile and dangerous of industries, should be warned and should listen to the words of these health professionals.

Even if every kilogram of this material is meticulously tracked and kept out of nuclear weapons—and heaven knows the US has an enormous stockpile of fissile material even though it is not producing much more at the moment—even if every kilogram goes exclusively into civil nuclear energy in the United States, which is obviously one of the first countries to adopt this technology, there are very serious problems with tying ourselves to this industry. If you get a nuclear power station wrong and you have a bad day, you have to evacuate millions of people who can then never return. People assume that Three Mile Island was a near miss and that Chernobyl was just a one-off that occurred in Russia.

In the limited time that I have left I want to mention one near miss much, much more recently in United States in 2002, which is something that I suspect most people probably have not heard of. FirstEnergy, an Ohio electric utility, was allowed to drive the deteriorating Davis-Besse Nuclear Power Station dangerously close to a catastrophic accident. The regulators in the US had been persuaded to delay inspections of a vital safety component beyond a requested deadline shutdown in order to accommodate the industry rather than forcing an early shutdown to get inside the plant and see what was going on. As it happened they eventually shut the reactor down, got inside, and realised that six inches of carbon steel on top of the pressure vessel had been eaten away by boric acid and they had nearly lost that plant.

A nuclear power station is a pressure cooker containing two or three hundred tonnes of fissioning uranium. If you have a bad day at one of those plants people can never go back. This is the industry that we are in. I do not think that whether it be the United States, the enormous rapid build that is being undertaken in China at the moment, or any of the other countries that we trade this material to, people who think that this industry has its benign face and its military face and that they are somehow separate need to pay very, very close attention to the record of this industry, not what it is promising to do but what it has done and what it is doing today. There are no second chances with this unforgiving technology. This is an industry that we should be getting out of rather than getting ourselves further into. I seek leave to continue my remarks later.

Leave granted; debate adjourned.
ADJOURNMENT

The PRESIDENT—Order! It being almost 7.20 pm, I propose the question:

That the Senate do now adjourn.

Glebe Post Office

Senator FAULKNER (New South Wales) (7.20 pm)—Tonight I want speak about a matter of great importance to my own local community of Glebe in Sydney—the closure of the Glebe Post Office. Local residents were aghast when they heard the news very late last year that their post office would be closing on Friday, 4 February 2011.

There was no community consultation before this announcement, no period of grace for the community to look for other options and no discussion of or calls for tender to transition to a licensed post office. There was just two months notice over the Christmas period and then the doors were shut. The residents of Glebe were told to go to the nearest post office in the Broadway Shopping Centre on Parramatta Road. Let me say, this is disgraceful practice and utterly unacceptable corporate behaviour from Australia Post.

Mr President, I will tell you some history. In 1852, John Clissold was appointed Glebe’s first postmaster when a postal suboffice was opened in Glebe. Early records have been lost and little is known about the first Glebe post office, but it is believed to have been located on ‘the Glebe Road’, now Glebe Point Road.

On 1 November 1857 a letter carrier was appointed to Glebe along with other inner suburban Sydney post offices of Newtown, Camperdown, Redfern and Paddington. Prior to then letters would simply remain at the district post office for collection.

In the 1860s the post office at Glebe moved to a different part of the village and, although we do not know precisely where, the evidence suggests the new location was along Glebe Road. In 1868, when money orders began being issued at post offices, the then Glebe postmaster, John Tucker, who had been postmaster for three years, resigned in high dudgeon, claiming that the new duties would be too great a burden. But, again, it was time for the post office to move. Two proprietors bid for the tender—one, situated on the corner of the then Glebe Road and Harden Street, now Glebe Point Road and St John’s Road; the other, on the corner of Parramatta Road and Glebe Road.

It is a horrible irony that these two locations from the 19th century correspond, firstly, to the modern-day Broadway Shopping Centre, now the site of the nearest post office for Glebe; and, secondly, to the actual street intersection, although not on the same corner, of the site of the post office building for over a century. Needless to say, the location on Glebe Point and St John’s Road won out. It was then and has been for 143 years the most suitable location for postal services for the communities of Glebe and Forest Lodge.

When Mr John Warden was Glebe postmaster in the 1870s the community began to agitate for a telegram service. The Parramatta Street telegraph station, near the Glebe Road junction—again, no doubt, almost the same location as the present day Broadway Shopping Centre—was then and still is today just too far away from the heart of Glebe. Petitions were presented in 1877 for a telegram service at John Warden’s post office in the heart of Glebe.

The colonial authorities offered the Glebe telegraphic service for tender. A location, at 1 Hope Terrace, Glebe Point Road—a stone house, with a slate roof, a 20-foot frontage, a hall and seven rooms—at a cost of £75 per annum, was accepted. Although Hope Terrace does not exist today, it was described
as being 50 yards from the Harden Street intersection.

A female telegraph operator Miss Minnie Knott was in charge of tapping out the telegraphs. Due to the policy of amalgamation of postal and telegraphic services Miss Knott also became the postmistress. In 1878 there was still much talk about relocating up to Parramatta Road. The University Hotel on Parramatta Road was offered, but the decision-making authorities of the 19th century were much more sensible than the 21st century decision makers. It was considered ‘inconvenient for postal purposes’. That position is still inconvenient for postal services.

In 1882 tenders were called for a new post office on a new site. The post office site at St John’s and Glebe Point Road was selected. By 1883 two sets of plans were under consideration: a building with a tower, costing £4,300, or one without a tower, costing £3,730. Both these options were considered too extravagant and requests for a more modest building were then tendered. Finally, a £2,139 plan was accepted and the building was completed on Christmas Eve, 1885, ready to be officially opened and occupied on 5 January 1886.

Miss Knott, the trusted telegrapher-cum-postmistress opened the doors on 8 January 1886. Business boomed at the new location. Annual revenue increased 517 per cent, from £290 in 1879, to £1,500 in 1890. A departmental report was issued to assess whether Miss Knott needed more assistance at the post office, and it found:

One of the assistants was engaged on duty from 8.30 am till 3 pm; and one from 3 pm till 8.15 pm, and that they were kept busy constantly at the telegraph instruments sending and receiving. Miss Knott was occupied in the booking and disposal of telegrams and attending to the counter most of her time … postal work was often left to the messengers, and thus unavoidably neglected.

Some things do not change in 120 years, because Miss Knott’s story is similar to the tale told by the 3½ full-time equivalent Australia Post employees who were run off their feet tending the needs of the Glebe community until just last week. I have been in that post office on hundreds of occasions and, on nearly every occasion, I have had to queue in a queue, five or six people deep.

Needless to say, the decision makers in the 1800s showed far more foresight than the decision makers of today. The authorities, in 1890, granted Miss Knott additional staff. The authorities, in 2010, closed down the post office. Tonight I will leave the Glebe Post Office in 1890—a busy, vibrant and essential part of the life of the community of Glebe. But in tomorrow’s adjournment debate I will follow this story into the 21st century. Unfortunately, it will not be a story with a happy ending.

Murray-Darling Basin

Senator NASH (New South Wales) (7.29 pm)—Before I begin, I acknowledge Senator Faulkner’s contribution. Forget about the Prussian revolution in 1870; it was all happening in Glebe! That was probably the most detailed and comprehensive defence of a post office that this place has entertained.

Senator Faulkner—You’ve heard nothing yet.

Senator NASH—We look forward to your further contribution, Senator Faulkner, with enthusiasm.

Tonight I want to discuss the issue of water. There is probably no more significant issue for this nation over the coming years and decades than the issue of water. I am a farmer from the central west in New South Wales, so I live, eat and breathe with the people who are affected by this. I travel throughout New South Wales and indeed the rest of the country talking to people about water issues. And it is not just people in re-
gional Australia; this is going to affect people in the cities as well. We have seen over a number of years both sides in government try to work out what we should be doing with a future plan for water. To date, this government’s approach to dealing with the issue of water and water delivery has been lacking. They have demonstrated no ability to comprehend the effect of potential government policy on our irrigators, farmers and broader regional communities. I am not standing here making that up as a political point; I am passing back to the chamber what has been very clearly said to me and many of my coalition colleagues as we have travelled extensively around the Murray Darling Basin.

For some time now, we have seen this government completely mismanage the issue of water. Prior to the current minister responsible, Minister Burke, we had the minister in this chamber, Minister Wong, in charge of water. Way back in 2009, during the estimates process when I was having some discussions with Senator Wong about the water issue, she in no uncertain terms said that farmers just had to get used to doing more with less—meaning water—and that that was the way it was going to be from now. Obviously, Senator Wong did not take Mother Nature into account when we reflect upon the events that we have seen over the last several months. One of the things that the government has been completely unable to grasp is the effect of water policy on the people in our regional communities. What I am talking about here are the social and economic impacts of water policy and, in the instance of this Labor government, the policy of permanently removing water from those communities.

For quite some time now, we on this side have recognised that it is vitally important that those social and economic impacts of permanently removing water from those communities are taken into account. I talked with Senator Wong about this issue back on 28 May 2009 during Senate estimates. Here is what I said:

Yes, just on the Basin Plan. With respect to the development of the plan and the consultation process with communities on the social and economic impacts of the decisions that are going to be made in the development of the plan, what is the process for that?

For a long time now, those in the coalition have understood the potential impacts in our regional communities. I must note that, on this side of the chamber and on this side of politics, our approach has been to improve infrastructure, to make sure that we utilise water better and to give our regional people—the irrigators and the farmers—the tools to do that. We did not just blindly go down the road of buybacks when the opportunity was there to make sure that we invested in the infrastructure, both on farm and through transmission, and improved those circumstances. It has indeed been very disappointing to see that the government has by and large ignored that process, which over the previous years would have delivered water immediately back into those communities.

What we have seen recently with the advent of the basin plan in October—and this issue has been raised by the irrigators, farmers and businesses in our communities—is that there has not been a balanced approach on the impacts of permanently removing water from those communities through government policy. There has been a real concern that the idea of water being taken from those communities to go to the environment has taken priority over the social and economic impacts of permanently removing that water. This has been heard loud and clear by this side of the parliament and, I have to acknowledge, now by Minister Burke on the other side. But what we saw from the other side prior to that was a complete lack of con-
sultation with those people on the ground in those communities who would have been affected. So it is only very late in the piece that this government has realised that there are concerns out there about the priority that seemed to have been given to the environment when it came to the changes in water policy leading to the permanent removal of water from those communities.

On this side of the chamber, we recognise that if there is a problem you fix it. You do not hide under a rock; you do not do nothing. If you identify a problem—and especially one of this magnitude that has been brought to us by all those people in those regional communities—you fix it. So I am very pleased to say that today my very good colleague Senator Joyce, who has been working tirelessly on this issue and all water issues come to that, has secured an inquiry of the Senate Legal and Constitutional Affairs References Committee into whether there are ambiguities in the act that prevent the environmental, social and economic impacts of removing water from our regional communities from being treated equally. That to me is very sensible. There are concerns with the act as to whether the environment takes priority. This concerns people out in our regional communities—and in other communities as well, I should add; certainly people in our cities are just as concerned about making sure there is a balanced approach and a balanced outcome. Therefore, this committee will inquire into whether there are ambiguities and, if there are, what process we take to fix that.

I note that the former chair of the Murray-Darling Basin Authority, Mike Taylor, constitutional law expert Professor George Williams and Professor Judith Sloan have all agreed that in their interpretation the environment takes primacy. Obviously, there is enough ambiguity there that we need to see whether it needs to be fixed.

What did the government do today? They voted against the motion. We have a minister on the other side, Minister Burke, who is on the one hand saying to people out in regional communities, ‘Yes, I believe that the environmental, social and economic impacts should all be treated the same’, while on the other hand, here in the chamber, the government is refusing to look at the very act that has carriage of providing that equivalence. I do not know why the government—and I am sure many people, particularly in regional areas, will have a real concern here—is not prepared to have a look at the act, when it comes to delivering equality across all of those three areas. The minister said he wants equality. He should be looking at the act and making sure that it does deliver those things.

It has been said that it was this side of the chamber, the coalition, that introduced the Water Act. It certainly was. But on this side of the chamber, as I said before, we know that, if there is a problem, you fix it. So we have no problem with looking at the act to determine if there are ambiguities and what we need to do to fix them. That is streets ahead of what the government are doing, because they simply will not support looking into the act.

Those out there can only ask: why is this the case? Who knows, but at least now we have the inquiry underway so we can look into that, to make sure, because it is vitally important that we get this right for regional communities. We have farmers out there in these communities who have no idea what the future holds for them. We need to give them some certainty. On this side of the chamber we are not going to stand by and watch this government pull water out of those communities permanently, effectively giving them a man-made drought, and not take into account, properly under the legislation, the effect that that is going to have. The coalition are going to make sure that we ab-
solutely get the right outcome for people in regional communities. And it is not just about the farmers and irrigators; it is not just about those regional towns. This is about being able to deliver food security for this country into the future for decades to come. I commend Senator Joyce for what he has done today in instigating the inquiry. The coalition will get a balanced outcome for our farmers, irrigators and all Australian people.

Mansfield, Mr Bill

Senator CAMERON (New South Wales) (7.39 pm)—I rise tonight with great sadness to mourn the death of an eminent Australian, Bill Mansfield. I want to acknowledge the significant contribution that Bill Mansfield made to fairness and equity within Australia through his tireless work on behalf of working people as a trade union official. There is a universal view that Bill Mansfield was a great human being. He was widely respected by friends and foes alike. I would like to offer my condolences to Bill’s family—his wife, Joyce and sons Justin and Luke. I know that Bill and Joyce were looking forward to the birth of their first grandchild in May. Unfortunately, Bill did not survive his battle with brain cancer to see his grandchild. Bill’s grandchild will be proud of the magnificent contribution that Bill has made to building a better society, a fairer society and one where workers have rights and dignity at work. I also express my sympathy to Bill’s colleagues in a range of organisations, particularly the ACTU and Fair Work Australia.

Bill Mansfield spent the majority of his working life in industrial relations and had a distinguished career in the trade union movement. He became active in trade unionism as a young man and in 1963 was appointed Assistant Secretary of the Victorian Branch of the Australian Telecommunications Employees Association. In 1966 he moved to the federal office of the union, where he held various senior positions. In 1977 he was elected federal secretary of the union, a position he held until 1985. In 1985 Bill was elected Assistant Secretary of the ACTU, a position he held until 2002 when he was appointed as a Commissioner of the Australian Industrial Relations Commission.

Bill represented the union movement on the National Occupational Health and Safety Commission and the Comcare Commission. Bill Mansfield was a forthright, clear and persuasive advocate for working Australians. Bill defended the interests of Australian workers for nearly 40 years. When he was appointed by the Howard government as a member of the Australian Industrial Relations Commission, he gave everyone a fair hearing and his compassion, impartiality and keen intellect made him a very successful member of the tribunal.

Bill’s career as a union official was marked by his commitment to study and learning. Bill believed that workers should have opportunities for training and education. Bill knew that this was essential so that people could advance themselves. He made a significant contribution to vocational education and training, serving as a member of the Australian National Training Authority board. Bill was a key member of this board, which was established to advance opportunities for the vocational education and training of the Australian workforce. It was one of Bill’s passions to ensure that people had the opportunity of education and training that would help them in their working career.

Bill also had a passionate commitment to, and an understanding of, the importance of international trade unionism and institutions like the International Labour Organisation. Bill was an Australian delegate to the ILO and contributed to the development of conventions that continue to help working peo-
Bill also understood the need for occupational health and safety. He served for a significant period as a member of the National Occupational Health and Safety Commission and provided a wealth of knowledge on occupational health and safety matters, and he supplied this knowledge to the ACTU and its affiliates. Bill was held in such high regard by the ACTU that he held the position of ACTU returning officer until his death.

Bill’s high reputation in the business community is epitomised by the statement from the Chief Executive of the Australian Chamber of Commerce and Industry, Peter Anderson:

Australia’s business organisations and the employer community more broadly, are deeply saddened at today’s news of the passing of Bill Mansfield.

As one of Australia’s leading labour relations practitioners, Bill was widely respected by ACCI and the business sector both in his senior career in the trade union movement, and subsequently on the Australian Industrial Relations Commission...

That he was appointed from the ACTU to statutory office in the AIRC by a conservative government is illustrative of his standing.

I think Bill was the only trade union official appointed by the Howard government to the AIRC, and I think that speaks volumes for Bill’s credibility. The statement continued:

And other colleagues also served alongside Bill on the National Occupational Health and Safety Commission. Bill was instrumental in working with industry and governments on the 10-year National Occupational Health and Safety Strategy being adopted in 2002, which for the first time included performance targets.

Bill was also a person of international renown, elected to the governing body of the ILO.

The President of Fair Work Australia, the Hon. Geoff Gieudence, paid the following tribute to Bill:

Bill Mansfield was appointed to the Australian Industrial Relations Commission by the then coalition government in September 2002 after 39 years as a full-time union official, the last 17 of them as an assistant secretary of the ACTU. Apart from the dedication to improving the conditions of working people, Bill also involved himself in broader issues such as vocational education and training, occupational health and safety and worked extensively with the ILO.

Many people might not know that he left Wanganutta Technical College in year 10 at 15 years of age, subsequently qualified as a communications technician, studied years 11 and 12 at night school and then studied law part-time at the University of Melbourne, graduating in 1972 at the age of 30. Bill was regarded as a very good appointment by all sides. He had a very practical approach to dispute settlement and was a very effective conciliator. He made a great contribution to the collegiate and social life of the commission. He was also known for appearing at odd times with a screwdriver or an electric drill to carry out minor repairs to office furniture. Even after his retirement in February 2007 he maintained a strong interest in the institution and regularly attended social events.

All his colleagues at Fair Work Australia are saddened by his death particularly as it came so soon after his retirement.

Bill Mansfield was a great friend of the legendary Australian trade unionist Laurie Carmichael. Laurie served with Bill as an assistant secretary of the ACTU and regarded him as a fine friend, a great bloke and someone who never did anything nasty to anyone. Laurie advised me yesterday that factionalism, issues of left and right, was never a factor for Bill Mansfield, Bill did what he believed was good and right.

I want to thank Bill’s family for the sacrifices that they have made over the years to allow Bill to make such a magnificent contribution to the Australian trade union movement and Australian society. Bill was a man of great dignity, intellect and competence. He was a man of values. He will be
sadly missed by all his friends. His death is a
great loss to all who believe in fairness, jus-
tice and equity. Vale Bill Mansfield, a union
man, a great servant of the Australian trade
union movement, a great servant of Aus-
tralia.

Murray-Darling Basin

Senator MARK BISHOP (Western Aus-
tralia) (7.48 pm)—Tonight I want to talk
about a topic that is dear to the heart of any
Western Australian member of parliament—
that is, the Murray-Darling Basin, a topic
previously addressed by Senator Nash. At the
outset it is fair comment that in recent times
there has been a remarkable degree of vitri-
olic debate about the Murray-Darling Basin.
On one hand we have the absolutist envi-
ronmentalists and on the other we have the
absolutist exploiters of water, neither of
whom, I hold the view, really understand the
issue or the problem.

These extremes make a lot of smoke and
shed little light. Like so many other interests,
either vested or narrow and with a poorly
informed view, they make life extraordinar-
ily difficult in this area for this government
and for previous governments. But in the
centre are many who either understand or are
confused largely because of the media ex-
ploration of this confected drama. It is diffi-
cult to imagine a matter with more complex-
ity than this one, or one which has been so
wilfully ignored for so long.

The Murray-Darling water management
task represents an awesome challenge. For
too long we have taken our scarce water re-
sources for granted. We have extracted water
from our rivers and artesian sources as if it
were never-ending. State governments and
industry too have exploited these sources in
the same way for revenue in the first instance
and to support investment. As we now know,
the state exploitation was such that water
was sold that never existed. The buy-back
bill was in fact an ambulance pass for the
Commonwealth in the national interest.

Yet within this framework, there are many
sensitivities which surround water extraction.
First, there is a simple need for drinking wa-
ter for human consumption—of all human
settlements in the basin, the largest is Ade-
laide, which many overlook—not to mention
all the other needs for water for those settle-
ments just to continue their current existence.
Attached to that are the industrial needs of
both primary and secondary production,
which sustain those settlements and the
broader economy.

Finally, there are environmental interests.
These are the subject of just as much misun-
derstanding as those demanding continuing
support for human settlements, their econo-
mies and the livelihoods of so many people.
The simple fact is that the amount of water
available is finite. It is only available if it
rains and there is sufficient storage to eke it
out. The book burners, whose recent behav-
iour as seen on television reminds one of
French farmers’ antics to protect their unpro-
ductive livelihoods, need to come to terms
with that concept. So too do environmental-
ists, who romantically imagine that this river
system is perennial, which it has never been.
So too do those of the good old National
Party, who continue to survive by exploiting
the fears of country people for their own par-
ticular purpose.

There are a few facts here which Aus-
tralians need to know and understand as context
in this debate, and which are unalterable. The
first is that the Murray-Darling system is not
perennial. It frequently dries up and it fre-
quently floods. The mighty Murray cod, the
riverine red gum forests, the flood plains, the
swamps and marshes and the river mouth
lakes have all seen both—and have survived,
as at present in brilliant fashion. Indeed, as
the first explorations of Captain Charles Sturt
and others revealed in the 1820s, this river system was bone dry at a time of no human settlement.

Let me quote some evidence of drought and flood written up on the Murrumbidgee River at Wagga, by Mr Ron Pike. It is an excellent article entitled ‘Bunyips in our rivers’ published in the Daily Advertiser on 4 December 2010, and says that essentially this detail demonstrates the degree of hysteria and misunderstandings about the dynamics of this important part of the system—all this clearly driven by the ‘we’ll all be rooned’ syndrome attached to the recent drought. It does nevertheless mask a serious problem to be dealt with.

Mr Pike outlines that in 1840 the Murrumbidgee at Wagga was reduced to a chain of waterholes, such that horse races were held in the dry bed. Floods—that is, over 8.2 metres—then occurred in 1844, 1852 and 1853. The 1852 flood resulted in the drowning of 80 people at Gundagai. Then followed 14 years of no floods in which many of the rivers ran dry. There were floods in 1867, 1869, three in 1870 and further floods in 1878, 1879, 1887, and four in 1891. The next flood was in 1892, and there were another five in 1894. Drought returned in 1894 for six long years. Floods resumed in 1900, twice, and again in 1905 and 1906, after which the rivers again ran dry until 1916 when there were two floods. In this period the Burrimjuck and Hume dams were built. There were further floods in 1917, the 1920s and the 1930s. Between 1939 and 1950 there were no floods but the rivers were sustained by releases from the new dams. Flooding resumed in 1950 and continued regularly. There were 22 floods between 1959 and 2010, and between 1993 and 2010 there were no floods. That is where all our recent attention has been focused—on whether it is about drought, global warming, climate change, and all manner of doom and dire predictions.

I thank Mr Pike for his illuminating revelation of fact. It is such a pity that so few would have read his piece, including policy advisers and politicians who might not appreciate his critique of current programs such as the buy-back scheme. It is correct to say that, as a public asset, water can be provided and taken away at will. But there is often an uncomfortable political reality for which we all pay a price sometimes. Poor political decisions often result in compensation—and that is all it is. Except, as I have said, the decisions were made by state governments and the Commonwealth has to clean it up.

Simply put, the question is what is all the brouhaha about? Drought and flood are clearly natural phenomena in this river system. Yet everyone has survived—and in fact I am reminded of another recent revelation. Despite an 80 per cent reduction in water availability in one year, the value of production in the basin area has barely dropped. In the current spate of wonderful rainfall, everyone is agog at the resilience of nature. But, really, the environment is doing what it has always done. The riverine environment has been replenished, notwithstanding the new dam catchments. The South Australian lakes are full. The Murray is pouring out to the ocean. The doomsters and gloomsters have gone quiet. So I think it is fair to say that those people ought to take a Bex and have a good lie down.

That does not mean of course that there is no basis to some of the concerns. As I have already mentioned, the quantity of water available at any one time might be seriously limited. Nor can we deny a whole range of other issues such as salinity and the need for conservation measures such as piping and better irrigation practices. We do need to conserve and protect our water resources.
from the mindless exploitation of the past. We need to honour the far-sighted thinking of those who planned and built our dams in the national interest. At the same time we need to prevent senseless short-term exploitation to the cost of the entire basin. That is the current task for members of the Murray-Darling Basin Authority—who all have interests to provide for as part of their charter.

Clearly water will always need to be rationed in accord with the priorities established. A constant balance needs to be struck in favour of sustainability. That word 'sustainability' actually means something. But it might not be achieved at any cost. Water can only ever be available for as long as it exists. But it is a concept for the long term, not the here and now affecting profits and losses on an annual basis. Clearly, in extended years of drought many agricultural users will lose out—that is a clear business risk. No amount of book burning can change that. Water is not a right—it is an entitlement which can be purchased according to the principles of demand and supply. It is a valuable resource to be managed carefully, not to be used simply because it is there at any one time.

For the environment, though, it is also clear that it can sustain long periods of no water at all—unlike human settlements and industry. As we are seeing, flooding is part of the natural cycle, and storage upstream seems to enhance that in dry years rather than damage it. The only exception to this is the Snowy River and, while it has its own different set of issues, there seems to me to be no rational reason for its exclusion from the whole.

With all this in mind I am happy to say that I think the Commonwealth is on the right track. Clearly there are some interests who have difficulty understanding the issues, but there is no choice. There is a critical national interest at stake here, and the government needs to press on. But in so doing it must explain the context and change the perceptions many have about water. The blunt instrument of price is already having a dramatic effect in our urban areas. Overall people are much more savvy, and hopefully they will not be influenced by the populist and misinformed attitudes expressed by the minority opposed to change. (Time expired)

Senate adjourned at 7.59 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.]


Civil Aviation Act—

Civil Aviation Regulations—

Civil Aviation Order 40.3.0 Amendment Order (No. 1) 2011 [F2011L00069].

Instruments Nos CASA—

31/11—Instructions — for approved use of P-RNAV procedures [F2011L00178].

33/11—Direction — number of cabin attendants [F2011L00173].

Civil Aviation Safety Regulations—


Commonwealth Services Delivery Agency Act—Commonwealth Services Delivery Agency (Functions of the Chief Executive Officer) Direction 2011 (No. 1) [F2011L00141].

Customs Act—Tariff Concession Orders—

1027020 [F2011L00109].
Financial Management and Accountability Determinations—

2010/41—Section 32 (Transfer of Functions from FaHCSIA to DSEWPC) [F2011L00175].

Financial Management and Accountability Determinations—

2010/42—Section 32 (Transfer of Functions from FaHCSIA to DHS) [F2011L00065].

2011/01—Section 32 (Transfer of Functions from FaHCSIA to AGD) [F2011L00134].

Food Standards Australia New Zealand Act—Australia New Zealand Food Standards Code – Amendment No. 120 – 2011 [F2011L00062].

Higher Education Support Act—Higher Education Provider Approval No. 1 of 2011—Study Group Australia Pty Limited [F2011L00181].

Migration Act—


National Health Act—Instruments Nos PB—

4 of 2011—National Health (Trastuzumab) Special Arrangement Amendment Instrument 2011 (No. 1) [F2011L00170].

9 of 2011—National Health (Listed drugs on F1 or F2) Amendment Determination 2011 [F2011L00167].

12 of 2011—Amendment to arrangements made under subparagraph 100(1)(b)(i) – IVF/GIFT Program [F2011L00171].

19 of 2011—National Health (Listed drugs on F1 or F2) Amendment Determination 2011 (No. 2) [F2011L00172].
Private Health Insurance Act—Private Health Insurance (Prostheses) Rules 2011 (No. 1) [F2011L00176].
Social Security Act—
Rural Tertiary Hardship Fund Scheme 2011 [F2011L00186].
Social Security (Australian Government Disaster Recovery Payment) Amendment Determination 2011 (No. 1) [F2011L00132].
Social Security (Australian Government Disaster Recovery Payment) Determination 2011 (No. 3) [F2011L00002].
Social Security (Australian Government Disaster Recovery Payment) Determination 2011 (No. 3) [F2011L00133].
Social Security (Australian Government Disaster Recovery Payment) Determination 2011 (No. 4) [F2011L00177].
Sydney Airport Curfew Act—Dispensation Report 01/11.
Telecommunications Act—
Telecommunications Numbering Plan Variation 2011 (No. 1) [F2011L00163].
Telecommunications (Consumer Protection and Service Standards) Act—
Telecommunications (Emergency Call Service) Amendment Determination 2011 (No. 1) [F2011L00157].

Tabling
The following government documents were tabled:
Airservices Australia—Corporate plan 1 July 2010 to 30 June 2015.

Audio-Visual Copyright Society Limited (Screenrights)—Report for 2009-10.
Copyright Agency Limited (CAL)—Report for 2009-10.
Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 611/10 to 619/10—Commonwealth Ombudsman’s reports.
Government response to Ombudsman’s reports.
Treaties—
Bilateral—
Text, together with national interest analysis—
    Agreement between Australia and the Slovak Republic on Social Security, done at New York on 21 September 2010.

Multilateral—
    Text, together with national interest analysis—
    Third Protocol Amending the Treaty of Amity and Cooperation in Southeast Asia, done at Hanoi on 23 July 2010.


Indexed Lists of Files

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

Indexed lists of departmental and agency files for the period 1 July to 31 December 2010—Statement of compliance—Australian Institute of Family Studies.

Departmental and Agency Contracts

The following documents were tabled pursuant to the order of the Senate of 24 June 2008, as amended:

Departmental and agency appointments and vacancies—Additional estimates—Letters of advice—
Australian Institute of Family Studies.
Immigration and Citizenship portfolio.
Infrastructure and Transport portfolio.

Return to Order

The following documents were tabled pursuant to the order of the Senate of 24 June 2008:

Departmental and agency grants—
Additional estimates—Letters of advice—
Australian Institute of Family Studies.
Immigration and Citizenship portfolio.
Infrastructure and Transport portfolio.
QUESTIONS ON NOTICE
The following answers to questions were circulated:

**Insolvency Law**
*(Question No. 6)*

**Senator Bob Brown** asked the Minister representing the Minister for Financial Services and Superannuation, upon notice, on 28 September 2010:

1. Has the Government investigated reforms to insolvency laws so that the onus of responsibility falls on company directors to prove they have fulfilled their duties, rather than on creditors to prove they have not.

2. Did the Australian Labor Party propose changes to the law in this area before the last election; if so, how many of the promised reforms have been carried out.

3. Has the Government considered reforms to allow ‘pre-pack’ sales, as utilised in the United States of America and the United Kingdom to be part of liquidations; if so, what was the conclusion.

**Senator Wong**—The Treasurer has provided the following answer to the honourable senator’s question:

1. Directors are subject to a range of duties, both under the Corporations Act 2001 and at common law, that require that they act diligently and honestly. Breaches of these duties may result in serious civil or criminal penalties.

   In particular, the Australian Securities and Investments Commission (ASIC) is empowered to disqualify errant directors from managing a corporation, either administratively or by application to the Court.

   The existing regime treats honest directors fairly but also provides that director wrongdoing is penalised.

   The Government is currently considering submissions in respect of its proposals paper, Action Against Fraudulent Phoenix Activity. This paper raised a number of policy options for dealing with abuse of the corporate form.

2. Labor’s National Platform sets out its belief in robust corporate regulation as a foundation for investor confidence and sustainable economic growth; in particular that robust corporate regulation is an essential means of protecting employees’ entitlements.

   It commits Labor to continue to improve corporate governance practices, the Corporations Act and related legislation to ensure that: appropriate penalties are imposed for breaches of the corporations’ law; and that there is appropriate accountability of company officers.

3. Pre-packaged sales, or pre-packs, are widely used in a number of countries, including the United Kingdom and the United States. They are less prevalent in Australia.

   Pre-packs are not a separate kind of insolvency administration. A ‘pre-pack’ refers to an arrangement under which the sale of all or part of a company’s business or assets is negotiated with a purchaser prior to the appointment of an external administrator, who then effects the sale shortly after their appointment. Pre-packs can play an important role in business rescue.

   Pre-packs are not without their problems; mainly in relation to the low level of creditor control over the process; the potential for little transparency regarding any deals entered into; and the potential for abuse.

   I note that some of these concerns have been highlighted in a recent report by the United Kingdom’s Office for Fair Trading – The Market for Corporate Insolvency Practitioners. In particular,
the UK review noted that allegations of assets being sold below market value most commonly arise in pre-pack situations.

I also note that concerns regarding pre-packs resulted in the UK Insolvency Service launching, on the 31st March this year, a consultation process on ‘Improving the transparency of, and confidence in, pre-packaged sales in administration’.

The Government is examining possible reforms to facilitate informal workouts outside of external administration. On 19 January, 2010, the former Minister for Financial Services, Superannuation and Corporate Law, Minister Bowen, released a discussion paper – Insolvent Trading: A Safe Harbour for Reorganisation Attempts Outside of External Administration. Any reforms in this area will affect the use of pre-packs in Australia — as pre-packs are effectively an approach to business rescue that straddles the divide between informal and formal administration.

Defence: Submarines

(Question No. 102)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 28 September 2010:

For the period 1 January to 30 June 2010, which submarines in the Royal Australian Navy fleet were fully operational with a full crew complement and capable of completing Unit Ready Days.

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

(1) HMA Ships Collins, Waller and Dechaineux.

Defence: Submarines

(Question No. 103)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 28 September 2010:

For the period 1 July 2009 to 30 June 2010:

(a) which submarines in the Royal Australian Navy fleet were non-operational;
(b) for each submarine that was non-operational, what was the reason for its non-operational status;
(c) what was the cost of maintaining the six submarines;
(d) what was the total cost of operating the six submarines; and
(e) what were the crewing complements for each of the six submarines.

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

(a) and (b):

(i) HMAS Collins was non-operational June to December 2009 undergoing diesel engine repairs;
(ii) HMAS Farncomb was non-operational January to June 2010 undergoing a generator repair period and a scheduled docking;
(iii) HMAS Dechaineux was non-operational June 2009 to February 2010 completing its Full Cycle Docking;
(iv) HMAS Sheean was non-operational throughout in Full Cycle docking;
(v) HMAS Rankin was non-operational throughout awaiting Full Cycle docking and
(vi) HMAS Waller was non-operational June to October 2009 undergoing Intermediate Docking (ID).
(c) Financial Year 2009/2010 submarine sustainment expenditure was $325 Million.
(d) Financial Year 2009/2010 total direct costs for the submarine capability was $363 Million.
(e) Three submarines were fully crewed with 58 personnel. The remaining three were not crewed as they were in long maintenance periods.

**Defence: Submarines**

**(Question No. 104)**

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 28 September 2010:

For the period 1 January to 30 June 2010:
(a) how many fully qualified personnel are ‘Dolphin Qualified’ and permanently employed in the Royal Australian Navy to operate submarines; and
(b) how many ‘Dolphin Qualified’ personnel were tasked with other duties and what were these duties?

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

(a) At 30 June 2010 the submarine workforce strength was 497 qualified personnel.
(b) Over the period January to June 2010 about 30 qualified personnel were posted to broader Navy or ADF positions not directly in support of the submarine capability.

**Defence: Submarines**

**(Question No. 105)**

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 28 September 2010:

For the period 1 January to 30 June 2010, how many personnel fully completed training courses and became ‘Dolphin Qualified’ and eligible to serve on submarines.

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

33 personnel completed training and became submarine qualified during the period January to June 2010.

**Defence: Submarines**

**(Question No. 106)**

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 28 September 2010:

For the period 1 January to 30 June 2010, how many personnel completed training courses and became ‘Perisher Qualified’ and eligible to command a submarine.

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

No personnel completed the Submarine Command Course during this period.
Defence: Submarines
(Question No. 107)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 28 September 2010:
As at 30 June 2010, how many Royal Australian Navy personnel are ‘Perisher Qualified’ and eligible to command a submarine.

Senator Chris Evans—The Minister for Defence has provided the following answer to the honourable senator’s question:
At 30 June 2010 there were 17 submarine command qualified officers at the Lieutenant Commander and Commander ranks.

Defence: Submarines
(Question No. 108)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 28 September 2010:
For the period 1 January to 30 June 2010, which submarines were undergoing maintenance/refit programs and for what length of time.

Senator Chris Evans—The Minister for Defence has provided the following answer to the honourable senator’s question:
(i) HMAS Collins conducted an Intermediate Maintenance Activity March to April 2010;
(ii) HMAS Farncomb conducted a generator repair period and a scheduled docking January to June 2010;
(iii) HMAS Dechaineux completed its Full Cycle Docking in February 2010;
(iv) HMAS Sheean was in Full Cycle docking January to June 2010;
(v) HMAS Rankin was awaiting Full Cycle docking January to June 2010; and
(vi) HMAS Waller was operational during this period and therefore not conducting maintenance.

Defence: Naval Vessels
(Question No. 109)

Senator Johnston asked the Minister representing the Minister for Defence upon notice, on 28 September 2010:
For the period 01 January to 30 June 2010:
(1) Which naval vessels were fully operational with a full crew complement.
(2) For each naval vessel that was non-operational, what was the reason for its non-operational status.
(3) What were the operational strengths on all naval vessels of the:
   (a) engineering officers and sailors; and
   (b) non-engineering officers and sailors.

Senator Chris Evans—The Minister for Defence has provided the following answer to the honourable senator’s question:
(1) Frigates. HMA Ships Stuart and Parramatta were fully operational with a full complement.

Questions lower levels of operational readiness activities such as
scheduled maintenance, trials activities, training exercises and assessments, and regional engagement activities.

HMA Ships Sydney, Darwin and Newcastle were at a lower level of operational readiness with managed crewing gaps conducting activities such as scheduled maintenance, trials activities, training exercises, and regional engagement activities. HMAS Melbourne was fully crewed at a lower level of operational readiness.

**Amphibious and Afloat Support Ships.** HMA Ships Sirius, Success, Kanimbla and Manoora were operational throughout the period with the following exceptions:

- **HMAS Sirius** – 7 – 30 June 2010 – Main engine defect rectification;
- **HMAS Tobruk** – 31 March – 23 April 2010 – Hull defect rectification; and

Each of the above ships had crewing gaps that were managed appropriately. HMA Ships Balikpapan, Betano, Brunei, Labuan, Tarakan and Wewak were at a lower level of operational readiness with managed crewing gaps throughout; conducting their regular maintenance and operational cycles.

**Minehunting Ships.** HMA Ships Diamantina, Yarra, Gascoyne and Huon were fully operational throughout the period. HMA Ships Norman and Hawkesbury were non-operational in Extended Readiness.

**Submarines.** HMA Ships Collins, Waller and Dechaineux.

**Hydrographic Ships.** HMAS Leeuwin was operational from January until slipping on 27 April through to 28 May for Lloyd’s (Certification Society) 5-yearly inspections, followed by a period of defect rectification on Fresh Water tanks. HMAS Melville, although fully crewed, was only fully operational for the months of February and June during the period. The four Survey Motor Launches, HMA Ships Mermaid, Paluma, Shepparton and Benalla, were undergoing a period of operational upgrade and returned to operational status on 22 June when Naval Certification was granted and Initial Operational Release was achieved.

**Patrol Boats.** HMA Ships Armidale, Larrakia, Bathurst, Albany, Pirie, Maitland, Ararat, Broome, Bundaberg, Wollongong, Childers, Launceston, Maryborough and Glenelg were fully operational. Patrol Boat crews operate a multi crewing concept in order to achieve maximum operational effectiveness whilst maintaining a stable program for personnel; 21 complete crews operate the 14 Patrol Boats.

(2) **Frigates.** HMAS Perth was non-operational for the period due to the ship conducting Anti Ship Missile Defence Upgrade major works.

**Amphibious and Afloat Support Ships.** HMAS Tobruk was in extended maintenance availability.

**Minehunting Ships.** HMA Ships Norman and Hawkesbury were non-operational in Extended Readiness.

**Submarines.**

(i) **HMAS Collins** was non-operational Mid Mar-end Apr10 undergoing a scheduled Intermediate Maintenance Availability (IMAV);

(ii) **HMAS Farncomb** was non-operational Jan-Jun10 undergoing a generator repair period and a scheduled docking;

(iii) **HMAS Dechaineux** was non-operational Jun09-Feb10 completing its Full Cycle Docking;

(iv) **HMAS Sheean** was non-operational throughout in Full Cycle docking;

(v) **HMAS Rankin** was non-operational throughout awaiting Full Cycle docking.
Hydrographic Ships. HMAS Leeuwin was non-operational for the period 27 April to 28 May due to slipping for a Lloyd’s 5-yearly inspection and defect rectification on Fresh Water Tanks. HMAS Melville was non-operational for 7 days in January, 3 days in March, 12 days in April, and 15 days in May due to operational defects. HMA Ships Shepparton and Benalla commenced the period in the final stages of their survey system upgrade which included the fitting of new survey sensors and processors. All four Survey Motor Launches returned to operational status on 22 June when Naval Certification was granted and Initial Operational Release was achieved.

Patrol Boats. The following Armidale Class Patrol Boats were non-operational for short periods due to unscheduled maintenance; however, all units were replaced by another unit resulting in no operational impact:

(a) HMAS Maryborough 23–29 March due to shaft seal failure and emergency docking; and
(b) HMAS Bathurst 27 March–15 April due to a fuel pump failure and a resultant fuel system contamination.

Additionally the following units were non-operational for the period indicated due to the conduct of their Operational Release (OR) Docking. This planned docking is intended to rectify latent defects and to remediate all units to the agreed delivery baseline and is scheduled such that there is no impact on operations:

Section 1.01 (a) HMAS Childers 11 January–22 March;
Section 1.02 (b) HMAS Armidale 22 March–07 June; and
Section 1.03 (c) HMAS Launceston 31 May–26 July.

3 Operational Strengths.

(a) Frigates. Average operational strength of engineering officers over the period was 96 per cent and operational strength of engineering sailors was 98 per cent. HMAS Perth’s crewing data has not been included since HMAS Perth was not operational. HMAS Perth was crewed to the minimum number necessary to progress the Anti-Ship Missile Defence (ASMD) upgrade preparations, as directed by Chief of Navy.

(b) Frigates. Average operational strength of non-engineering officers was 97 per cent and operational strength of non-engineering sailors was 97 per cent. HMAS Perth’s crewing data has not been included since HMAS Perth was not operational. HMAS Perth was crewed to the minimum number necessary to progress the ASMD upgrade preparations, as directed by Chief of Navy

(a) Amphibious and Afloat Support Ships. Amphibious & Afloat Support Group (AASGRP) major fleet units were on average 98 per cent crewed with Engineer Officers and 75 per cent crewed with Engineer Sailors. AASGRP minor war vessels do not have Engineer Officers and were on average crewed with 80 per cent Engineer Sailors.

(b) Amphibious and Afloat Support Ships. AASGRP major fleet units were on average 72 per cent crewed with non-Engineer Officers and 75 per cent crewed with non-Engineer Sailors. AASGRP minor war vessels were on average crewed with 75 per cent non-Engineer Officers and 83 per cent non-Engineer Sailors.

(a) and (b) Minehunting Ships. Mine Hunters were 100 per cent crewed with Engineering Officers (roles are performed by Chief Petty Officer Marine Technicians borne as Senior Technical Officers) and 96 per cent crewed with Engineering Sailors. Due to an extant deficiency in qualified Mine Clearance Diving Officers, the Mine Hunters were manned with only 75 per cent of the required skill set. Coping strategies employed were the use of Mine Warfare Officers and supplementation from Australian Naval Reserves (ANR). Mine Sweeper Auxiliaries were 100 per cent crewed with Engineering Officers (roles are performed by Petty Officer Marine Technicians borne as Senior Technical Officers) and 100 per cent crewed with Engineering Sailors.
Submarines. Operational submarines were 100 per cent crewed with Engineer Officers and 99 per cent crewed with Engineer Sailors.

(b) Submarines. Operational submarines were 97.5 per cent crewed with non-Engineer Officers and 95 per cent crewed with non-Engineer Sailors.

(a) Hydrographic Ships. Hydrographic units were 100 per cent crewed with Engineer Officers and 94 per cent crewed with Engineer Sailors.

(b) Hydrographic Ships. Hydrographic units were 97 per cent crewed with non-Engineer Officers and 95 per cent non-Engineer Sailors.

(a) Patrol Boats. All Patrol Boats were 100 per cent crewed with Engineering Officers (roles are performed by Chief Petty Officer Marine Technician borne as Senior Technical Officers) and 86 per cent crewed with Engineering Sailors by managing Priority one shortfalls through the Personnel Deficiency Management system.

(b) Patrol Boats. All Patrol Boats were 100 per cent crewed with non-Engineering Officers and 77 per cent crewed with non-Engineering Sailors by managing Priority one shortfalls through the Personnel Deficiency Management system.

1Managed Crewing Gaps. Navy’s current personnel shortages preclude 100 per cent crewing of every ship at all times, and some tasks do not require all personnel onboard. Individual ships’ crews are therefore actively managed to ensure ships are able to carry out their assigned tasks.

Defence: Reviews
(Question Nos 126 to 128)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 September 2010:

For each portfolio/agency within the responsibility of the Minister/Parliamentary Secretary:

(1) How many reviews are currently being undertaken in the portfolio/agency or affecting the portfolio/agency.

(2) What was the commencement date of each review.

(3) When will each review conclude.

(4) (a) Which reviews were completed in the period 1 January to 30 June 2010; and (b) When will the Government respond to the each of these reviews.

(5) As at 30 June 2010, what was the cost of each of these reviews.

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

(1) Five.

(2) and (3) and (5) The following (Table A) reviews are currently being undertaken by Defence or contributed to by Defence.

Table A

<table>
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<tr>
<th>No</th>
<th>Review</th>
<th>Commenced</th>
<th>Concluded</th>
<th>Submission to Government</th>
<th>Cost</th>
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QUESTIONS ON NOTICE
2. Domain Name System Security Extentions (DNSEC) Review. Whole of Government review led by the Department of Broadband, Communication and the Digital Economy – Defence contribution only. August 2010 Continuing To be provided by the Department of Broadband, Communication and the Digital Economy. Nil

3. Brady Review into the Disposition of Defence’s Non-Operational Overseas Personnel and positions. September 2010 Continuing Due in 2011 $114,000 (GST inclusive)

4. Review of the Asia Pacific Civil-Military Centre of Excellence. November 2010 Due February 2011 Due March 2011 $165,000

5. Review of Defence Accountability Framework (Rufus Black Review). March 2010 January 2011 Government will consider and respond to the review during 2011. $800,000

(4) (a) and (b) and (5) The following (Table B) reviews were completed between 1 January 2010 and 30 June 2010.

Table B

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<th>No.</th>
<th>Review</th>
<th>Commenced</th>
<th>Concluded</th>
<th>Government response date</th>
<th>Cost</th>
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**Defence: Submarines**

(Question No. 130)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 28 September 2010:

1. Is it still planned to acquire 12 submarines as per the White Paper direction ‘the Government takes the view that our future strategic circumstances necessitate a substantially expanded submarine fleet of 12 boats in order to sustain a force at sea’ (Defence White Paper 2009, p.64, paragraph 8.40).

2. What plans and strategies are in place to man the 12 future submarines when there was great difficulty in 2009 manning and operating just one submarine.

3. What is the expected cost of acquiring 12 future submarines.

4. Will the submarines be built or assembled in South Australia.

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(5) When is it expected that the first pass approval will be provided to advance the purchase of the 12 future submarines.

(6) What is the expected through-life support and operating costs of a fleet of 12 future submarines over a 30 year operating period.

(7) When is it envisaged that the first of the 12 future submarines will be launched and fully operational.

(8) What is the expected cost per year of maintaining our 6 Collins Class submarines until they are decommissioned.

(9) What is the phasing-out program for the existing Collins Class submarines.

(10) In regard to the 4 potential submarine builders, or similar, who were provided approximately $300,000 each to prepare reports on their submarine product that may be suitable as a future submarine for Australia: (a) who are these submarine builders; (b) can copies of these reports be provided; (c) who evaluated these reports and at what cost; and (d) can a copy of this evaluation be provided.

(11) Is a nuclear powered option being considered for Australia’s future submarine.

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

(1) Yes. Planning for the Future Submarine remains based on the Defence White Paper 2009 direction. The White Paper examined a range of military challenges Australia might face over the next generation and sought to design a force structure that responded appropriately to that wide range of possible circumstances. This assessment remains current.

(2) In 2009 there were three sustainably crewed Collins Class Submarines operating.

In response to the 2008 Submarine Workforce Sustainability Review, the Chief of Navy agreed to implement all the Review’s recommendations and in early 2009 established the Submarine Sustainability Program to execute remediation actions, over a five year, five-phase Submarine Sustainability Strategy.

In the 18 months since the launch of the Submarine Sustainability Program, it has proved to be a highly effective framework for implementing the 29 Review recommendations and realising intended benefits. The Submarine Sustainability Program is primarily concerned with workforce-related reforms that benefit submariners and their families. The Submarine Sustainability Program is well on track to achieve the objective of growing a fourth submarine crew by December 2011. The Submarine Sustainability Program is the foundation for expanding the submarine workforce to meet Future Submarine capability requirements.

(3) Until such time as the exact level of capability to be acquired, the support concept and the exact acquisition model are determined, it would be premature to speculate on the likely cost. The various studies and related design activities that will be conducted between now and second pass in around 2016 will inform decisions that the Government will make, and will determine the eventual cost of the Future Submarine. The Government will be progressively apprised of cost estimates as information is gathered.

(4) Similar to the Collins Class submarines and the Air Warfare Destroyer, the Future Submarine will most likely comprise components manufactured in Australia and overseas. The Government intends that the assembly of what will be a vast array of components, will take place in South Australia.

(5) As with other recent major defence acquisition programs, the Government will consider the Future Submarine program many times before a decision on the preferred solution is taken. These consid-
erations will progressively provide the approvals necessary to advance the project leading up to second pass in around 2016.

(6) The likely through life cost can not be established until a preferred solution and its associated support concept is identified. Through life cost will be a consideration in selection of the preferred solution. The studies being conducted over the next two to three years will refine the options and associated costs.

(7) The actual in-service date will depend on the solution acquired. Planning is based on deliveries commencing in the mid-2020s.

(8) The current 10 year budget allocation for the sustainment of the Collins Class is:

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The total cost until they are decommissioned will be dependent on final withdrawal date of all platforms.

The central aim of the Collins Program reform now underway is to enact remediation plans that produce safe and reliable submarine availability based upon the agreed schedule, to maintain Navy’s required level of capability for the remaining life of the class at a managed and well understood cost. This work may result in adjustments to the budget.

(9) The phasing-out program for the Collins Class will be influenced by the ongoing supportability and relative capability of the Collins Class as well as the delivery programme for the Future Submarine, which has not yet been determined. The transition plan will be designed to minimise impact on overall submarine availability, the period of transition and the associated costs.

(10) (a) The submarine builders that responded to the Request for Information and were provided with payments to prepare their reports were HDW of Germany, DCNS of France, Navantia of Spain and Kockums of Sweden. The payments were made once the responses were assessed and it was determined that conditions were met for the payment. (b) The responses are not publicly releasable. (c) Evaluation of the responses was made by Defence submarine and procurement specialists, including representatives from the Defence Science and Technology Organisation. The evaluation occurred over a six week period and is estimated to have cost $150,000 in salaries, for a team of 15 personnel. (d) The responses are not publicly releasable.

(11) As stated in the White Paper, a nuclear powered option is not being considered.

**Defence: Program Funding**

(Question No. 132)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 September 2010:

(1) With reference to the Government commissioned report, 2008 Audit of the Defence Budget which identified that ‘a real growth rate of 3.5% in capital expenditure on SME [Specialised Military Equipment] is required] just to replace today’s equipment. To deliver the capabilities proposed in the recommended Force Structure Option requires a growth rate of 4.2%’: What will be the amount required to fund, in nominal dollars, the major capital equipment program each year from 2010-11 to 2029-30, so as to fund the White Paper ‘Force 2030’ initiatives.

(2) With reference to the report, The Cost of Defence: ASPI Defence Budget Brief 2010 -11 which states, ‘on the basis of long-term trends in defence costs, it is unlikely that the promised 2.2% real growth post 2017-18 will be adequate to sustain let alone expand the ADF [Australian Defence Force] as planned. In other words, the plan was probably not affordable to begin with’: How will the Government fund its Defence White Paper commitments when funding drops to 2.2 per cent real growth per annum, below that needed to sustain the ADF.
**Senator Chris Evans**—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) At the Senate Budget Estimates hearing on 3 June 2009, it was stated that the estimated overall cost of buying the capabilities outlined in the White Paper will be between $245 and $275 billion dollars out to 2030. Due to the appreciation of the Australian dollar against the US dollar since that time, the estimated cost has reduced by in the order of $30 billion out to 2030. Taking this foreign exchange adjustment into account, the previously advised estimate of the cost is reduced to $215-$245 billion.

(2) In the 2009-10 budget, the Government provided Defence with additional funding of $146.1 billion to fully fund the White Paper over the 21 years to 2029-30, as a result of changing the funding model for Defence. The 2.2 per cent real growth funding beyond 2017-18 is consistent with the inherent long-term cost of Defence, a point highlighted in the 2008 Defence Budget Audit.

**Defence: Combat Capability**

(Question No. 135)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 29 September 2010:

For the period 1 July 2009 to 30 June 2010:

(a) What savings have been made in reducing the cost of combat capability through the use of Reserves and deployable contractors; and

(b) Have any one-off savings been made.

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

(a) Reserve Support The Australian Defence Force (ADF) utilised 1066 Reservists from all three Services in deployed domestic and international operations including emergency assistance and border security tasks during the period 1 July 2009 to 30 June 2010.

In general terms, the immediate cost of combat capability is not reduced through the use of Reserves, and their use has been driven predominantly by capacity and concurrency issues. In this latter sense, the utilisation of Reservists to deliver ADF capability does have the direct effect of enhancing the ADF’s combat capability by:

- augmenting the full time forces in fully integrated deployment settings, such as Iraq and Afghanistan; and
- addressing capacity and concurrency constraints in freeing up the full time force commitment levels in operational theatres such as the Solomon Islands and East Timor, thereby enabling combat capability to be more effectively utilised in other theatres.

Contracted Service Support The decision to employ contracted service support in operational theatres is not based on financial considerations alone, and as such there may not be direct financial savings related to the use of contracted service support. Contracted service support is used in a number of theatres to provide logistic support capacity and supplement ADF capability. This support is critical to ensuring the ADF can sustain the tempo of operations while retaining a degree of operational flexibility. Importantly, the use of contracted support ensures ADF capabilities are used only in those circumstances for which they are best suited. In this sense, contracted support typically frees up both critical personnel and equipment.

All of these contracts are support or enabling in nature and are specifically designed to reduce the burden on manpower and expensive assets for the ADF over a lengthy period. The ADF’s ability to provide sustained support is limited without contracted solutions.

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(b) Reserve Support In relation to the use of reserves on operations, there have been no ‘one off’ savings. Based on the narrow consideration detailed in (a), a Reservist will cost more than a full time soldier for the period of the deployment.

Contracted Service Support An assessment of a one-off saving can be made based on the following example of contracted aircraft support to Operation ASTUTE.

The ADF operates a fleet of twenty-four C130 aircraft, comprising twelve H and twelve J model aircraft. The C130 fleet is heavily utilised within the ADF, with its air hour allocation apportioned across operations, exercises, training and contingency tasking. It would not be possible to support additional C130 tasking without reducing support to other operations or critical training activities within current resources.

A C130 is significantly more expensive to operate than a commercial aircraft. An example comes from the contracted airlift in support of Operation ASTUTE (East Timor). A C130 costs approximately $14,000 - $20,000 per hour (direct cost) to operate, depending on the C130 variant. Seventeen hours flying time is required for a return task to Darwin, which includes positioning of the aircraft from RAAF Richmond to Darwin and return. Total cost is approximately $238,000 - $340,000 per movement. A contracted De Havilland Dash 8 aircraft is used for airlift from Darwin to Dili and return. The cost of the contracted aircraft to conduct this task is approximately $29,000 per movement (Darwin to Dili and return). In this circumstance, and while the situation in security in Dili allows, it is more cost effective to contract commercial airlift for this aspect of support for Operation ASTUTE.

**Defence: Program Funding**

(Question No. 140)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 September 2010:

1. From which areas of expenditure will the $912 million out of $1.1 billion worth of enhanced force protection measures be made.
2. Why has $3.4 billion been removed from Defence funding in 2013-14.
3. Why will there be $162 million less to spend in 2011 on the Capital Facilities Program and $268 million less the following year.
4. Why did the Government cease disclosing deferrals in expenditure in the 2008-09 Budget which has continued through to the 2010-11 Budget.
5. (a) What is the total value of deferrals in expenditure since 2008-09; and (b) why have these deferrals been made.
6. What percentage increase, if any, will be made to enable future capital equipment initiatives over the forward estimates period.
7. As it is not clear in the 2010-11 Budget, what projects are planned for approval in 2010-11.
8. (a) What programs in 2010-11 will now have to be resourced through absorbed costs; and (b) what programs have been cancelled or deferred to enable these costs to be absorbed.
9. Where in the 2010-11 Budget is it possible to find details of the savings made in 2009-10 under the Strategic Reform Program (SRP).
10. Of the $20.6 billion worth of savings under the SRP, it would appear that $4.6 billion of this is a reallocation of funds rather than a savings: How can this claim of savings be made when it is in fact a reallocation of funds.
11. Under the SRP, why has the number of civilian employees to be cut been reduced from the forecast 3,125 to 1,708.

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The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) The Defence funded component of the Force Protection Review ($912 million) has been funded as follows:
   - Re-programming of the Defence Capability Program, reprioritisation of lower priority initiatives and re-programming of the facilities program (primarily Single Leap 2) to better align its cash provision with the revised construction timetable ($436.1 million);
   - Existing capability projects ($402.3 million); and
   - An amount of $73.5 million re-allocated within Defence by re-balancing a very small number of DCP projects.

(2) Defence is unable to identify where the $3.4 billion figure referred to in the question was sourced and therefore cannot comment on this question.

(3) The reduction in the Capital Facilities Program in 2010-11 and 2011-12 is due to re-programming of funding to align with the construction timetables that have slipped from their original planned timings, and does not represent an overall reduction in total capital facilities investment.

(4) Defence disclosed appropriation re-programming in the Portfolio Budget Statements 2008-09 (pg 7-8, Table 1.1.1 Variation to Defence Funding in the 2008-09 Budget Since the 2007-08 Additional Estimates) and in the Portfolio Additional Estimates Statements 2008-09 (pg 8-9, Table 1.1.1 Additional Departmental Funding Provided to Defence Since the 2008-09 Budget). As a consequence of the 2009 Defence White Paper the Defence budget was re-baselined and therefore there was no appropriation re-programming in the 2009-10 budget. Appropriation re-programming was again undertaken in the 2010-11 budget as shown in the Portfolio Budget Statements 2010-11 (pg 22, Table 10 Budget Measures and Other Budget Adjustments).

(5) (a) As part of the 2009 Defence White Paper Defence’s funding requirements were re-baselined to align with the White Paper. Any re-programming identified in 2008-09 was taken into consideration when identifying the year on year funding requirements to deliver Force 2030. In the 2010-11 budget $657 million of appropriation was re-programmed from 2013-14 as shown on page 22 of the Portfolio Budget Statements 2010-11. (b) This re-programming was required to better align cash flow with delivery of capability in both the Defence Capability Plan and the Approved Major Capital Investment Plan.

(6) Defence has allocated funding to capital investment programs on the basis of indexation rates weighted specifically to the relevant industries, as recommended in the 2008 Defence Budget Audit.

(7) Planned project approvals for 2010-11 are provided in Tables 33 and 34 of the Defence Portfolio Budget Statements 2010-11.

(8) (a) and (b) In the 2010-11 Budget the Government agreed to an investment of $1.1 billion for enhanced force protection capabilities, for which the Government provided new funding of $223.6 million. The remainder will predominantly be funded from Defence’s existing capital investment programs as follows:
   - Re-programming of the Defence Capability Program, re-prioritisation of lower priority initiatives and re-programming of the facilities program (primarily Single Leap 2) to better align its cash provision with the revised construction timetable ($436.1 million).
   - Existing capability projects ($402.3 million); and
   - An amount of $73.5 million re-allocated within Defence by re-balancing a very small number of DCP projects.
(9) Savings made under the Strategic Reform Program for the 2009-10 financial year is detailed in the Defence Annual Report 2009-10.

(10) The Strategic Reform Program is a comprehensive program that features many aspects of reform that are not directly focused on efficiency. The re-allocation of funds in the “Other Cost Reductions” component reflects an increase in the efficiency with which Defence allocated resources. It also reflects improved Defence planning and understanding of the Defence Budget. These are all key outcomes of the Strategic Reform Program.

(11) The 3,125 was the result of a high level analysis undertaken during the 2008 Defence Budget Audit with recommendations for a more thorough analysis to be performed. On completion of the more robust diagnostic of the workforce, significantly less savings of 1,708 were identified, with decreases in anticipated savings in the corporate areas, particularly within HR.

**Resource Super Profits Tax**

*(Question No. 157)*

**Senator Joyce** asked the Minister representing the Treasurer, upon notice, on 1 October 2010:

With reference to the answers to questions taken on notice during the 2010-11 Budget estimates of the Economics Legislation Committee in relation to the Resource Super Profits Tax (RSPT) under the Treasury portfolio: Given that Table 1 (Values underlying the charts) shows a measure of resource rents, can a full explanation of the derivation of this measure be provided, including the component data series for each of the years shown in the table, comprising total mining sales and service income, operating costs (including depreciation and excluding mining royalties and interest expenses), the allowance for corporate capital and the balance in the RSPT capital account.

**Senator Wong**—The Treasurer has provided the following answer to the honourable senator’s question:

A full explanation of the derivation of the figures underlying the chart has already been provided. An explanation as to how the figures were derived accompanied the detailing of the numbers. The previous answer explained that resource rents have been calculated taking into account total mining sales and service income; operating costs (including depreciation and excluding mining royalties and interest expenses) and an allowance for corporate capital. These calculations have been made by Treasury, based on data from ABS publications, state government budget papers, Commonwealth Budget papers, the Australian Taxation Office and internal Treasury estimates.

**Resource Super Profits Tax**

*(Question No. 158)*

**Senator Joyce** asked the Minister representing the Treasurer, upon notice, on 1 October 2010:

With reference to Chart C1-1 (Mineral tax and royalties as a share of mineral profits) taken from Australia’s future tax system, part two, volume 1, p. 226, in which profits are defined as ‘Mineral profits before tax and royalties are measured using income less an allowance for corporate capital’ and mineral profits are reported as equal to just under $50 billion in 2008-09, and to the answers to questions taken on notice during the 2010-11 Budget estimates of the Economics Legislation Committee in relation to the Resource Super Profits Tax (RSPT) under the Treasury portfolio providing data for resource rents, in which these rents are defined as ‘taking into account total mining sales and service income; operating costs (including depreciation and excluding mining royalties and interest expenses) and an allowance for corporate capital’ and are reported as equal to $91.2 billion in 2008-09:
(1) Can an explanation be provided for the differences between the measure of mineral profits and resource rents.

(2) Can a detailed concordance be provided between the $91.2 billion estimate for resource rents in 2008-09 and the approximately $50 billion estimate for mineral profits in 2008-09.

Senator Wong—The Treasurer has provided the following answer to the honourable senator’s question:

(1) The first and major difference between chart C1-1 on page 226 of volume 1 of Australia’s future tax system and figure 2.1 on page 10 of the Resource Super Profits Tax: a fair return to the nation (release document) is that the first chart includes only minerals. The chart in the release document includes both minerals and oil and gas. The second difference is caused by estimates being undertaken at two separate points in time. At each time these were the best estimates available.

(2) The difference between the two figures is caused in large part because oil and gas are not included in chart C1-1.

Australian Taxation Office: Departure Prohibition Orders

(Question No. 180)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 3 November 2010:

(1) How many coercive orders has the Australian Taxation Office (ATO) issued in the past 3 years, broken down by year and head of power under which the order was issued.

(2) How many Departure Prohibition Orders (DPOs) has the ATO currently issued and are in force.

(3) How many DPOs were issued by the ATO in the calendar years 2006, 2007, 2008, 2009 and 2010.

(4) (a) How many judicial challenges have there been to DPOs; and (b) how many were successful.

(5) If a court declares a DPO is invalid, can the ATO immediately issue a new DPO; if so, has this ever happened.

Senator Wong—The Treasurer has provided the following answer to the honourable senator’s question:

(1) In 2009-10, the Commissioner used his access without notice powers under section 263 on ten occasions, four in 2008-09 and eleven in 2007-08.

Our use of the subsection 264 (1) power, requiring the furnishing of information, is mostly used routinely. Unfortunately, we cannot provide statistics on how often our section 264 powers have been used over the past three years because our case management and reporting systems are not structured to extract and report this information.

We are making changes to these systems to identify and report when these powers are used in future. These changes are due to be delivered around March 2011 and have been delayed by other change-to-systems priorities.

In the meantime, the ATO continues to document the use of these powers within the taxpayer case records in our centralised case management system.

(2) At 31 October 2010, the ATO had 53 departure prohibition orders (DPOs) in place.

(3) Seventy-two DPOs were issued by the ATO between 1 January 2006 and 31 October 2010 (inclusive). The number issued in each calendar year over that period is as follows:

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Number of DPOs issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>10</td>
</tr>
<tr>
<td>2007</td>
<td>20</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
Calendar year | Number of DPOs issued
--- | ---
2008 | 21
2009 | 8
2010 (to 31/10/2010) | 13

(4) Between 1 January 2006 and 31 October 2010 there have been three occasions on which a taxpayer has sought to have a DPO set aside by a court. On two of these occasions the court set aside the DPO.

(5) The ATO does have the power to issue a DPO immediately following the setting aside of a previous DPO by a court.

On one occasion where the court set aside a DPO on technical grounds, the ATO issued a new DPO shortly afterwards based upon newly acquired information.

**Australian Taxation Office Portal**

(Question No. 181)

**Senator Cormann** asked the Minister representing the Treasurer, upon notice, on 3 November 2010:

(1) How many complaints have there been about the Australian Taxation Office portal (the ATO portal).

(2) What level of complaints have been received from each state and territory over each of the past 3 years in regards to the ATO portal.

(3) Are statistics maintained on the average length of time people are on the ATO portal, i.e. how long it takes people to perform a task; if so, what are those statistics for each of the past 3 years, broken down by state and territory.

(4) (a) What is the average length of time tax professionals have to wait before speaking to someone on your telephone support line; and (b) how has this figure changed over the past 3 years.

(5) (a) What percentage of callers hang up before they have finished their enquiry; and (b) how has this figure changed over the past 3 years.

**Senator Wong**—The Treasurer has provided the following answer to the honourable senator’s question:

(1) The complaints that the ATO classifies as ‘portal’ complaints can be broken down into complaints related to the portal itself, online security credentials, the digital certificates or AUSkey. The table below sets out the number of complaints received by the ATO since 1 July 2008 on these issues:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Portal complaints</th>
<th>Digital certificate complaints</th>
<th>AUSKey complaints</th>
<th>Total complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>28</td>
<td>12</td>
<td>N/A</td>
<td>40</td>
</tr>
<tr>
<td>2009-10</td>
<td>59</td>
<td>25</td>
<td>52</td>
<td>136</td>
</tr>
<tr>
<td>*2010-11</td>
<td>29</td>
<td>0</td>
<td>84</td>
<td>113</td>
</tr>
</tbody>
</table>

*To date – July to October 2010 inclusive

(2) The ATO is unable to provide a breakdown of the number of complaints about the portals received from each state or territory.

(3) The table below shows the average ATO portal session times comparing August, September and October 2010 data with the same period in 2009, which are the only active records available.

<table>
<thead>
<tr>
<th>ATO Portals</th>
<th>Session Average Time 2009</th>
<th>Session Average Time 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Portal</td>
<td>10:4 min/sec</td>
<td>07:42 min/sec</td>
</tr>
<tr>
<td>ATO Portals</td>
<td>Session Average Time 2009</td>
<td>Session Average Time 2010</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Tax Agent Portal</td>
<td>16:21 min/sec</td>
<td>15:21 min/sec</td>
</tr>
<tr>
<td>BAS Agent Portal*</td>
<td>08:52 min/sec</td>
<td>12:18 min/sec</td>
</tr>
</tbody>
</table>

* Known as BAS Service Provider View of the Portal until 18 August 2010

While the ATO has undertaken a number of major system upgrades this year, the ATO Portals themselves have undergone only minimal changes. The table below provides information on the average system response times. These figures are consistent with expected levels of system performance.

<table>
<thead>
<tr>
<th>Performance of common Portal functions</th>
<th>Page response time in seconds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1 - Functions that are accessed from the left hand ‘Start Here’ menu</td>
<td>0.776</td>
</tr>
<tr>
<td>Group 2 - Login page accessed after session time out</td>
<td>1.199</td>
</tr>
<tr>
<td>Group 3 - Client account list and all pages accessed from this list page</td>
<td>0.550</td>
</tr>
<tr>
<td>Group 4 - All pages which have a client search via Tax file number /Australian business number (TFN/ABN) option</td>
<td>0.958</td>
</tr>
<tr>
<td>Group 5 - Client report list</td>
<td>0.144</td>
</tr>
<tr>
<td>Group 6 - Client Activity Statement list and associated pages navigated to from the list screen</td>
<td>0.598</td>
</tr>
<tr>
<td>Group 7 - Client Registration details screen and associated pages navigated to from the details screen</td>
<td>0.407</td>
</tr>
<tr>
<td>Group 8 – General interest charge (GIC) related accounting screens</td>
<td>0.711</td>
</tr>
<tr>
<td>Group 9 - Screen functions group including: Sitemap, Further return not necessary/return not necessary (FRNN/RNN), User select Tax Agent number (TAN), Secondary user list, On demand report request and download</td>
<td>0.566</td>
</tr>
<tr>
<td>Group 10 - Submit Activity Statement from Tax Agent Portal (TAP)</td>
<td>1.558</td>
</tr>
</tbody>
</table>

The ATO is unable to break down the performance statistics by state or territory.

(4) and (5)

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** Note: The ATO’s tax agent telephony team in South Australia (Rundle) took over from the team based in Parramatta, NSW in September 2010; as Rundle are on Managed Network Services their call data is not included in these statistics. Once contact centres migrate to Managed Network Services in early 2011, Rundle’s data will be included in statistics of this type.

** Australian Taxation Office: Western Australian Small Business Liaison Group (Question No. 182)**

*Senator Cormann* asked the Minister representing the Treasurer, upon notice, on 3 November 2010:

Regarding the Western Australian Small Business Liaison Group (the Group) to the Australian Taxation Office (ATO) which has been in continuous operation since 1991, with regular quarterly meetings to discuss matters impacting the small business sector of Western Australia:

(1) Is the Treasurer, or his office, aware that the Group was unilaterally wound up by the ATO on 1 June 2010.

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**QUESTIONS ON NOTICE**
(2) Was the Minister, or his office, aware that the Group was wound up without the agreement of participants, who had no knowledge of the decision until the minutes of the meeting were circulated on 6 July 2010.

(3) Is the Minister, or his office, aware that the minutes of the final meeting of the Group are disputed by a number of participants, particularly on the issue of whether the winding up of the Group was agreed to.

(4) Did the ATO act at the direction of the Treasurer, or his office, in winding up the Group.

(5) Does the Treasurer believe that this Group should continue to exist to facilitate communication between small business organisations and the ATO.

(6) Will the Minister instruct the ATO to reconstitute the Group as a matter of urgency; if not, why not.

Senator Wong—The Treasurer has provided the following answer to the honourable senator’s question:

(1) As this is an administrative matter, the Australian Tax Office (ATO) would not normally advise the Treasurer of such decisions.

(2) The decision to dissolve the Western Australian Small Business Liaison Group (Group) rested with the ATO. The ATO reviews the operation of all its consultative forums annually. As part of the annual review process for this forum, the proposed dissolution of the Group was raised at the meeting on 4 December 2009. Members of the Group had raised very few matters for discussion over an extended period. The Chair of the Group agreed at the December 2009 meeting to take the Group’s comments to the ATO Executive for their consideration. Following this, the ATO agreed that the Group would continue for a further six months with the agenda to reflect the value the forum is designed to add, namely:

- an opportunity for consultation and co-design;
- an opportunity for the ATO to understand the industry; and
- discussions that add value and contribute to the ATO objectives and programs.

This was communicated to members of the Group via email on 24 February 2010. The meeting scheduled for March 2010 was cancelled due to the lack of agenda items.

The decision to dissolve the Group was again discussed at the 1 June 2010 meeting and recorded in the minutes of the meeting circulated to Group members on 6 July 2010.

The decision to dissolve the Group rested with the Chair and after consideration, it was decided that any member of the Group could contact the Chair directly and meet on an informal basis should the need arise.

(3) There were no issues or disputes raised by Group members at the time the minutes were circulated on 6 July 2010.

In September 2010, the Group Chair contacted some of the members to see if they had any matters that they would like to discuss. At this time, one of the members raised the issue of the Group being dissolved. A response explaining the background and reasons for the decision, as well as alternate arrangements for interested members to meet with the Chair on an informal basis as required was provided to members via email on 21 September 2010.

If participants of the Group are in dispute with the 6 July 2010 meeting minutes, then they should engage the ATO further on the matter.

(4) No, the decision to wind up the Group was not made at the direction of the Treasurer.
(5) This is a matter that relates to taxation administration and the ATO is best placed to determine its consultative arrangements in relation to such issues. If there are a significant number of issues raised in the future, the ATO will give consideration to re-establishing the Group.

(6) No, reconstituting the Group is a matter that relates to taxation administration, which is a matter for the Commissioner of Taxation.

Matthews Review

(Question No. 203)

Senator Humphries asked the Minister representing the Treasurer, upon notice, on 16 November 2010.

With reference to the Australian Government Actuary’s confidential submission to the Matthews Review (dated 6 August 2008), the Australian Government Actuary, Mr Michael Burt, states on page 5 that the proceeding cash tables on page 4 are ‘nominal values’ and have not been ‘discounted to give a 2009 value’ and that the department (as the Matthews Review sponsor) has replicated these figures in its own submission. Given that the total discount value in 2009 dollars would presumably be less than the total sum of the nominal values cited, can an explanation be provided as to why the unfunded liability figures contained in the ‘Unfunded Liability’ table on page 3 are significantly greater than the total sum of nominal values given (i.e. the total sum of nominal values for ‘MTAWE Only’ is $7.83 billion and for the ‘Greater of MTAWE & CPI’ is $11.48 billion as opposed to the total unfunded liability figures on page 3 of $10.3 billion and $15 billion respectively).

Senator Wong—The Treasurer has provided the following answer to the honourable senator’s question:

The additional unfunded liability figures represent the estimated discounted value of the additional cash flows resulting from the benefit changes in respect of service to 30 June 2009 ($10.3 billion for MTAWE and $15.0 billion for the greater of MTAWE and CPI). For brevity, the cash flows on page 4 showed the projected cash expenditure for each of the years from 2009/10 to 2019/20 and thereafter for each fifth year from 2024/25 to 2044/45 inclusive. When the intervening cash flows for the intermediate years are taken into account, the sum of the nominal cash flows is considerably greater than the unfunded liability. Furthermore, it should be noted that there are also amounts of additional expenditure in the years following 2044/45. Note that not all of the projected additional expenditure relates to service before 30 June 2009.

Agriculture, Fisheries and Forestry: Stationery

(Question No. 243)

Senator Humphries asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries in their portfolio:

(1) What has been the total amount spent on stationery and publications, including a breakdown of all spending.

(2) What has been the total amount spent on printing ministerial letterhead.

(3) What is the grams per square metre [GSM] of the ministerial letterhead.

(4) Is the letterhead carbon neutral.

Senator Ludwig—The answer to the honourable senator’s question is as follows:

(1) Since 14 September 2010 the total amount spent on stationery and publications in the minister’s and parliamentary secretary’s offices is as follows:

- minister’s stationery total is $2285.00 and publications total is $875.37
the parliamentary secretary’s stationery total is $3660.00 and publications total is $812.23.
The breakdown of the stationery for the minister’s office is:
• envelopes - $1790
• with compliments slips - $250.00
• A4 paper - $245.00.

The breakdown of the stationery costs for the parliamentary secretary’s office is:
• envelopes - $3170.00
• with compliments slips - $490.00
• no paper has been ordered in this time period.

The breakdown of the publications for the minister’s office and parliamentary secretary’s office includes magazine subscriptions, book purchases and newspapers. Owing to the reporting structure of the department’s corporate finance system the department is unable to disaggregate publication costs further.

(2) Both the minister and parliamentary secretary use electronic letterhead.
(3) The paper provided to the minister’s and parliamentary secretary’s offices for general printing needs is 80gsm.
(4) The paper provided to the minister’s and parliamentary secretary’s offices for general printing needs is not carbon neutral.

Resources and Energy: Stationery
(Question Nos 244 and 245)

Senator Humphries asked the Minister representing the Minister for Resources and Energy, upon notice, on 29 November 2010:

(1) What has been the total amount spent on stationery and publications, including a breakdown of all spending.
(2) What has been the total amount spent on printing ministerial letterhead.
(3) What is the grams per square metre [GSM] of the ministerial letterhead.
(4) Is the letterhead carbon neutral

Senator Sherry—The Minister for Resources and Energy has provided the following answer to the honourable senator’s question:

(1) Total spend $2,147.22 (excluding GST), a break down of the total spend is $1,093.43 – Stationery, $103.79 – Printing, $950.00 – Business cards.
(2) Nil, the Department of Resources, Energy & Tourism (RET) does not provide a ministerial letterhead for either Minister Ferguson or Minister Sherry. RET use a template that is stored in the department’s ministerial workflow system. Letters are then printed on standard A4 paper.
(3) The Standard A4 paper used to print all ministerial responses is 80gsm.
(4) The standard A4 paper use by RET is not carbon neutral (as confirmed by the supplier) although it is 80% recycled.

Climate Change and Energy Efficiency: Stationery
(Question No. 247)

Senator Humphries asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice, on 29 November 2010:

QUESTIONS ON NOTICE
Since 14 September 2010, for each Minister and any Parliamentary Secretaries in their portfolio:

(1) What has been the total amount spent on stationery and publications, including a breakdown of all spending.

(2) What has been the total amount spent on printing ministerial letterhead.

(3) What is the grams per square metre [GSM] of the ministerial letterhead.

(4) Is the letterhead carbon neutral.

Senator Wong—The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator’s question:

(1) Expenditure between 14 September 2010 and 29 November 2010 on stationery and publications for the Minister for Climate Change and Energy Efficiency and the Parliamentary Secretary for Climate Change and Energy Efficiency is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Stationery*</th>
<th>Newspapers</th>
<th>Magazines</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount spent</td>
<td>$607.50</td>
<td>$1,640.48</td>
<td>$103.35</td>
<td>$2,351.33</td>
</tr>
</tbody>
</table>

* Stationery covers paper products, which includes blank paper, pre-printed ministerial envelopes and ministerial ‘with compliments’ slips.

(2) to (4) The Minister for Climate Change and Energy Efficiency and the Parliamentary Secretary for Climate Change and Energy Efficiency do not use pre-printed ministerial letterhead stationery. The ministerial letterheads are stored electronically and printed onto the Department’s standard copy paper as required. The Department’s standard copy paper is of 80 GSM and is not carbon neutral, however it meets the requirements of the Corporate Express EarthSaver classification.

Defence

(Question No. 275)

Senator Humphries asked the Minister for Defence, upon notice, on 29 November 2011:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries within their portfolio:

(1) Do the Minister and Parliamentary Secretaries have access to a departmental credit card; if so, can a copy be provided of all bank statements.

(2) (a) How many mobile devices are provided to the Minister’s office; and (b) what is the total spend on mobile devices for each office to date.

(3) At what level is each staff member employed in the office.

(4) What has been the total cost of travel for the Minister and Parliamentary Secretaries.

(5) What has been the total travel for all staff, by office.

Senator Chris Evans—The answer to the honourable senator’s question is as follows:

(1) The Department of Defence does not provide departmental credit cards to their portfolio Minister’s or Ministerial staff employed under the Members of Parliament (Staff) Act 1984.

(2) (a) The table below provides details of the number of mobile devices that were allocated to the Minister’s and their Ministerial Staff as at 29 November 2010:

<table>
<thead>
<tr>
<th>Office of the Minister for Defence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Phones</td>
</tr>
<tr>
<td>Blackberries</td>
</tr>
<tr>
<td>Data Cards</td>
</tr>
<tr>
<td>iPads</td>
</tr>
</tbody>
</table>

Office of the Minister for Defence Science and Personnel

QUESTIONS ON NOTICE
Office of the Minister for Defence

<table>
<thead>
<tr>
<th>Mobile Phones</th>
<th>Nil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackberries</td>
<td>3</td>
</tr>
<tr>
<td>Data Cards</td>
<td>2</td>
</tr>
<tr>
<td>iPads</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Office of the Minister for Defence Materiel

<table>
<thead>
<tr>
<th>Mobile Phones</th>
<th>Nil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackberries</td>
<td>7</td>
</tr>
<tr>
<td>Data Cards</td>
<td>9</td>
</tr>
<tr>
<td>iPads</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Office of the Parliamentary Secretary for Defence

<table>
<thead>
<tr>
<th>Mobile Phones</th>
<th>Nil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackberries</td>
<td>3</td>
</tr>
<tr>
<td>Data Cards</td>
<td>3</td>
</tr>
<tr>
<td>iPads</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(b) The Department does not at this stage have any expenditure details for the cost of mobile devices for the current portfolio Ministers for the period 14 September to 29 November 2010.

(3) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 19 October 2010, the Department of Finance and Deregulation tabled with the Senate Finance and Public Administration Committee, Government Personnel Positions as at 1 October 2010.

The table below provides details of the number of departmental officers employed in the Ministerial offices for the period 14 September to 29 November 2010:

<table>
<thead>
<tr>
<th>Office</th>
<th>DLOs</th>
<th>ADCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Defence</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Minister for Defence Materiel</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence</td>
<td>1</td>
<td>Nil</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

* One ADC is shared between the offices of the Minister for Defence Science and Personnel and the Minister for Defence Materiel.

Under the relief staffing arrangements portfolio departments are responsible for providing relief staff for periods of up to 12 weeks. As at 29 November 2010, the Department had the following relief staffing arrangements in place in the various offices:

Office of the Minister for Defence

<table>
<thead>
<tr>
<th>APS Level</th>
<th>No. of relief staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL2</td>
<td>2</td>
</tr>
<tr>
<td>APS 6</td>
<td>1</td>
</tr>
</tbody>
</table>

Office of the Minister for Defence Materiel

<table>
<thead>
<tr>
<th>APS Level</th>
<th>No. of relief staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL2</td>
<td>1</td>
</tr>
<tr>
<td>A/EL2</td>
<td>1</td>
</tr>
<tr>
<td>APS 6</td>
<td>2</td>
</tr>
</tbody>
</table>
Office of the Minister for Defence
Office of Parliamentary Secretary for Defence Support

APS Level No. of relief staff
APS 6 1

The Department did not provide any relief staff to the office of the Minister for Defence Science and Personnel.

(4) and (5) The costs of official travel by Ministers, Parliamentary Secretaries and accompanying staff employed under the Members of Parliament Staff (Act) 1984 are largely paid by the Department of Finance and Deregulation. As such, with the exception of those costs listed below, the information sought will be tabled by the Special Minister of State in the last sitting week of June 2011 in his six-monthly report on Parliamentarians Travel Paid by the Department of Finance and Deregulation.

The table below provides details of the total departmental costs (GST exclusive) of short-term transport for each Minister, which includes the use of self-drive short-term hire cars, taxis and COMCAR usage for the period from 14 September to 29 November 2010:

| Minister for Defence          | $5,076.11 |
| Minister for Defence Science and Personnel | Nil |
| Minister for Defence Materiel | $4,407.07 |
| Parliamentary Secretary for Defence Support | $2,353.99 |
| **Total Cost**                | **$11,837.17** |

The table below provides details of the total cost of travel (GST exclusive) undertaken by departmental staff employed in each Ministerial office for the period from 14 September to 29 November 2010. Departmental staff includes departmental liaison officers, Aides-de-Camps and departmental officers employed under the relief staffing arrangements:

| Office of the Minister for Defence | 6 | $34,780.50 |
| Office of the Minister for Defence Science and Personnel | 2 | $5,869.67 |
| Office of the Minister for Defence Materiel | 5 | $4,397.48 |
| Office of the Parliamentary Secretary for Defence | 2 | $3,058.52 |
| **Total** | **15** | **$48,106.17** |

**Agriculture, Fisheries and Forestry**

(Question No. 285)

Senator Humphries asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries within their portfolio:

(1) Do the Minister and Parliamentary Secretaries have access to a departmental credit card; if so, can a copy be provided of all bank statements.

(2) (a) How many mobile devices are provided to the Minister’s office; and (b) what is the total spend on mobile devices for each office to date.

(3) At what level is each staff member employed in the office.

(4) What has been the total cost of travel for the Minister and Parliamentary Secretaries.

(5) What has been the total travel for all staff, by office.
Senator Ludwig—The answer to the honourable senator’s question is as follows:

(1) No.

(2) (a) The minister and his ministerial staff are provided with 12 blackberries and 13 data cards. The parliamentary secretary and his staff are provided with two mobile phones, three blackberries and three data cards. No mobile phones are provided to the minister or his staff. (b) The total spend on mobile devices for the minister’s office is $10,499.65 to 30 November 2010. The total spend for the parliamentary secretary’s office is $4,460.98 to 30 November 2010.

(3) The employment of staff under the Members of Parliament (staff) Act 1984 is administered by the Department of Finance and Deregulation (DoFD). On 19 October 2010, the DoFD tabled with the Senate Finance and Public Administration Committee, Government Personal Positions as at 1 October 2010.

(4) The costs of official travel by ministers, parliamentary secretaries and accompanying staff employed under the Members of Parliament (Staff) Act 1984 are largely paid by the DoFD. As such, with the exception of those costs listed below, the information sought will be tabled by the Special Minister of State in the last sitting week of June 2011 in his six-monthly report on parliamentarians travel paid by the DoFD.

As at 29 November 2010, the total cost of short-term transport (such as hire cars and taxis) for the minister were $2,005.21 and for the Parliamentary Secretary were $2,090.94.

(5) As at 29 November 2010 the minister’s staff travel costs were $450.09. There were no travel costs associated with the parliamentary secretary’s staff.

Climate Change and Energy Efficiency
(Question No. 289)

Senator Humphries asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries within their portfolio:

(1) Do the Minister and Parliamentary Secretaries have access to a departmental credit card; if so, can a copy be provided of all bank statements.

(2) (a) How many mobile devices are provided to the Minister’s office; and (b) what is the total spend on mobile devices for each office to date.

(3) At what level is each staff member employed in the office.

(4) What has been the total cost of travel for the Minister and Parliamentary Secretaries.

(5) What has been the total travel for all staff, by office.

Senator Wong—The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator’s question:

(1) The Minister and Parliamentary Secretary do not have access to a departmental credit card.

(2) (a) The Department has issued 24 Blackberry units (including Blackberry Enterprise Service Licences and accessories) and 15 Data SIM cards to the Minister’s Office. (b) The total spend on provision of mobile devices and usage costs for the period 17 September 2010 to 16 November 2010 for the Minister’s and Parliamentary Secretary’s Offices was $36,333.79. The amount for each Office is listed below:

Minister Combet’s Office $29,421.02
Parliamentary Secretary Dreyfus’ Office $6,912.77
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(3) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation (DoFD). On 19 October 2010, DoFD tabled with the Senate Finance and Public Administration Committee, Government Personal Positions as at 1 October 2010.

(4) The costs of official travel by Ministers, Parliamentary Secretaries and accompanying staff employed under the Members of Parliament (Staff) Act 1984 are largely paid by DoFD. As such, with the exception of those costs listed below, the information sought will be tabled by the Special Minister of State in the last sitting week of June 2011 in his six-monthly report on Parliamentarians’ Travel Paid by the Department of Finance and Deregulation. As at 29 November 2010, the total cost of short-term transport (such as hire cars and taxis) was $2,373.69.

(5) The Special Minister of State will respond on behalf of other Ministers.

Family Court of Australia
(Question No. 310)

Senator Ludlam asked the Minister representing the Attorney-General, upon notice, on 6 December 2010:

With reference to the Family Court of Australia and waiting times for trial:

(1) Given that the waiting time before trial for the Family Court of Western Australia has recently reached 2 years, is there a similar waiting time in the Family Court of Australia.

(2) Has the waiting time for trial increased in the past 12 months to 2 years.

(3) What measures does the Family Court of Australia currently implement to ensure the waiting list for trial remains at a minimum.

Senator Ludwig—The Attorney-General has provided the following answer to the honourable senator’s question:

(1) In the Family Court of Australia in 2009-10, 91% of all applications were finalised within 12 months. This is an increase from 89% in 2008-09 and represents an ongoing improvement in the percentage of applications finalised by the court within 12 months. For those matters going to trial, the time taken from filing to commencement of trial was 16.1 months in 2008-09 and 13.2 months in 2009-10.

(2) As indicated in question (1), the waiting time from filing to commencement of trial in the Family Court of Australia has decreased over the last two financial years.

The Family Court of Australia also achieved a 100% clearance rate in 2009-10, indicating that the court is keeping up with its new work and preventing an increase in its backlog of pending cases.

(3) The Chief Justice of the Family Court of Australia, along with the Chief Federal Magistrate, has published a protocol for the division of work between the Family Court of Australia and the Federal Magistrates Court. This enables litigants and their representatives to direct their family law applications to the most appropriate court to deal with the matter, reducing the need for transfers between the courts.

The Family Court of Australia has an ongoing monitoring process for workloads and shifts resources across registries, as required, to manage workloads.

During 2009-10, the court undertook a review of its oldest active cases to better understand the causes of the delay and determine ways in which they could be dealt with more appropriately. The benefits of the review are expected to materialise in 2010-11.
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Australian Law Reform Commission
(Question No. 311)

Senator Ludlam asked the Minister representing the Attorney-General, upon notice, on 6 December 2010:

With reference to recent Australian Law Reform Commission (the Commission) funding cuts of $242,000 in the 2010-11 financial year and $495,000 in the 2011-12 financial year, and the latter figure representing about 20 per cent on 2009-10 levels:

(1) What have these cuts meant for the Commission.
(2) Have staffing levels been reduced.
(3) Will the cuts in funding result in less publications, inquiries and submissions being made to parliamentary inquiries compared to prior to the 2009-10 financial year.

Senator Ludwig—The Attorney-General has provided the following answer to the honourable senator’s question:

(1) What have these cuts meant for the Commission?

These funding reductions were consistent with the Government’s approach to fiscal restraint. It is a matter for the Commission’s Board of Management to determine how best to use its allocated budget to ensure that its functions are carried out appropriately within its allocated budget.

(2) Have staffing levels been reduced?

In 2008-09, the Commission had a President, 2 full-time members and 2 part-time members. The Commission currently has a President and 4 part-time members. The Government is making greater use of short term appointments to enable eminent persons who are experts in relevant fields to contribute to particular references. In addition to its members, the Commission’s full-time equivalent staffing level was 20 FTE on 30 June 2010. In the previous year, the Commission’s full-time equivalent staffing level was 18 FTE on 30 June 2009.

(3) Will the cuts in funding result in less publications, inquiries and submissions being made to parliamentary inquiries compared to prior to the 2009-10 financial year?

The Government considers that the Commission is appropriately resourced to carry out its statutory functions. The operations of the Commission, including submissions made to parliamentary inquiries, are a matter for the President of the Commission to determine and vary from time to time depending on relative priority and the option of utilising electronic means of communication.

Extradition Treaties
(Question No. 312)

Senator Ludlam asked the Minister representing the Minister for Justice, upon notice, on 6 December 2010:

With reference to Australia’s extradition treaties:

(1) What standard does the Minister apply when deciding whether deportation is appropriate when extraditing individuals to countries with which Australia does not have an extradition agreement.
(2) Would the Minister apply ‘a no-evidence’ standard as 30 out of our 35 extradition treaties currently do.
(3) Would the Minister ensure a requirement that the requesting state has ratified the International Covenant on Civil and Political Rights (ICCPR), or that their judicial and correctional systems are known to be compliant with rights contained in the ICCPR.
(4) Why does every Australian extradition treaty not apply the standards and safeguards of the United Nations Model Treaty on Extradition but rather pick and choose which safeguards to apply.

_Senator Ludwig_—The Acting Minister for Justice has provided the following answer to the honourable senator’s question:

(1) Under the Extradition Act 1988 (Cth), Australia can only consider extradition requests from a country that is declared by the regulations to be an ‘extradition country’. The Extradition Act adopts the ‘no evidence’ standard as the applicable evidentiary standard for extradition requests. The ‘no evidence’ standard applies to any extradition request from an ‘extradition country’ with which Australia does not have an extradition agreement, unless a modified standard applies to the country by virtue of applicable regulations.

The ‘no evidence’ standard does not mean ‘no information’. Rather it means the information required for extradition does not need to include actual evidence of the alleged offence (for example, sworn affidavits). To satisfy the ‘no evidence’ standard the requesting country must provide certain information, including a comprehensive description of the conduct constituting each alleged offence for which extradition is sought. This information must be sufficient to allow appropriate consideration whether, if the alleged conduct had taken place in Australia at the time the extradition request was received, it would constitute an offence under Australian law (the ‘dual criminality’ requirement).

(2) See response to (1) above.

(3) There are a range of matters that a magistrate and the Minister must consider in an extradition matter before a person can be surrendered to a foreign country. In determining eligibility for surrender, the magistrate is required to consider whether dual criminality can be established and whether there are substantial grounds for believing there is an ‘extradition objection’ under the Extradition Act. In making a final determination whether a person should be surrendered under the Extradition Act, the Minister is required to consider whether there is an extradition objection, as well as other factors such as whether the person would be subjected to torture on surrender and whether, in the case of offences which carry the death penalty, an appropriate undertaking has been given by the requesting country.

There is no general requirement under Australian extradition legislation that a requesting country be a party to the International Covenant on Civil and Political Rights (ICCPR). However, under the Extradition Act, a person cannot be surrendered to the requesting country if:

(a) he or she would be subjected to torture

(b) on surrender, he or she may be prejudiced at his or her trial, or punished, detained or restricted in his or her personal liberty, by reason of his or her race, religion, nationality or political opinions

(c) extradition is actually sought for the purpose of prosecuting or punishing the person on account of his her race, religion, nationality or political opinions

(d) extradition is sought for a political offence

(e) extradition is sought for a military offence only

(f) he or she has been acquitted or pardoned by a competent tribunal or authority in the requesting country or Australia, or has undergone the punishment provided by law, in respect of conduct that constitutes the offence for which extradition is sought, or

(g) the death penalty applies to the offence and an undertaking has not been given by the requesting country that the death penalty will not be imposed, or if imposed, not carried out.

In addition to these safeguards, the Minister has a general discretion whether to surrender the person. In the exercise of this discretion the Minister can take into account any relevant matter.
(4) Treaties are negotiated instruments which reflect the domestic requirements of each party and the circumstances in which they are negotiated.

The United Nations Model Treaty on Extradition was developed ‘as a useful framework that could be of assistance to States interested in negotiating and concluding bilateral agreements’. It was not intended to be authoritative and countries are not required to adopt provisions identical or similar to the Model Treaty’s provisions.

As it was intended to be used as a model treaty for any country, the Model Treaty was developed without reference to the existing domestic and international safeguards which apply in individual countries. Australia already has in place a number of domestic and international protections which are applicable to the extradition process.

In Australia, human rights protections applicable specifically to the extradition process are included in the Extradition Act and in individual bilateral extradition treaties. Australia also has non-refoulement obligations under international human rights treaties in relation to persons subject to its jurisdiction. These obligations require that a person cannot be extradited or otherwise removed to a country if there are substantial grounds for believing that a person would be in danger of being subjected to:

(a) arbitrary deprivation of life;
(b) application of the death penalty;
(c) torture; or
(d) cruel, inhuman or degrading treatment or punishment.

**Australian Safeguards and Non-Proliferation Office**

*(Question No. 329)*

**Senator Ludlam** asked the Minister representing the Minister for Foreign Affairs, upon notice, on 6 December 2010:

With reference to the Australian Safeguards and Non-Proliferation Office:

(1) Has the timing for Mr Carlson’s departure been determined.
(2) Can an update be provided on Mr Carlson’s replacement and the recruitment process for this position.

**Senator Conroy**—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

(1) Mr John Carlson’s appointment as Director General ASNO ended on 1 October 2010.
(2) Dr Robert Floyd commenced a five-year appointment as Director General ASNO on 6 December 2010.

**Austrade**

*(Question No. 330)*

**Senator Ludlam** asked the Minister representing the Minister for Foreign Affairs, upon notice, on 6 December 2010:

Has Austrade provided any services, assistance or grants to Australian companies investing, or doing business, in Burma; if so, can a detailed explanation be provided of those services.

**Senator Conroy**—The Minister for Trade has provided the following answer to the honourable senator’s question:
Austrade does not have a presence in Burma, which is covered by Austrade’s Bangkok office. The Bangkok office has received occasional enquiries from Australian companies seeking generic information regarding trade opportunities in Burma. In all cases, enquiries were referred to the Australian Embassy in Burma.

Austrade has not provided direct services to Australian companies seeking to develop trade opportunities in Burma. In the most recent financial year, 2009–10, Austrade paid Export Market Development Grant (EMDG) scheme grants to two companies who listed Burma in their top six export destinations.

Climate Change and Energy Efficiency
(Question No. 339)

Senator Ludlam asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice, on 6 December 2010:
With reference to my question without notice asked to the Minister representing the Minister for Climate Change and Energy Efficiency on 27 October 2010 (Senate Hansard, pp 922-4) and the additional information incorporated on 16 November 2010 (Senate Hansard, pp 24-5):
(1) Can the projected annual greenhouse gas emissions listed below for the following new liquefied natural gas (LNG) projects be confirmed:
   (a) the Gorgon Project on Barrow Island, Western Australia, currently under construction by the Australian subsidiaries of Chevron, ExxonMobil and Shell—5.45 mtpa to 8.81 million tonnes per annum (mtpa) (depending on whether geo-sequestration occurs), according to pp 30-1 of the report *Gorgon Gas Development Revised and Expanded Proposal: Barrow Island Nature Reserve, Chevron Australia Pty Ltd, Report and recommendations of the Environmental Protection Authority* (Environmental Protection Authority Perth, Western Australia, Report 1323);
   (b) Woodside’s Pluto LNG Project on the Burrup Peninsula — 4.1 mtpa, according to p. 23 of the report, *Pluto LNG Development, Burrup Peninsula: Woodside Energy Ltd, Report and recommendations of the Environmental Protection Authority* (Environmental Protection Authority Perth, Western Australia, Report 1259);
   (c) the Browse Basin hub proposed at James Price Point — 7.1 mtpa to 32 mtpa, (depending on whether 11 mtpa or 50 mtpa of LNG is produced) according to pp 81-2 of the document, *Browse LNG Precinct, Public Information Booklet* (Western Australian Department of State Development);
   (d) Chevron’s Wheatstone Project proposed at Ashburton North — 10 mtpa to 15 mtpa (once at 25 mtpa of LNG production), according to p. 5 of the document, *Wheatstone Project: Environmental Scoping Document* (Chevron Australia Pty Ltd); and
(2) Will the projects listed above, if fully developed (and assuming Gorgon partly geo-sequesters its emissions), alone add up to 58.85 mtpa of additional greenhouse gas emissions to Australia’s national total, equivalent to a 11 per cent increase on current total national greenhouse gas emissions.
(3) Will greenhouse gas emissions from just the proposed Browse Basin gas processing hub at James Price Point be equivalent to 2 per cent to 6.5 per cent of Australia’s total national greenhouse gas emissions, as described on p. 2 of the document, ‘Browse LNG Precinct Factsheet 06’ (Western Australian Government).
(4) Does the Government intend to apply a carbon price to the LNG export industry, in particular, high-emitting projects such as the Browse Basin hub.
(5) Is the Government aware that apart from the Gorgon Project, the proposed LNG projects listed above do not currently have plans to capture and store their CO2 emissions.

(6) Which minister will be responsible for a response from Government should proponents of high greenhouse gas emitting projects seek a repeat of the precedent established by the Government over the Gorgon Project whereby taxpayers are made liable should CO2 sequestered underground leaking.

Senator Wong—The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator’s question:

(1) The Department of Climate Change and Energy Efficiency (the Department) has examined the source documents provided for each of the projects referenced in the question and noted the points below in relation to emissions estimates for each project.

The Government does not support the unqualified use of these referenced emissions outcomes as a basis for estimating future emissions in Australia. Each of these projects are at different stages of scoping and development. It would be misleading to simply aggregate these emission estimates as a representation of medium-term emissions from the liquefied natural gas (LNG) sector. To do this would ignore the fact that many projects could be subject to delays or may not be fully developed, which largely depends on the global supply and demand outlook for energy. The Department does not publish project specific estimates of emissions from future projects due to the commercial sensitivity of this information.

(a) The Department confirms the estimate of 5.45 million tonnes per annum (mtpa) CO2 equivalent (CO2-e) is explicitly referenced on page 31 of the Gorgon source document referenced in the question.

The Government notes that the Gorgon project has received environmental approval on the basis that geosequestration occurs as designed.

(b) The Department confirms the estimate of 4.1 mtpa CO2-e is explicitly referenced on page 23 of the Pluto source document referenced in the question.

The Department notes that the referenced document refers to a development scenario of two trains, each with a 6 mtpa LNG capacity. The Department notes that the current design scenario of the under-construction first train has a design capacity of 4.3 mtpa LNG. Final investment decisions for a second and third train, each with the same capacity, have not been made.

(c) The Department confirms the estimate range of 7.1 to 32 mtpa CO2-e (depending on whether 11 mtpa or 50 mtpa of LNG is produced) can be determined from the source document referenced in the question. The Department notes that the source document at page 8 states the following in relation to the 50 mtpa LNG production scenario:

(i) “The Department of State Development established the basic requirement of the Master Plan to allow for: A total of up to 50 million tonnes per annum of LNG capacity; and provide for multiple proponents to build and operate LNG facilities in the Precinct.”

(ii) It is important to recognise the distinction between aspirational and ‘central-estimate’ production scenarios. This difference is particularly demonstrated by the wide range in possible output of this project.

(d) The Department confirms the estimate of 10 to 15 mtpa CO2-e over the life of the project should the project achieve its full 25 mtpa LNG capacity is explicitly referenced in the source document referenced in the question.

(e) The Department confirms that the forecast estimate of 2.3 mtpa CO2-e is explicitly referenced in the source document.
(2) The aggregate of the emissions estimates referenced in part (1) is 58.85 mtpa CO2-e, assuming these projects are fully developed as stated in the question. This quantum of emissions is equivalent to 11 per cent of national greenhouse gas emissions levels in 2009-10, excluding emissions from the Land Use, Land Use Change and Forestry activities under article 3.3 of the Kyoto Protocol, for which data is not yet available (Source: Quarterly Update of Australia’s National Greenhouse Gas Inventory June Quarter 2010).

As stated in the response to part (1), the Government does not support the unqualified use of these referenced emissions outcomes as a basis for estimating future emissions in Australia. Each of these projects are at different stages of scoping and development. It would be misleading to simply aggregate these emission estimates as a representation of medium-term emissions from the LNG sector. To do this would ignore the fact that many projects could be subject to delays or may not be fully developed, which largely depends on the global supply and demand outlook for energy.

(3) The source document referenced reports that the indicative emissions scenarios for the Browse precinct development represent between 2.0 and 6.5 per cent of Australia’s domestic emissions. As highlighted in the responses to parts (1) and (2), and without prejudice to this project, the Government does not support the unqualified use of these referenced emissions outcomes as a basis for estimating future emissions in Australia. Such an approach ignores the fact that many projects are often the subject of delays or may not be fully developed.

(4) The Government believes putting a price on carbon is the most effective way of tackling climate change. The options for developing a carbon price mechanism, including issues such as coverage, are the subject of consideration by the Multi-Party Climate Change Committee (MPCCC). The Australian Greens are represented on the MPCCC.

(5) The Government has not mandated the capture and storage of CO2 emissions from every future LNG project developed in Australia, or Australian waters. The implementation of a carbon price in Australia will be the most efficient and effective way to reach our emission reduction goals.

(6) The Government’s decisions in relation to the Gorgon Project were whole of government decisions. Those decisions result from the unique circumstances surrounding that project and do not establish any precedents for the treatment of future projects.

Future projects falling entirely within Commonwealth jurisdiction would be governed by the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (the Act), and decisions would be made by the Minister responsible for administration of the Act.